

Case Analysis of Jellycat's Marketing Strategies Based on the 4p Theory

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Abstract. As of July 2024, there have been more than 610,000 notes on Jellycat-related topics on XiaoHongShu and the number of views on related topics on TikTok is as high as 800 million. Jellycat gained a very high brand awareness in the Chinese market. Jellycat's emotional promotion and its marketing methods will be analysed. Firstly, Jellycat's product design employs the personification and creative inspiration of common items. Jellycat's anthropomorphic toys assist consumers experiencing stress and solitude during their social development by fostering emotional connections. Secondly, Jellycat harnesses the power of social media influencers to bolster brand recognition and foster customer loyalty. Due to the large amount of traffic and social media awareness achieved through comprehensive cooperation with key opinion leaders, the Jellycat brand has a large number of followers on various social media platforms and enjoys a strong preparation for consumers to buy its products. This article suggests that brands should officially institute social media forums to reinforce these emotional bonds, enhance customer engagement, and bolster brand loyalty.

1 Introduction

Since 2019, covid-19, the serious pandemic which has lasted for three years and caused a certain decline in the global economic level. According to TianMao's (China online shopping channel) data, the sales volume of Jellycat's Double Eleven Shopping festival (11th of November) products in 2023 increased by 44.8% year-on-year, and sales increased by more than 70% year-on-year, becoming the brand with the highest sales in the plush fabric category, even surpassing Disney, not only is the domestic sales eye-catching, but Jellycat's financial data is also very worth analysing. In 2022, Jellycat's annual revenue was 146 million pounds, an increase of 72% year-on-year. Among these sales data, the gross profit margin is 61%, the net profit margin is 30%, and the net profit is 43 million pounds, an increase of 83% year-on-year. It is worth mentioning that Jellycat's Rate of Return on Common Stockholders' Equity has been maintained at 100% for several consecutive years.

Jellycat can maintain the trend of increasing turnover in the context of the global economic downturn, which is something that its competitors and brand case analysts care about and are curious about. In the brand promotion of social media involved, Xiaohongshu

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is the main publicity channel of Jellycat. By implanting high empathy emotional elements in the notes, it sets off a healing emotional atmosphere in Xiaohongshu.

The paper critically evaluates the emotional marketing strategies employed by the Jellycat brand using 4P theory. This case study on the brand may also serve as a valuable reference for other companies' marketing strategies.

2 Case description

2.1 A brief history of the brand

Jellycat is a UK-based gift brand founded in 1999 by brothers William Gatacre and Thomas Gatacre. The brand focuses on the design and manufacture of plush toys, and its products are known as "the world's softest comfort toys".

The brand was born in the 1990s. The two founders were dissatisfied with the rigid design in the doll market that made animal dolls look like specimens. In order to break this aesthetic limitation, they created the brand JellyCat and decided to inject more elements similar to Jellycat into their product design. This concept is also perfectly demonstrated in its Amuseable series, which contains products design from animals to plants, to daily necessities and food. JellyCat uses its unique design language to add cute bean eyes, forming a simple and recognizable iconic design for each product. Nowadays, these iconic "bean eye" designs have gradually become the representative symbol of the brand, making its products emerge in the market.

2.2 Overall descriptions of the corporation

Jellycat headquartered in London, United Kingdom, with 172 employees. The brand name Jellycat is taken from the founder's four-year-old son, a little boy who likes jelly and cats. He said the word "JellyCat" in a dream and became the brand name of his father's company. This is an interesting combination of words and is very suitable to express the unique, soft and healing style of the brand.

2.3 The market share and the revenue per last year available

Jellycat, according to the financial statement data as of December 31, 2022. Company revenue total, 146287234 pounds, gross profit total 88704489 pounds, operating profit total 53989198 pounds, Finance income total 618465 British pound, Profit before tax totals 54308299 pounds. The total annual income is £43409, 708 [1].

2.4 The products it makes

In Jellycat's official website, there are currently two main series, Animals and the Amuseable series. Additionally, there are numerous sub-series within the JellyCat line up, such as the bear series, which includes Strawberry Bear and Nightwear Bear. Taking the animal series for example, in this one series there are more than 400 products.

JellyCat's products are designed according to different colours, sizes, uses and target audiences.

3 Marketing strategies analysis based on the 4P

3.1 Product

Excellent product design and current settings establish a strong emotional connection between Jellycat and its customers. Due to contemporary and growing social needs, people are facing more and more sense of loneliness and anxiety. Jellycat has soothing and therapeutic properties, which resonates strongly in this environment. Psychologist Donald Winnicott proposed that fuzzy toys can serve as "transition objects" to create a sense of softness and stability that people of all ages may desire [2].

The toys provided to children should also be given the characteristics of the adult world, so that adults also like to play with them, increase sales and effectively market goods. Marianne Szymanski investigated the qualities of toys in different age groups and how to promote items based on these qualities [3]. In this case, very Jellycat doll is not only a product, but also an "emotional sustenance", which can add tenderness and comfort to people's daily life. This deep-rooted emotional connection makes JellyCat's products unique in the market. Traditional plush toy manufacturers only simplify the design of toys based on real animal images, which is very rigid and similar. However, Jellycat's design breaks this trend. With keen fashion awareness, advanced imagination and creativity, Jellycat anthropomorphizes animals, plants, vegetables and other images to create a unique doll design. Jellycat also emphasizes the emotional value of the product, giving consumers the confidence to get warmth and companionship after buying their plush toys.

Consumers are encouraged to interact with plush toys, such as telling them stories and taking them out on a trip. While bringing plush toys closer to customers and improving customers' innovative awareness of toys, this kind of behaviour will cultivate an amazing sense of happiness, which is the power of anthropomorphism.

Research shows that the anthropomorphism of brand projects can increase customers' imagination, strengthen brand-consumer relations, and ultimately increase sales [4]. In another study, it can be found that brand memory is important in the purchase of any product category and is closely related to the purchase behaviour [5]. This strategy has generated a strong customer loyalty foundation. In addition, the brand strictly supervises the quality and safety of products, using high-quality fabrics and environmentally friendly fillers to ensure that the products are beautiful and safe, and therefore occupies the forefront of the maternal and infant products market. On the whole, jelly cat is highly sensitive to social emotions, and the emotional marketing method to find business opportunities is very wise and avant-garde.

3.2 Price

Setting the right price is pivotal for any business, and offering prices below those of similar competitors can help attract a larger market share. Typically, when prices rise, customers are less inclined to make a purchase. For instance, a study by Kaliji et al. on consumer preferences for dairy products, employing the Nested Logit model, found that as the cost increases, the likelihood of people choosing dairy products diminishes [6]. However, from the jelly cat data published in Taobao flagship store, it can be seen that the pricing of Jelly cat is a high-end gift positioning. The average price of 9~31cm dolls is 199 yuan to 279 yuan the price of 108cm dolls is about 1699 yuan, and the price of other sizes is basically between 149 yuan and 999 yuan, and the sales volume did not go downwards.

The reason why Jellycat's plush toys are relatively expensive is due to its high-quality materials, unique design and brand premium.

3.3 Place

Jellycat's stores are divided into online sales, physical stores, and global distribution networks. Taking the online sales for first extended explanations, Jellycat carries out online sales through e-commerce platforms and official websites, and use convenient online shopping experience to attract consumers.

Secondly, while mentioning its physical store sales, the brand also has physical stores in many places around the world, providing consumers with opportunities for offline purchase and experience. Lastly, is about its global distribution network, by establishing a global distribution network, this paper can ensure that its products can cover a wider market and meet the needs of consumers in different regions.

The main online sales channel of Jellycat is the official website, which displays various series of products, introduces the characteristics and story background of each product in detail, and provides online purchase functions. In addition, there are clear partitions on the official website, including baby gifts, holiday style gifts, backpacks, picture books and other categories, covering a wide range to meet the consumption needs of sub-groups.

In addition, fans could also write comments on the official website. Some reports show that 80% of consumers will look for websites with product reviews, and the same number of people (80%) attach more importance to photos posted by consumers than those provided by brands or retailers. Every loyal fan writes not only a shopping feedback in the comment area, but also a touching narrative of their emotional connection with the product, which can provide valuable feedback to potential customers and attract orders.

In addition to the official website, after entering the domestic market in 2013, Jellycat also followed the buying habits of Chinese people and launched the Tianmao International Flagship Store in 2015.

3.4 Promotion

Firstly, Jellycat collaborates with maternal and infant bloggers, couple bloggers, as well as beauty bloggers, to integrate therapeutic elements into their musings. This synthesis positions owning a collection of Jellycat items as synonymous with experiencing joy and presenting jellycat as an expression of love. By extension, enabling more users to partake in the Jellycat phenomenon equivalent to embracing happiness.

Secondly, young people are increasingly pursuing spiritual "healing" after work, and many Jellycat dolls are made into emoji in order to help young people release their negative mood and emotion. After gaining insight into this communication trend, Jellycat launched the "Everything can be Jellycat" P-map activity to convey the attitude of the brand to understand contemporary young people and let users pay for the emotional value provided by the brand. The customers' age range of Jellycat is shown in figure 1.

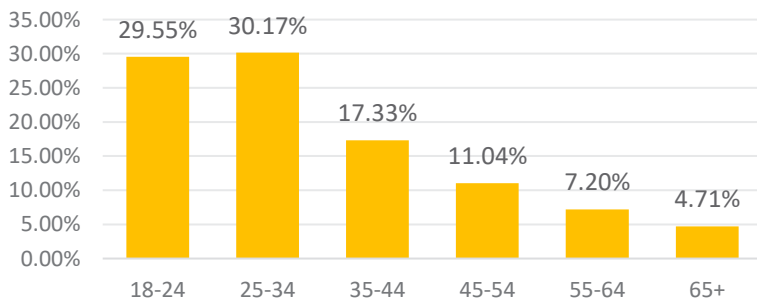


Fig. 1. Demographic of Jellycat's consumer [7]

Not only that, Jellycat also stimulates users' self-transmission through appropriate guidance and communication and sets off an emotional atmosphere in the Xiaohongshu. For example, through the "Retired Doll" page, naming each doll, introducing the story of each doll on the sales page in a childlike tone, Jellycat continuously deepens the emotional link between users and dolls. In addition, the account often releases some "life details" of dolls. Take the Clooney Rooster as an example, who shows in the fitness pictures after the Spring Festival, panda dolls take big head stickers and animated videos of snails going to the laundry room, encourage users to have emotional interaction with dolls.

Firstly the limited-time special offers and buy-free service, to be specific, brands often launch limited-time special promotions and buy-free activities to stimulate consumers' desire to buy and increase product sales. The social media marketing is also worth mentioning. Jellycat is good at applying social platforms for fission transmission. Through cooperation with maternal and infant bloggers and couple bloggers, it strengthens the emotional expression of products and successfully attracts the attention of the younger generation. In addition, through the offline promotional activities, such as exhibitions and shopping mall tours, consumers would have opportunities to get contact with products. For producers, this will let their consumers enhance their confidence in purchasing, and increase their profit.

After forming a certain brand awareness, Jellycat successively opened flagship stores on Tmall, JD.com and Koala platforms in 2018, constantly creating convenient conditions for consumers to "krypton". Jellycat hardly does not offer discounts, but participates in platform activities once a month. Before the activity, it will basically be warmed up in advance. Users can follow the store to know the details of the activity at any time. In addition, Jellycat will also hold Jellycat award collection activities to attract users to spread.

4 Recommendations

With regard to the brand's main competitors, Jelly cat's main competitors are Sanrio, Disney doll, Alligator, Impression Glass and Fisher Price brands. As the researcher Hogan talked about the importance of "trust" in the children's consumption market, emphasizing that trust is the basis of consumption [8]. Due to the uniqueness of the children's market, trust in consumer goods is more fragile, and trust promotes the use of products. The activity of selling plush toys to adults, including jelly cat, which has been popular on social platforms in the past two years. From Bunny rabbits and Barcelona bears to rotting puppies and the Internet meme sensation, the Jellycat trend continues to grow.

With the change of audience in the toy market, plush products are not only toys in the hands of children, but also the number of toys purchased by adults. After they bought it, some of them were given as gifts to their relatives and friends, and some simply took them home and played with them. This is also inseparable from the satisfaction of the psychological needs of contemporary young people by plush dolls. This emotional attachment to the brand fuels the shopper's desire to buy. According to research, when the emotional connection is very close, it will lead to ultimate loyalty, leading customers to "overcome difficulties and buy at all costs" [9]. Research also shows that community marketing is more effective than traditional methods; it makes communication between customers and consumers possible and allows brands to gain consumer trust through product evaluation [10]. This aims to increase popularity and increase customer loyalty [10].

4.1 Generation Z's unique pets

First of all, the doll has its own emotional companionship attribute. Cigna, an American health service company, reported in a survey of urban residents in the United States in 2019

that young people have the strongest sense of loneliness. The average score of loneliness in Generation Z is as high as 48.3, which is much higher than that of 38.8 in the 72-year-old group. Pets can provide companionship, but many people do not have enough time and energy to take care of them. Plush toys only need one purchase and subsequent cleaning, and they can be owned for a long time. It does not take time and effort, and it will never change owner's heart or betray. It can give adults an eternal sense of security. In addition to the sense of companionship, some adults will want to compensate themselves in revenge because they have no dolls in their childhood. In addition, some adults will want to experience the feeling of returning to childhood and receiving childlike care and care by touching the dolls because their adult life is not satisfactory. Psychoanalyst Donald.W. Winnicott's concept of "transitional object" shows that children will find a second attachment outside the mother. For adults who come to strange environments, experience trauma or loss, they also need transitional items to provide emotional support, emotional attachment and psychological strength.

Under the guidance of the brand, more young people regard Jellycat as their close partners and treat them with love like cats and dogs. In fact, the more extra energy and time consumers invest in the process of participation, the stronger the sense of ritual, the higher the expectation, the stronger the sense of value and happiness brought by the final emotional release, and the stronger the desire to share. This is also the important reason why many users are sharing their stories with dolls when searching for Jellycat in Xiaohongshu. Another example is hunger marketing. The so-called rare things are precious. The scarcer it is, the more hurricane-like the transmission effect is. Jellycat itself is very popular. Many popular models were once sold out, and the replenishment speed could not keep up with the speed on the shelves. It also released a limited edition of the monthly star, using scarcity and hunger marketing to attract young people.

From the perspective of communication psychology, grabbing the limited edition often accepts the envious eyes from all parties, and users are naturally more willing to share.

Moreover, Jellycat mostly promotes products according to the series. Even if it is a single product, it will distinguish according to the colour, theme and launch multiple stock keeping unit. The attributes of the series are not only easy for fans to develop the habit of collecting, but also emphasize that they are the most complete owner of a series, and are keen to share, pose and show off on social media, and spread the joy of the whole series through various forms. Judging from the distribution of the global toy market, at present, more than 70% of the world's toy products are produced in China, but China's domestic independent brands are mainly concentrated in the manufacturing field of medium and low-end products. They are at the end of the industrial chain in the division of labor in the world toy industry, and have failed to sell well-known plush dolls at home and abroad.

At present, many plush doll companies take Jellycat as a key learning object, believing that Jellycat enjoys the dividend of the consumption trend of adult children, and also launches adult plush toys to soothe the anxiety of adults. But many enterprises have only learned and have not caused too much splash. Moreover, due to the large number of imitators, it is easy to fall into an ever-changing dilemma.

Taking the case of Jellycat, it is able to found that the high premium of Jellycat is the result of its continuous deep cultivation after deep insight into the needs of users. The ultimate insight into the needs of users, different product designs and emotional marketing atmosphere together constitute the "price ratio" of Jellycat. The brand shows its ability of letting the consumers be willing to pay a premium for the "feeling and experience" that the product brings to them.

What Jellycat gives more valuable inspiration to other brands is that in addition to rich, unique and creative product design, through targeted emotional marketing, it gives

consumers enough topics to share, so that users have a sense of participation, a sense of gain, and spontaneously become brand communicators.

5 Conclusion

Given the current economic climate is challenging, it is no surprise that folks are experiencing heightened work and life pressures. To stand out in such a landscape, brands must forge a unique identity that differentiates them from competitors. Developing a distinctive IP and catering to a niche customer base that resonates with brand's unique traits are pivotal in bolstering market competitiveness. These factors can significantly influence a company's and a brand's fortune, shaping their trajectory and longevity. To achieve distinctive outcomes, it is imperative to adopt alternative perspectives when examining and analyzing issues.

Summarize all aspects of the overall society and find the needs of consumer groups as a breakthrough. In the case of Jellycat, the brand starts from emotional value. The biggest feature of making the brand commercial and for-profit is not eye-catching. On the contrary, the original intention of emotional healing and attracting customers is the reason why it is extraordinary, surpassing similar goods and becoming the top of the plush toy market. Taking the plush toy brand jellycat as the research object, this article fully analyzes its emotional marketing methods, and while analyzing its advantages, it lists the matters that its brand needs to pay attention to, as well as complete corresponding reference suggestions.

This article can provide important insights for the future of the brand and the market of similar products. But at the same time, the author believes that it is also necessary to admit that there are some limitations in this article. The analysis of this article mainly focuses on the mainland Chinese market, ignoring the potential customer groups in the global market. In addition, this method is mainly theoretically oriented and lacks empirical evidence. In order to overcome these limitations, it is recommended that future academic surveys expand their scope and integrate empirical data to promote more thorough research.

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