

Emotional Connection and Market Innovation: The Key Success Factors of Jellycat in the Chinese Market

Xinai Wang *

Shanghai Shangde Experimental School, Shanghai 200120, China

* Corresponding Author Email: wangxinai@stu.sdp.edu.cn

Abstract. This paper examines the success factors of Jellycat in the Chinese market, focusing on the interplay of emotional marketing, hunger marketing, and diversified marketing channels. As modern life accelerates, consumers, particularly the younger generation, face significant pressure and loneliness, creating a heightened demand for emotional comfort. Jellycat has effectively established deep emotional connections with consumers through unique product designs, transforming plush toys into emotional companions. The hunger marketing strategy has created a sense of scarcity and a high-end image, further enhancing brand appeal. Additionally, diversified marketing channels have allowed Jellycat to reach a broader audience, maximizing its market impact. The findings suggest that Jellycat's approach is not only effective but also offers valuable insights for similar brands. For sustainable growth, Jellycat must continue to innovate in emotional value and integrate corporate social responsibility (CSR) into its business practices. By doing so, it can strengthen its market position and ensure long-term success.

Keywords: Jellycat; Emotional marketing; Consumer behaviour.

1. Introduction

With the acceleration of modern life, the sense of loneliness and pressure is gradually spreading, leading more and more consumers to prefer brands and products that offer emotional comfort. This social trend is particularly prominent in the Chinese market, where rapid urbanization, smaller family structures, and rising disposable incomes have heightened consumers' need for emotional connection through products. Consequently, the demand for emotional resonance among consumers is on the rise. In this context, Jellycat's unique product design and emotional marketing strategy gave consumers a strong emotional attachment to the brand, which contributed to its remarkable success in the Chinese market. Therefore, the study of this phenomenon can not only help enterprises better understand the current situation of the Chinese market but also provide empirical support for the theoretical development of emotional marketing theories on a global scale.

Jellycat's success in the Chinese market can be attributed to a number of factors, which are both related to the broad social context and the specific market dynamics.

Snell uses historical and cartographic analysis to examine the rise of the single-person family and its relationship to the "loneliness epidemic." His study highlights the unprecedented growth of modern single-person households, that is, people living alone. Snell concludes that this trend has significant social and welfare implications, particularly in relation to contemporary issues of loneliness [1].

Chen's research found that Jellycat's brand loyalty is based on the uniqueness of its products and the emotional connection with consumers. This emotional link resonates with individuals feeling pressured and lonely in society, leading to a deep attachment to the brand [2]. Chen emphasized that in the evolving economy, brands should focus on the emotional expression behind products to attract more consumers. Jellycat's unique design and engaging storytelling have helped the company establish a strong emotional bond with its users, providing them with an experience that goes beyond mere transactions [3].

Meanwhile, Consoli examines this emerging field, highlighting emotional marketing's importance in influencing consumer decisions. He also explores techniques for measuring emotions through verbal,

facial, and textual expressions, which are critical for businesses to effectively understand and leverage customer motivations [4]. In the case study of Ho Chi Minh City, Khuong and Tram conducted a self-administered questionnaire survey on 197 consumers in the city to investigate the impact of emotional marketing on their purchasing decisions. They found that this marketing strategy significantly affects brand awareness, brand recognition, product perception, and ultimately purchasing decisions [5].

Li researched Jellycat's success in the Chinese youth market by analyzing data and conducting a SWOT analysis. He found that product quality and promotion strategy significantly influence purchase intention, while price has little impact [6]. The literature review by Achar et al. further indicates that emotions can both help and hinder decision-making, with integral and incidental emotions interacting under certain situations, and Jellycat has successfully exploited this to increase consumers' willingness to buy [7].

In summary, the social context of increasing loneliness, along with the growing importance of emotional marketing, has provided fertile ground for Jellycat to thrive in the Chinese market.

2. Current Development

2.1. About Jellycat

Jellycat, a British company that designs and manufactures plush toys, was founded in 1999. The brand quickly distinguished itself through its innovative design style and high-quality materials, becoming a leader in the plush toy industry. Jellycat's designs, often inspired by a combination of British humor and modern simplicity, are appealing to adults as well as children. As its popularity grew, Jellycat expanded globally, particularly in Europe, the United States and Asia.

2.2. Brand Positioning

In 1999, Jellycat was for the children's market at first, creating beautiful, practical and comfortable plush toys. Soon, the first batch of Animal series launched, and the advanced materials and novel design were combined to support the uniqueness of the product. The brand's personalized and adorable plush toys cater to consumers' desire for warmth and companionship. Although the company was early positioned as "children's comfort toys", its development did not stop there. In 2014, Jellycat redefined itself as "a gift brand for all ages," with gifts at its core. This shift in positioning helped Jellycat differentiate itself in the highly competitive toy market and was critical to Jellycat's subsequent profit growth. As a result, Jellycat's target audience became broader, not only children but also adult consumers. Through its uniquely designed and emotionally resonant products, the business has successfully attracted the younger generation and those consumers who are seeking emotional comfort, making the products an emotional reliance for themselves. In addition, plush toys are seen as an important companion for growing babies, so Jellycat's baby line has successfully reached new parents.

2.3. Product Portfolio

Jellycat's product line is widely known for its diverse range and unique design styles that cater to various market segments and consumer groups. One of its most iconic products is the "Bashful Bunny" series, featuring a classic plush bunny with incredibly soft material and an adorable appearance, beloved by consumers worldwide. Additionally, Jellycat offers a variety of other plush toys, including the "Amuseable" series, which showcases anthropomorphic food, plants, and other creatively designed toys. Moreover, Jellycat has introduced the "Bashful Baby" collection, specifically designed for babies, featuring blankets, comforters, and other products that provide newborns with a sense of security and comfort while meeting high safety standards. The brand also regularly releases limited edition and seasonal products, such as holiday-themed toys for Christmas and Halloween, enhancing the brand's exclusivity and collector's value. Furthermore, Jellycat

collaborates with other brands and artists to diversify its product line and maintain a sense of innovation and freshness, thus solidifying its leading position in the global plush toy market.

2.4. Financial Performance

Based on Jellycat's 2022 financial statements [8], the company's financial performance is strong. Jellycat's revenues grew 72% from £85 million in 2021 to £146 million in 2022. Besides, gross profit increased by 71% from £52 million in 2021 to £89 million in 2022, maintaining high profitability. Although the operating costs have increased, the increase is lower than the growth in revenue and profit, showing that the business has effectively controlled management and operating expenses during the expansion process, and improved the overall operating efficiency. What's more, Jellycat's net profit reached £43.4 million in 2022, up from £23.78 million in 2021, further strengthening its position in the global market. These financial figures reflect Jellycat's expansion and continued growth in the global market and ensure its significant position in the premium plush toy market.

3. Key Success Factors

3.1. Emotional Marketing

Jellycat's emotional marketing strategy is one of the key factors in its success in China. With the quickening pace of modern society, the young generation faces great work pressure and loneliness. This emotional gap makes them more inclined to buy products that bring emotional comfort. Jellycat has positioned its plush toys as a vehicle for the emotional needs of consumers through unique product design. Compared to other ordinary plush toys, Jellycat products stand out for their extremely soft touch, warm colors, and full of personalized design. These designs are not only visually appealing but also give consumers comfort and security when embracing toys through tactile satisfaction. What's more, Jellycat's toys are often given emotional stories, meaning that consumers buy a "companion" with whom they can form an emotional connection. Unlike many other plush toys, Jellycat has strengthened users' emotional attachment to the brand by giving the toy a name, a story, and even a personality, making it easier for consumers to see it as an emotional partner in their lives. This unique emotional value not only eases the stress of modern life but also helps Jellycat build strong brand loyalty and make users want to buy its products repeatedly.

3.2. Hunger Marketing

Jellycat has succeeded in creating a scarcity and high-end image of its products through its hunger marketing strategy, further enhancing the appeal of its brand. Hunger marketing is a strategy to stimulate consumers' desire to buy products by controlling the relationship between supply and demand [9]. Jellycat sells some of its most popular toys in limited quantities, giving consumers a sense of scarcity and a strong urge to buy them. For example, special holiday or limited-time products often sell out in a short time. This makes consumers unconsciously create a sense of urgency when buying goods. If they buy a limited edition, the emotional joy they feel will enhance their favorable impression of the brand. If they don't buy one, it will encourage them to plan their purchase in the next release so as not to miss out again. This marketing strategy has been particularly successful in the Chinese market, where young consumers have a high demand for limited editions and collectibles, for example, some of Jellycat's limited editions have even soared in price from 2,000 to 10,000 RMB on the second-hand market, reinforcing its rarity and high-end image. In this way, Jellycat not only increased the market value of its product but also managed to consolidate the brand's high-end positioning and attract a large and loyal following.

3.3. Diversified Marketing Channels

Jellycat's success is also due to its diversified marketing channels. Brands not only rely on traditional physical retail channels but also make full use of e-commerce platforms and social media, seizing on the trend of online shopping and social interaction. In China, Jellycat uses online sales platforms such

as Tmall and JD.com to allow consumers to buy its products conveniently. In addition to e-commerce, Jellycat also makes extensive use of social media marketing, especially with influencers, which has greatly increased the brand's exposure. By showing how they interact with Jellycat products, influencers not only attract a large number of fans for the brand but also strengthen the brand identity in the fan base [10]. This influencer marketing strategy has enabled the brand to form a wide word-of-mouth effect among young consumers, further driving sales growth. The diversified marketing channels allow Jellycat to reach a wider audience, allowing brands to meet the needs of consumers in different consumption scenarios, thus achieving broader market coverage.

3.4. Comprehensive Mechanism Analysis

Jellycat's success is attributed to a blend of emotional marketing, scarcity marketing, and diverse marketing channels. Emotional marketing helps brands establish a deep emotional connection with consumers, while scarcity marketing further bolsters this emotional connection by creating product scarcity and stimulating consumers' impulse to purchase. Diverse marketing channels ensure that brands can reach a wide audience through e-commerce platforms, social media, and other avenues, maximizing the market impact of emotion and scarcity. The combination of these three factors has formed Jellycat's success mechanism, enabling the brand to fulfill consumers' emotional needs, increase product value, and achieve market expansion and sustained growth through diverse channels.

4. Implications and Future Strategies

4.1. Replicability of Jellycat's Business Model

Jellycat has a successful marketing model that combines emotional marketing, hunger marketing, and diversified channels. This model is a valuable reference for other brands, but not all brands can easily replicate it. Jellycat's emotional marketing depends on its specific brand image and consumer emotional needs, especially in the high-end and younger consumer markets. For other brands to follow this model, they first need to ensure that their product design and brand concept can accurately connect with the social outlet and evoke the emotional response of consumers. For example, brands need to find an entry point that resonates with consumers' emotions, such as loneliness, anxiety, or security, which can be the idea behind the product design. If the product itself doesn't deliver emotional value, it's hard to achieve what Jellycat does with marketing alone. Other brands can only succeed in marketing, especially in the field of emotional marketing, by truly understanding and meeting the inner core of the emotional needs of consumers.

4.2. Sustainability of Jellycat's Marketing and Operational Strategy

Jellycat's marketing approach has been highly successful in the current market, but it will require further innovation and adaptation to maintain that success in the future. Firstly, while scarcity marketing can lead to short-term sales increases, long-term reliance on this approach may have negative effects on the brand. Overusing limited-release and scarcity strategies can cause consumers to lose interest and switch to competitors' products over time. Moreover, the excessive use of scarcity marketing may also harm the brand's high-end image, leading consumers to believe that the brand is artificially creating a shortage of supply to increase market value, rather than offering truly innovative or unique products. Additionally, despite the long-term potential of emotional marketing, Jellycat needs to continuously innovate and enhance its emotional value. For instance, as society develops, consumers' psychological needs will also change, so brands need to introduce new products and emotional narratives to avoid relying too much on a single form of emotional expression. Prolonged use of the same approach may lead to a decline in consumer interest and even result in "emotional aesthetic fatigue".

4.3. Strategic Directions for Jellycat's Future Development

To ensure the long-term sustainability of the brand, Jellycat needs to continue working hard and adapting across multiple dimensions, including marketing, product innovation, and Corporation Social Responsibility (CSR). First, Jellycat should continue to deepen its core strength in emotional marketing, but it needs to constantly explore new dimensions of emotional value to keep consumers interested. In addition to satisfying the emotional needs of loneliness and anxiety, Jellycat can incorporate more diverse emotional elements, such as self-expression and nostalgia, to expand the breadth and depth of emotional marketing. At the same time, product innovation is one of the keys to maintaining the long-term appeal of the brand. Jellycat cannot just rely on its existing classic product line. Jellycat considers "co-creation" with consumers, allowing them to create unique toys tailored to their emotional needs. This kind of customized service can not only enhance consumers' emotional dependence but also improve the brand's premium ability.

5. Conclusion

This study discusses the success factors of Jellycat in the Chinese market, focusing on the synergy of emotional marketing, hunger marketing, and diversified marketing channels. Jellycat has established a deep emotional connection with consumers through emotional marketing so that plush toys can also become the emotional companionship of consumers. This deep emotional resonance has won the brand a high degree of user loyalty. Hunger marketing strategies enhance the brand's high-end image and market appeal in the short term by creating product scarcity. Still, in the long term, the brand's continued success depends on its ability to innovate and avoid the consumer fatigue brought about by over-reliance on scarcity. In addition, Jellycat's diversified marketing channels, particularly through online e-commerce platforms and social media marketing, further expand the brand's market reach and strengthen the brand's influence among young consumers. In the future, Jellycat needs to maintain the strength of emotional connection, promote product innovation, and incorporate CSR concepts to respond to the growing awareness of environmental protection and social responsibility among consumers. By combining innovation and sustainability, Jellycat can strengthen its market position further and ensure the long-term competitiveness and growth potential of the brand.

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