

The Analysis of Jellycat Brand

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Abstract. In today's toy market, plush toys are deeply loved by consumers because of their unique texture and affinity. Among them, the Jellycat brand stands out with its creative design and excellent quality and has become the focus of attention in the market. This paper aims to explore the design concept, market positioning, and consumer acceptance of Jellycat plush toys, and then analyze its competitive advantage in the modern toy market. Through the in-depth research of many popular plush toys of Jellycat brand, this paper finds that they are to provide high quality, safe, and reliable toys for the purpose of the product design is unique and diversified, loved by consumers. At the same time, the Jellycat brand market positioning is accurate and successfully captures the consumers' pursuit of high-quality, creative toys. In terms of consumer acceptance, the survey data show that Jellycat plush toys enjoy a high visibility and reputation in the market, and are deeply loved by consumers. This paper not only reveals the advantages of Jellycat plush toys in terms of design, market positioning, and consumer acceptance but also provides useful reference and inspiration for other toy brands. A thorough analysis of the successful experience of the Jellycat brand helps promote the healthy development of the whole plush toy market and brings about more high-quality and creative toy products to consumers.

Keywords: Jellycat, SWOT, brand analysis.

1. Introduction

The current situation of the toy industry is full of vitality and challenge. As technology advances and consumer demand continues to diversify, the toy industry is undergoing a revolution.

Jellycat is a brand that manufactures and develops toys. It originated in London, England. Founded by brothers William Gatacre and Thomas Gatacre in 1999, Jellycat specializes in the production of fashionable plush toys. The brothers aspired to break boundaries and not become 'just another teddy bear company.' For instance, when designing rabbits, they used different shapes, colors, textures, sizes, and materials to evolve distinct styles.

The name Jellycat stems from the dream of a child who loves jelly and cats, giving birth to this quirky yet witty name that perfectly reflects its brand image. Known for its character of soft, this brand has created original and innovative toys through its efforts in London. By combining luxurious fabrics with occasionally whimsical designs, each toy appears adorable but always carries something unique that sets it apart.

Consumption in the world toy market recovered less than expected. From multinational companies to Chinese toy manufacturers, the business performance of many enterprises declined in the first half of the year. Well-known enterprises such as toy giant Mattel, their net sales in the second quarter were only 1.087 billion US dollars, down 12% year on year, and the net profit was 27.2 million US dollars, down 59% year on year [1]. This paper selects a British toy brand jellycat, analyzes its sales strategy and current situation, and explores the development path of the brand.

2. SWOT Analysis

SWOT analysis method, also known as the pros and bad analysis method, consists of four English words, S represents advantage (strengths), W represents disadvantage (weaknesses), O represents opportunity (opportunities), and T represents threat (threats). SWOT analysis refers to the based on internal competition environment and competition under the condition of situation analysis, through the research object of internal advantages and disadvantages and external opportunities, threats, and

the analysis results in the form of a matrix, and then the various factors of matching system analysis, to the conclusion of decision-making. The use of SWOT analysis in enterprises can conduct more comprehensive, systematic, and accurate research on the situation of the enterprise, and then formulate the corresponding strategic development plan according to the results of the research, so as to ensure the comprehensiveness of the enterprise strategic plan [2].

2.1. Strengths

2.1.1 Unique Design

Jellycat The design of the toy can be said to be the leader, each of them is so lovely to buy. They usually have big eyes and different shapes, just like they come out of a fairy tale world. These toys are not just simple objects, they are endowed with life and personality through the skillful hands of the designer. Whether it's lovely fruit, green potted plants, or familiar beloved cartoon characters, Jellycat can use their unique design sense to transform them into attractive toys.

2.1.2 Strong Brand Awareness

The brand influence of Jellycat toys can not be ignored. In both domestic and international markets, Jellycat's sales performance is among the top. This benefits from its unique design style and excellent quality, which won the majority of consumers love and recognition. More importantly, Jellycat has also won many authoritative awards, which further enhance its brand awareness and reputation. From the British royal family to the entertainment stars, many public figures love Jellycat and have given it much more to its brand image.

2.2.3 High-end Materials

The material of Jellycat toys is also a highlight. They are all made of baby-grade fabrics that fully meet the EU EN71 toy safety standards. These toys have undergone strict quality testing to ensure that they do not contain any harmful substances and fully comply with international safety standards. Generally speaking, Jellycat toys use high-quality short plush fabric, which is not only easy to clean and maintain, but also soft and delicate touch, very suitable for children to play with.

2.2. Weaknesses

2.2.1 High Price Point

The pricing of Jellycat plush toys is relatively high which indirectly discourages some budget-conscious consumer groups. According to research conducted on shopping apps, common price searches for plush toys are below ¥20 (\$3), while most Jellycats are priced at around ¥100-200 (\$15-30), and they are positioned as high-end products.

2.2.2 Product Diversity is Limited

Jellycat's product diversity really needs to be improved. Although it is very popular for making plush animal toys and offers a wide variety of options, the range of choices is still narrow for consumers who pursue diversified toys. After all, there is a wide variety of toys on the market, besides plush animals, there are many other interesting toys, such as building blocks, puzzles, remote control cars, etc. If Jellycat can expand the product line appropriately, and add some new elements and ideas while maintaining its plush animal characteristics. It will attract more consumers. In this way, it can not only meet the needs of more consumers but also make Jellycat stand out in the fierce market competition.

2.3. Opportunities

2.3.1 Toy Industry Landscape

According to the "Insights into Global Toy Market Trends 2022"[3]report by market research firm NPD, the global toy market is continuously growing. Plush toys experienced the highest growth rate

at 32%. The Global toy market is valued at USD 110.97 Billion in 2019 and is expected to grow to reach over USD 130 Billion in 2025 [4].

In terms of sales, the sales of the global toy market in 2021 were \$104.2 billion, the best performance in 10 years, up 8.5% from the previous year and more than 10% from 2019. From the CAGR of 2019-2022, the toy industry increased by 4%, average sales price by 8%, and sales revenue by 12% year on year [5].

As society develops, people's demand for emotional satisfaction has greatly increased, leading to a higher willingness to pay for toys. With the progress of society, people's demand for emotional satisfaction is increasing, which makes toys not only exclusive to children, but also become an important carrier for many adults to find spiritual comfort, and they are willing to pay more for them. The toy industry is entering a new era full of infinite possibilities and opportunities, and becoming more and more energetic.

2.3.2 Market Share

Continuous tracking of sales data on the Tmall platform by the China Toy Association reveals that in the Chinese market in 2021, Jellycat achieved sales exceeding ¥100 million on Tmall, with a year-on-year growth of 47.1%, ranking first in the plush toy category sales revenue [6]. With its unique design and excellent quality, Jellycat has won wide recognition from global consumers, not only occupying a place in the domestic market but also shining on the international stage. It has established a strong reputation globally and holds a significant market share. Jellycat's Outstanding performance, and undoubtedly set a new benchmark for the entire toy industry. However, as shown in the Fig.1 [7], there are too many types of toys. Dolls is just a small proportion of it, so Jellycat can't have a great market share.

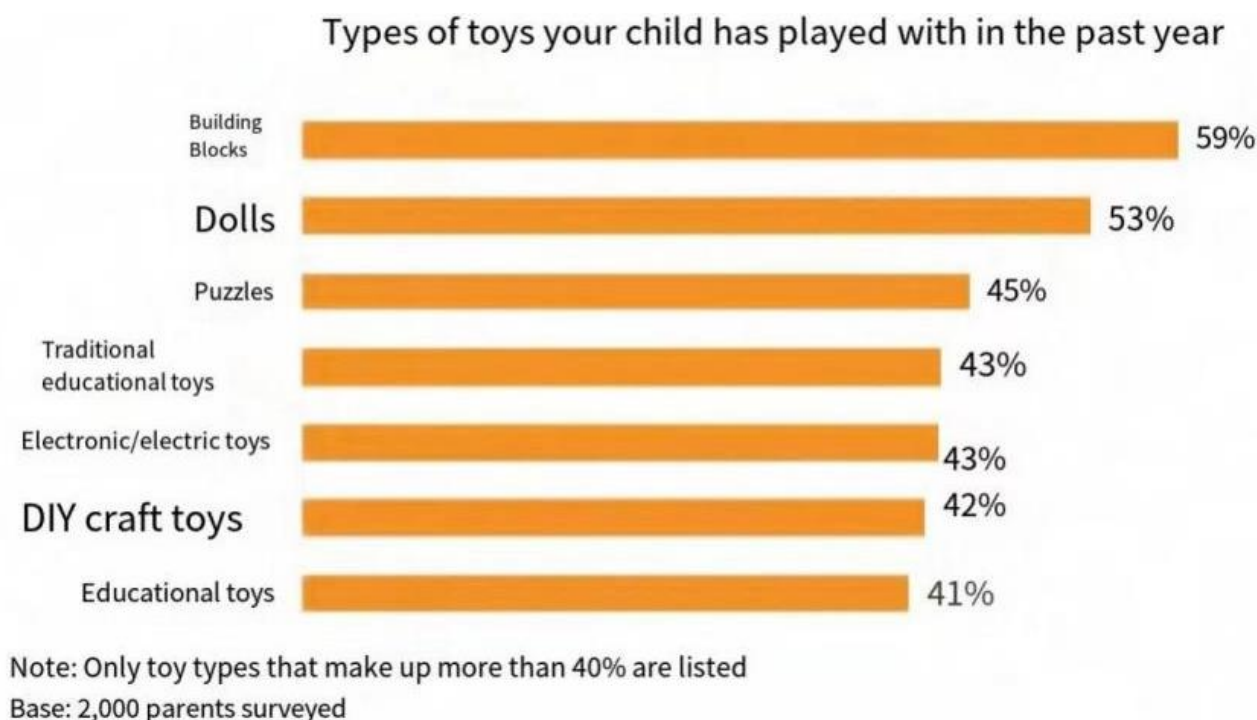


Fig. 1 Types of toys [7]

2.3.3 Collaboration and Co-branding Opportunities

Jellycat can collaborate with various well-known brands and intellectual properties (IPs) to release limited-edition plush toys. It can not only further expand the market share, but also give toys more cultural meanings and emotional value. This cooperation model not only improves the brand image of Jellycat but also brings wider exposure and recognition to the cooperation IP. At the same time, such cooperation also brings more choices for consumers, makes the toy play more colorful, and meets people's continuous pursuit of freshness and personalized needs.

Jellycat can participate in more fields to be more innovative. In 2022, a number of toy enterprises have made attempts in the NFT field. For example, Droppp, an NFT platform owned by Funko, launched 16 NFT products in the first three quarters, most of which come from authorized co-branded with famous film and television or animation IP, and some products are also equipped with in-kind exchange rights. The DC Hero series, which launched in the third quarter, was particularly impressive and eventually sold for \$1.999 million. Similar successful attempts to expand IP licensing links in new directions and are expected to grow further in the future.[8]

2.3.4 Economic Resurgence

In order to restore and expand consumption, governments at all levels have frequently introduced the "Amway" policy to warm up the market and boost confidence, and initial results have been achieved. Data from the National Bureau of Statistics showed that the per capita disposable income of Chinese residents was 36,883 yuan in 2022, an increase of 5.0 percent over the previous year, or 2.9 percent in real terms, after deducting price factors. From January to February, the total retail sales of consumer goods reached 7.706.7 billion yuan, up 35% year on year. China's economy started to stabilize and recover [8]. As the condition of selling a good is better and better, Jellycat has the chance to stand out and earn more money.

2.4. Threats

2.4.1 Competitors

The 2023 data from Tianyan Check show that there are more than 9231000 toy-related enterprises existing in China, half of which were founded within 1-5 years, and 36.3% of them were established within one year. International Big-brand plush toy manufacturers always have a long history and a wide range of brand influence, and so does Jellycat. They are similar to Jellycat, owning greater competitiveness. Additionally, with the rise of e-commerce platforms, a greatly increasing number of affordable plush toys appear on the shopping platform. Compared to Jellycat, they have a better price/performance ratio. There are many good toy brands in this world, Table 1 [9] shows the top10 toy brand nowadays, which does not have Jellycat. From it, we can see that there is great pressure from competitors for Jellycat.

Table 1. top10 toy brand [9]

Rank	Toy Names
1	LEGO
2	MATTEL
3	Hasbro
4	AULDEY
5	BANDAI
6	Disney
7	Fisher-Price
8	Barbie
9	RASTAR
10	auby

3. 4Ps Analysis

3.1. Product

Jellycat's products mainly consist of plush toys, characterized by comfortable fabrics and adorable designs. From cute animal shapes to anthropomorphic items, they are attractive to the preferences of all age groups. These toys not only have a great value to appreciate but also offer a great feeling to touch as they are soft and have a specific making method, earning the love of many consumers.

3.2. Price

Jellycat Plush toy price can be said to be full of beautiful things, from 100 yuan to 1000 yuan, which completely depends on the size and unique design of the toy. To be honest, their pricing is relatively high. In addition to this, to attract more buyers, Jellycat often offers special promotions and attractive promotions from time to time. In this way, the customers can not only buy their favorite toys but also enjoy a great shopping experience. So, although the price is slightly higher, but Jellycat's plush toys are still popular.

3.3. Promotion

Online, Jellycat fully utilizes the power of social platforms. On Xiaohongshu (Little Red Book) and Douyin (TikTok), topics related to Jellycat have reached an impressive browsing volume of 570 million and 660 million respectively. They actively publish brand information on various social platforms and launch marketing campaigns such as "The first Jellycat in life is given by the most important person" or "Jellycat is a warrior against nightmares," receiving extensive feedback online. On these social platforms, there are a great deal of creative ways to play with Jellycat toys that gain a high level of engagement.

Offline, Jellycat has retail stores and exclusive shops in major shopping malls. In certain locations, they set up special spots with unique decorations that are fantastic for taking photos while organizing various offline activities like parent-child events or handicraft workshops to attract attention and encourage broad participation from customers.

3.4. Place

3.4.1 Official Website

Jellycat has its official website, which displays a wide variety of product categories and detailed information. Shoppers can place orders directly on the official website and enjoy the brand's official website guarantee and after-sales service.

3.4.2 E-commerce Platform

Jellycat's official flagship stores or exclusive stores have been opened on all major e-commerce platforms, such as Jingdong and Tmall. Due to the fierce competition, businesses will often launch a variety of preferential activities, such as coupons, and full reduction activities, with more favorable prices.

3.4.3 Offline

Jellycat There are retail stores and exclusive stores in almost all the major shopping malls so that consumers can feel the dolls on the spot and choose their favorite products more directly.

4. Suggestion

4.1. Launch More Theme Series and Featured Products

With the rise of the cultural industry, more and more people pay attention to the promotion of IP visualization, and enterprises continue to introduce and develop new toy IP images. In this era of increasingly fierce market competition, research on toy IP images can help enterprises to better understand the market demand, and develop more accurate image-building and promotion strategies, to obtain better economic and social benefits [10].

Jellycat, as a brand renowned for its unique and adorable designs, has always been a favorite among toy lovers. To further attract the hearts of its fans, Jellycat can consider launching more theme series and featured products. By combining current hotspots such as popular movies, cartoons, or trending topics, Jellycat can create a range of limited-edition toys that not only have the value to collaborate but also have their own specific story. Alternatively, they can make use of their rich brand culture and heritage, developing products that tell a tale or evoke a certain emotion. Cooperation with

other popular brands or influencers can also be a good method, offering exciting collaborations and increasing the popularity of their products. Such moves will not only attract more fans and collectors but also enhance the brand's topical relevance.

4.2. Optimize the Pricing Strategy

Despite its popularity, Jellycat's products are often perceived as being pricey, which is not so acceptable to many potential customers. To address this, the brand can consider optimizing its pricing strategy. Launching some basic or entry-level products at more affordable price points would be a great start. This will make the entry threshold lower for new customers, enabling them to experience the Jellycat plush toys without breaking the bank. Such an approach will help increase market share, gain wider attention, and potentially convert these first-time buyers into loyal fans.

4.3. Optimize the Material

Jellycat is already renowned for its soft and well-touching toy material, but there's always room for improvement. Embracing environmental sustainability in its manufacturing processes would be a step in the right direction. Using more eco-friendly and recyclable materials to create its toys not only reduces the impact on the environment but also assures customers of the brand's commitment to sustainability. Such efforts will not only enhance Jellycat's reputation but also make its products even more appealing to the increasingly environmentally-conscious consumer base.

4.4. Organize Some Activities

To make its fanbase further engaging and create a stronger community, Jellycat can organize various activities. Fan meetings or exclusive events would provide an opportunity for fans to get up close and personal with their favorite products, while also mingling with other like-minded individuals. Draw a lottery or raffle, giveaways, or Q&A sessions can also be held to keep the community engaged and excited. Such activities will not only strengthen the bond between Jellycat and its fans but also increase their sense of belonging and loyalty toward the brand.

5. Conclusion

This paper is a deep study of the famous British toy brand Jellycat, its product design is unique, soft to handle, and loved by children and adults. Product features are outstanding, and the use of high-quality materials is made, to ensure the safety and durability of toys. In the sales market, jellycat occupies an important position with its innovative product design and excellent quality. However, due to time constraints, this paper is still deficient. It is hoped that more research in the future can further tap the potential and value of jellycat and provide a useful reference for the development of the toy industry.

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