

Brand Rejuvenation: How Do Traditional Brands Maintain Stable and Sustainable Marketing Effectiveness - Take Holland as An Example

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Abstract. Due to the background that traditional brand now having trouble operating and young people have become the purchasing power, this study explores the reason for brand rejuvenation, determining factors of brand rejuvenation, ways to perform brand rejuvenation properly, and problems of brand rejuvenation in cake industry context and set Hollyland as an example to analysis brand rejuvenation. The 4P model is used in the research to analyse the case. In the case of Hollyland, product is designed to be of appealing appearance, place is set to be convenient for consumers, while the price is relatively higher than brands with similar market share. Among all marketing strategies of Hollyland, co-branding method and the taste stand out, which contribute to Hollyland's development in the consumer's purchasing experience aspect. Purchasing experience is found to be the most important factor affecting consuming behavior. The findings provide greater insights into consuming behavior and brand development, giving traditional brands ideas of better developing novel products. The findings also suggest that traditional brands should dive deep into ways of improving younger consumers' purchasing experience, such as introducing co-branding, designing novel packaging and so on.

Keywords: Brand rejuvenation; Hollyland; 4P model.

1. Introduction

As the young generation is growing to become the main consumer group, those familiar brands are following the trend of "becoming younger" to cater to the youngsters. At the same time, traditional brands feel it hard to the survive current market since the market is youth-led. So, some old brands like Hollyland and White Rabbit, are trying hard to build young new images for their consumers. The trend can also be seen in products, for instance, sport utility vehicles are getting smaller and taking up less space compared with former big and cumbersome ones. Although "brand rejuvenation" seems to be the key to old brands revitalization, problems still exist. For example, the rejuvenation may last only a very short period of time and begin to fail because more brands and companies are trying to edge in the market and gain profit. What is more, the brand itself may lose its own trait when pursuing younger taste because it is easy for a traditional brand to change its image without remaining original concept, which is the essence of a brand. Then, the rejuvenation may not last long since the popular trend changes so fast that traditional brand may feel it hard to catch it all the time. The research will show the process of rejuvenation, ways for traditional brands to survive through rejuvenation, Case analysis of Hollyland will be used to analyse brand rejuvenation.

2. Literature Review.

Branding is the one of the most important parts of marketing. Although some brands may success in the past, it does not mean they still catch the attention of current generation. So, revitalization (having younger tastes) is necessary because of the current market trend.

2.1. Reasons for Rejuvenation

The developing technology and booming economy make younger generation to become the main consuming group. According to Shen, as younger generation is raised under a rather prosperous economy circumstance, styles they like are very different from the older ones. So younger branding should be built [1]. According to Yu, younger generation has more consumption potential because of their novel consumption idea and more free consumption behavior, it is more likely for brands to succeed in the way of brand rejuvenation [2]. According to Allan D., following the market trend and adapting to the market situation change in the way of appropriate guidance of market shaping methods will enable the brand to gain sustainable competitive advantages [3]. Although rejuvenation may help the company gain profits, risks may still exist for companies.

2.2. Ways of Brand Rejuvenation

According to Venkatesh Babu. M, putting brands in a stage of basic motion or purely rebuild the brand itself is key to rejuvenation strategy [4]. According to Florenthal, communication strategies such posts on twitter, instagram and other social media platforms can be fully used to motivate young ones to be engaged in a certain brand, which means social media strategies play a crucial rule in brand rejuvenation [5]. Social media is indeed a great plat for companies to carry out their rejuvenation, while effective ways such as deciding who to endorse their brands, and the apperance they want to show themselves on the internet are also key point when companies should consider when they are in the process of rejuvenation.

In conclusion, brand rejuvenation is necessary because of young people's novel consuming habit, easier success over younger buyers, and bandwagon strategies. To be succeed in brand rejuvenation, companies can fully take advantage of social media platform to increase their influence.

3. Introduction of Hollyland

The first Hollyland cake store was opened by Luo hong in 1992, Lanzhou, China. At first, Hollyland specialized in its whipping cream cake and quickly captured market share of cake industry. In 1995, Luo started to transform cake store into brand stores and chain-store operation. And in 1999, Luo established Shenyang Hollyland Industrial Management Co., LTD to expand the brand's market share. Through sales of its main products birthday cake, pastry, Chinese pudding, and bread, Hollyland had gain popularity among cake consumers and successfully opened nearly a thousand chain stores in over eighty Chinese cities. In Chinese cake market, Hollyland acts as a pacemaker, it was listed as "National key protection brand" in 2000 and passed HACCP food safety system certification in 2003.

In 2014, after Luo hao, the son of Luo hong, introduced souffle cheesecake from Japan to China, Hollyland started to truly turn its target to the youngsters. After 2018, the founder Luo announced that Hollyland started to open cake stores in first-tier cities of China, including Shanghai and Beijing and started upgrading its brand image, including changing its brand logo, co-branding with Xi cha (a famous milktea store in China), Ovaltine (A Swiss brand of nutritional drinks), Rio (a cocktail brand) and so on. All these moves pushed Hollyland further into view of the youngsters [6]. After transformation and upgrading from its former outdated brand style, Hollyland become the newest stylish cake pioneer with its well-designed products, which are supported by sustainable innovation of products and marketing strategy.

4. Brand Analysis Based on Theory

4.1. Product

As a cake company, Hollyland divides its product into cakes and pastry. In the cake category, Hollyland's product are various. Most of them are co-branding series. For instance, LINE FRIENDS,

Sanrio, Disney’s various kinds of cartoon images, Harry Potter series, and so on, are all Hollyland’s business partner. They are exquisitely designed with well-known cartoon image on them, showing great temptation to young people. Besides, Hollyland also have sections for “classic cakes”, they are meant to be rejuvenate China’s 2000-year era cake style as well as inherit Hollyland original style. In the pastry category, souffle cheesecake, pie, and chocolate are the main products. There are also co-branding products, including Barbie series, LINE FRIENDS series, and Pop-mart series.

According to Huang Li, and Fu, as shown in figure 1 below, in cake market, the most crucial fact that affect Chinese consumers’ purchasing behavior is the taste of products, the second is the price of the products and then the ingredients used in products [7].

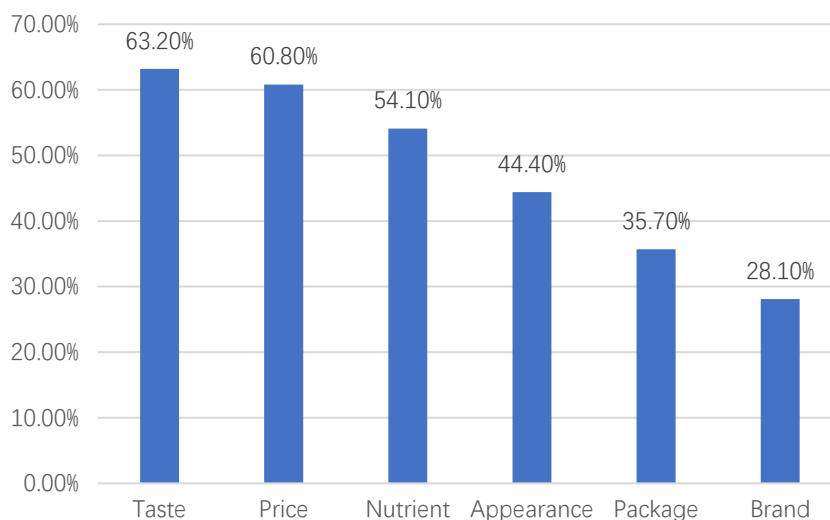


Figure 1 The main concern factors for Chinese consumers buying baked goods in 2021[7]

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Hollyland does great in the aspect ‘taste’, according to the research of Hollyland’s purchaser emotion preference distribution done by mohodata, the element taste accounts for 43.5%, evidently higher than other factors including price, service, decoration of stores, and product appearance. Within the element of taste, 91.78% consumers show positive emotion toward Hollyland cakes, which means Hollyland get quite positive feedback on its taste.

Taste of cake product is the deciding factor of the success of the brand. As for Hollyland, various cakes and pastry, which gives consumers plenty of choices and products’ good quality and taste makes young people take initiative to purchase cakes and pastries in Hollyland.

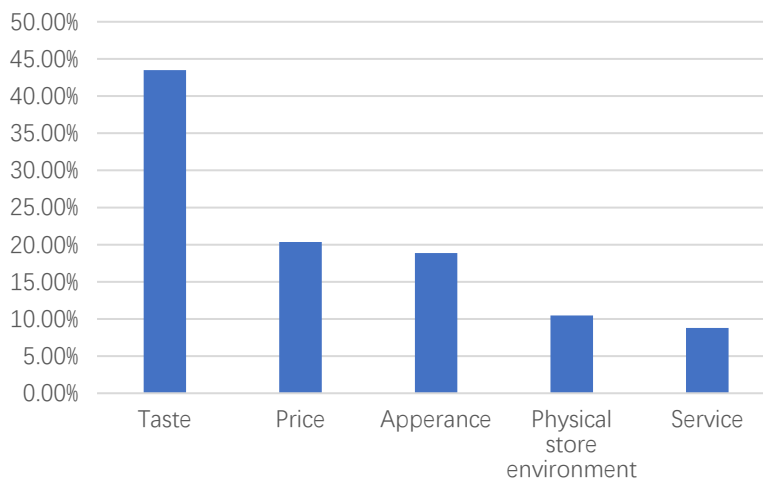


Figure 2 Hollyland brand public emotional tendency-percentage of influential factors [8]

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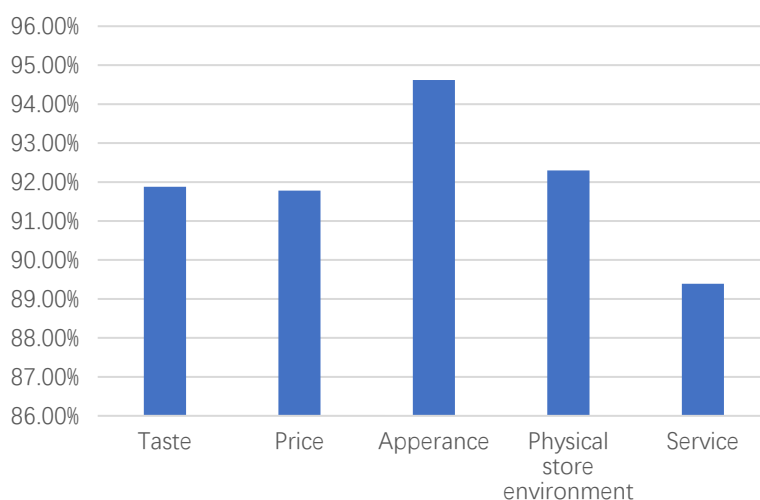


Figure 3 Hollyland brand public emotional tendency -percentage of positive emotion toward each influential factor [8]

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4.2. Price

In cake category, the price ranges from 239 yuan (LINE FRIENDS series, be suitable for 2-4 people) to 669 yuan (Pop-mart series, be suitable for 12-18 people), the average price is 299 yuan. In pastry category, the price range from 19 yuan (SPY×FAMILY series, 2 pieces) to 299 yuan(Barbie series, gift package version), the average price is 40 yuan.

Prices of cake brands with similar market share is collected as the table 1 showing below. According to table 1, Hollyland’s price level can be seen. Hollyland’s price for cake category is relatively higher than other brands, since the lowest price is above most of the mode price of other brands. In Pastry category, the average price of Hollyland’s pastries is close to or even above the highest price of other brand’s pastries.

Table 1. Hollyland’s price level

Brand	Cake			Pastry		
	the lowest price for the smallest size	the highest price for the smallest size	mode	the lowest price for the smallest size	the highest price for the smallest size	mode
GANSO	120	428	218	10	18	10
LE cake	218	398	218	\	\	\
Pantry's Best	128	299	249	30	45	35
21cake	198	398	198	25	39	26
Christine	158	245	188	8	38	22
Paris Baguette	49.5	198	168	6	26	15

It is clear that Hollyland acts as the pacemaker in cake market even though its price is relatively high in the cake market, which shows price is not the priority of young people when purchasing cakes and pastries.

4.3. Promotion

4.3.1 Co-branding

Hollyland has cooperated with several brands including Rio, Pop-mart, Disney, LINE FRIENDS and so on. The co-branding makes cakes not only cakes, but also symbols to other brands, making

products more interesting. Some cartoon images or themes used in cakes or pastries design such as strawberry bear, Harry Potter, and SPY×FAMILY, fully intrigue consumers, attracting fans to purchase their products. What is more, Hollyland shows its capability of catching the trend. For instance, as the movie Barbie has started a craze this summer, Hollyland launches its “Barbie gift package”, and combines the element of Barbie with its pastries, which is innovative and novel enough to attract both fans and other customers.

4.3.2 Influencers

Besides co-branding method, Hollyland also take full advantage of influencer’s effect. What should be highlighted is the influencer---Luo Cheng, son of Hollyland founder. He posts some amusing videos on his own social media account, and sometimes shows his talent in making cakes with Hollyland’s style, successfully advertise the brand.

Other influencers on the social platform also make contribution to Hollyland’s popularity. For example, posting Hollyland’s new products, and visiting Hollyland’s new stores and making videos about the visit.

These influencers act as Key Opinion Leaders (KOL) in the generation dominated by the Internet. In a community, the community leader often has a greater influence on the community members, and the community members have a high degree of trust in the community leader [9]. These influencers usually be seen as the professional people for a brand and related posts they have. They use the popularity of their social media accounts to spread the message for Hollyland, so that the brand can succeed in the Internet field.

In contrast to traditional way of promotion, co-branding and influencers meet the need of young people’s living style. In contrast to inviting celebrity to be the spokesperson, influencers are more economic and authentic. They always recommend products from their own experience, making it more easily for video watchers to be keen on the products [10]. In the new generation, young people put more emphasis on consuming experience and the novelty of products. What is more, new generation are more familiar to the internet, so it is easy for them to be promoted to purchase after influencers’ recommendation.

4.4. Place

According to the difference in the expiration dates of goods, the cakes and pastries of different dates are divided into online and offline channels. As for offline sales, Hollyland continues its former mode---setting bakery space at each store to ensure each cake is made just before its sale. Hollyland owns nearly a thousand chain stores. To manage its chain stores, Hollyland applies the method of direct-sale store instead of franchise stores to ensure products, management, service quality and sales model are similar [11]. What is more, due to Hollyland’s over 800 direct-sale stores, its customers can make orders randomly in one Hollyland store and pick up their cakes or pastries in another store even in another city where Hollyland stores open.

Although the mode ensures the taste and expiration date of products, it raises questions to those products with longer expiration date. Online sale can perfectly solve the problem. Hollyland’s online sales channels are closely integrated with production, so that cakes and pastries that cannot be fully transported to stores for sale due to refrigeration technology are first available to consumers [6]. At the same time, the long-shelf-life products sold through online channels can allow consumers to taste and enhance consumers' sense of brand identity.

The integration of online and offline stores satisfies the need of both long and short expiration products, enable consumers to have the best taste of every product. What is more, nearly a thousand offline stores make purchasers to get the products they want more easily and faster. The success of Hollyland’s rejuvenation counts a lot on the convenience the brand creates for its consumers, which set a model for other brands expecting successful operation through rejuvenation.

5. Analysis of Brand Rejuvenation

5.1. Advantages of Brand Rejuvenation

The advantages of brand youth are very obvious. First, brand youth can make old enterprises quickly gain the favor of the new consumption era, just like Hollyland, which has become the favorite of young people in major cities. With the purchasing power of the younger generation of consumers, companies can obtain a lot of business income.

5.2. Brand Rejuvenation's Dilemma

Although brand rejuvenation can make traditional brands regain market attention, there are still some problems to be solved.

Hollyland does quite well in co-branding marketing strategy. Various styles can be seen in Hollyland's products, which ranges from Western movie character to Japanese cartoon images, to satisfy customers expectation toward cakes and pastries. However, when thinking of Hollyland the brand itself, customers may find it hard to find any symbols that represent its own style. The brand style is the thing that a brand leaves an image in consumers' mind, that is to say, leave an impression on consumers. Consumers may have some purchasing behaviors not merely because of products, but also the psychological factors in purchaser's subconscious mind created by brand style [1]. Co-branding, the most effective method of brand rejuvenation, can bring a company quick success as well as relative ambiguous brand image, making the company stay in dilemma.

As more and more brands begin to rejuvenate, those former novel marketing ideas become no longer novel, which means brands choosing to rejuvenate apply similar styles to develop. That causes the problem of brands in the market are likely to be increasingly similar and are losing their own characteristics.

Furthermore, although brand rejuvenation can bring companies quick success, it may not last long. As the current mainstream consumer groups, young people's consumption behavior is more affected by emotional psychology, novel goods can stimulate their desire to buy, but at the same time their buying behavior is affected by the scarcity effect, when the joint name becomes no longer novel or lack of new ideas, do not keep pace with the latest trend, young consumers will not pay for it [12].

6. Conclusion

As young people gradually become the main consuming group, it is necessary to put brand rejuvenation into company's main management process. In brand rejuvenation cases, Hollyland undoubtedly becomes the pioneer, so the method of brand rejuvenation can be concluded. As young people consider purchasing experience a crucial factor of purchase, the products must be novel enough to catch young people's eyes while the quality is also the key point. Co-branding method is a good way to spread companies' influence towards young people. What is more, considering young people's purchasing power, the price should not be set too high or too low, so finding the right price range is important to the sales of products.

The study benefits traditional brands that gradually lose its popularity among new consumption group, giving them ideas of direction which their brands can improve in. While some objective limitation exists in the research that as market is always changing, the research can only focus on one period of time and cannot perfectly predict the market possible change. And the factors influencing purchasing behavior may not be the ones in the future. The research hopes more specific factors can be find and help traditional brands thrive again in the near future.

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