

A Case Study of Jellycat's Marketing Success and Pathways to Global Expansion

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Abstract: Jellycat, a British toy brand, has gained a lot of loyal fans. This case study focuses on the brand's marketing strategies, including segmentation, targeting, and positioning, and analyses its approach to product classification, pricing strategy, retail strategy, distribution in the current market throughout the world, and promotional efforts. Based on this analysis, recommendations are made to further enhance brand reputation, including ways like improving engagement through events such as pop-up stores, and diversify social media marketing strategies to strengthen customer loyalty and expand market reach. The research reveals that Jellycat's success is attributed to its balance of exclusivity and accessibility, but still have space for improvement such as organizing more specific events, involving advertising campaigns, promoting diverse social media engagement, and organising live-streaming online. This study highlights the significance of knowing how innovative marketing methods can drive both brand loyalty and market expansion in the competitive toy market.

1 INTRODUCTION

The plush toy market has an extremely long history, has evolved significantly over recent years. Modern customers seek toys that not only provide comfort and amusement, but also improve emotional well-being, encourage creativity, and express personal identity, opening up new avenues for innovation in product design and marketing methods. Thus, in order to create innovative yet simple soft toy, the plush toy brand Jellycat was established in the UK in 1999, with a history of 26 years, has now becoming one of the most popular toy brands in the world, in 2023, Jellycat had a gross profit of almost 130 million British pounds (Kasia, 2025), leading the current toy market. This was an increase of around 40 million compared to the previous year. On average, you can find Jellycat toys ranging from £10 to £30, or more, depending on the complexity and size. Jellycat soft toys prices can vary based on the toy, size and collection (LovedBefore. London, 2024). The founder of Jellycat aims to create plush toys not only soft, but also with good quality and distinctive design, which fits a wide range of ages of different customers: babies aged from 0 to 3, can get quality-safe comfort toys; plush toys with the unique design can

accompany kids throughout their childhood; limited edition items can easily reach adult collectors' thoughts.

In today's fast changing digital world, digital marketing has emerged as an essential tool for organizations looking to increase awareness, engage customers, and foster long-term loyalty. Jellycat serves as an excellent example of these principles in action. Existing research has long shown the value of market segmentation and environmental study in the toy sector. For example, Kotler and Keller (2016) have offered fundamental insights into how strategic segmentation and positioning may propel brand success in competitive marketplaces, "Identifying and uniquely satisfying the right market segments are key to marketing success." This case study aims to explore the brand's marketing strategies, including segmentation, targeting, and positioning (STP), analysis of its approach to product classification, pricing model, retail strategy (physical stores VS online selling), distribution in the current market (in the UK, in Europe, in Asia), and promotional efforts (pop-up stores in different cities, limited edition toys). By examining Jellycat's business model through the points mentioned above, this study seeks to find out the reason why Jellycat can achieve the huge number base of customers and such a great profit in the toy market, as Guerola-Navarro et al. (2021) argue that

Customer Relationship Management is essential for establishing effective channels and methods for customer-centric information management, a principle that Jellycat aims to achieve through personalized marketing initiatives and consistent consumer engagement across multiple channels.

Additionally, John and Ebenezer (2023) said, "Developing effective digital marketing strategies is essential for brands looking to connect with and engage modern audiences in the digital age.", which is a practice that can evident Jellycat's active social media presence and live-streaming initiatives, thus recommendations are made to improve engagement through specific events, and diversify social media marketing strategies to strengthen customer loyalty and expand market reach.

2 CASE OVERVIEW & STP ANALYSIS

2.1 Introduction to the Brand

Jellycat---this famous British toy brand was established by William Gatacre Thomas Gatacre and has passed its 26 birthday this year. In the early days of the brand, Jellycat focused on creating plush toys that has different touch and pinch compared to the normal toys. Over the years, Jellycat achieved its initial goal and has grown rapidly, it has become a high-end, high quality toy brand. What is more, Jellycat expanded its product line so that except for basic plush toys, it now also provides books (story books, soft books), blankets, bags and charms. Moreover, Jellycat has made its product offerings diversifying, introducing different collections and limited-edition items for customers in different age bases. Today, it operates worldwide, with strong brand recognition across continents especially Europe, North America, and Asia.

2.2 Segmentation in Toy's Market

According to Kotler et al. (2016), Tactical targeting identifies the most cost-effective ways to accomplish this by linking the customer need that the offering wants to fulfill with observable customer characteristics. These observable factors---the customer profile---involve demographic, geographic, behavioral, and psychographic descriptors. This framework is crucial for understanding competitive industries such as the toy market. Jellycat segments its market mainly based on demographics, psychographics and geographics factor, its primary

customers are kids, parents or adults choosing gifts for babies or kids, and adult collectors who are keen on collecting high-end and limited-edition plush toys. Besides, in recent days Jellycat also offered limited-edition toys in specific regions, for example Amuseable Macarons in Paris, Amuseable Bagels in New York, shown that Jellycat was not only segmented by geographic, but also by interest and cultural factor.

2.3 Brand Targeting

Jellycat targets audiences that attach importance to products which have exclusive design and high-quality. Its plush toys not only attract children from age 0 to 6 with its cute smiley-face, wide choice from different species of animals and soft touch; but also a perfect choice for gift buyers who pay attention to quality and unique designs. Besides that, in recent days Jellycat also targets huge amount of adult collectors who get crazy for limited-edition Jellycat and pop-up events, usually aged from 20 to 40, mixed gender but slightly to female, who have strong interest in art, design, and trends, have good level of consumption, require for of their daily life quality and they appreciate exclusivity and storytelling behind each product.

2.4 Brand Positioning

Jellycat positions in the current toy market as a high-end, good quality and specifically-designed toy product. This impression is delivered mainly by creating several collections with a wide scope of categories (vegetables, animals), build iconic brand products---"Bashful Bunny" and releasing limited-edition plush toys. Although it stands for luxurious plush toys, it does not make audiences feel unapproachable or unaffordable to get the product. Furthermore, the position of a brand is formed by a complex set of consumer perceptions, images, and emotions associated with the brand's products and how they compare with competing products (Miriam, et al., 2022). There is no doubt that Jellycat stands out from other plush toy manufacturers due to its clear and precise brand positioning.

3 ANALYSIS OF MARKETING

3.1 Product Classification

A variety of products in different collections are provided by Jellycat, and in each collection, toys are

classified in different shape, size, and color. General products including Animals like "Bashful Bunny", "Bartholomew Bear", Amuseables mainly Objects, Foods, Plants and Sports, Bag&Charms, Baby&Books for example blankets for babies and soft books; besides that, Jellycat also offers seasonal products, limited-edition toys which sells in specific pop-up stores, personalized toys and gift boxes.

3.2 Brand's Pricing Strategy

As the brand image stands for exclusive luxurious plush toys, with high-quality, good and safe materials, customers can hardly say no to the iconic smiley face of Jellycats. Jellycat uses a premium pricing strategy. The average price of a small-sized Jellycat plush toys is around 15 to 45 pounds, still affordable for most parent-buyers or gift-buyers, while at the same time since specific customers like adult-collectors have niche wants for Jellycat, they usually spent from 100 pounds up to 250 pounds for either bigger toys or limited-edition toys. This approach is supported by research from Jobber and Ellis-Chadwick (2019), who argue that differentiated pricing can effectively capture diverse market segments. For other types of products, customers can spend only around 15 pounds to get a soft book or story book; if customers want to get a personalized-product, the price is usually 20%-40% higher than the normal ones, for example to buy a personalized bunny toy, customers only need to spend an extra 5 pounds and they can receive their own bunny with a name on the ear!

What is more, compared to other high-end toy brands in the market, the price of Jellycat is still competitive, due to its unique design (smiley face, large number of collections) and safe materials for babies. More and more people are now easily to recognize a Jellycat toy in the toyshop.

3.3 Physical Stores (Retail) vs Online Selling

First of all, offline retail outlets are the largest way how jellycat sells its toys. Jellycat distributes its products through boutique gift shops, high-end department stores, and its official online store. The biggest advantage of this selling method, is that customers can touch and feel these toys in reality, not just surfing online, imaging how it may feel if they get the exact toy, which makes it hard for customers to resist its charm, in order to increase its sales.

Second, in line with Simon (2016), it is crucial now, more so than ever, that digital marketing is an

integral part of all marketing activities. Jellycat's online selling has expanded in recent years. Jellycat official website is no doubt the first choice customers will choose, the delivery time and shipping fees are all reasonable and acceptable, Jellycat provides customers with choices of standard delivery and Express DHL: in UK it usually takes 3 to 4 days to get the parcel, while at the same time only in the UK they provide also Next-day delivery service, and the price of shipping is from 5 to 9 pounds, with free shipping for over 50 pounds, which is quite easy to reach the barrier of free shipping; in other countries, it takes 6 days for Express DHL at a price of 17 to 30 pounds depending on the shipping distance, and 8 to 14 days for standard delivery at a price of 7 to 12 pounds. What's more, customers can also enjoy services like "Add a free gift message" and "Add a gift box for 6 pounds" while they check out through the official website.

Besides that, some physical chain toy shops also offer online shopping for Jellycat, and the price is usually the same as official price. There are 2 advantages for this method of shopping: firstly sometimes if some of the toys were sold out in the official website, it is possible to find the same product in retail stores' websites before they go to the exact physical store, which especially enables adult collectors to collect exact toys they are looking for a long time. Secondly, during specific time period, like Black Friday, these websites usually offer customers with discount, which means customers can get the same product with a lower price as the official Jellycat website does not offer customers with any discount.

3.4 Specific Selling Strategies

In order to increase its sales, Jellycat created its official accounts in several main social medias, including Instagram, Facebook, X, Pinterest, Youtube, and LinkedIn. Among those social media platforms, Jellycat gets the best reach and feedback on instagram, total followers reached 1.6 million. Jellycat gained this huge amount of followers on instagram by posting new product teasers and announcing the return of its classic products in mini-scenes with their products. As Fangfang, et al (2020) posed "While for proactive objectives, firms use social media to increase brand awareness, generate online traffic, and stimulate sales, in the case of reactive objectives, the emphasis is on monitoring and analyzing customer activities.", it was a wise choice for Jellycat to start doing digital marketing and it is necessary continue in the future.

In recent years, Jellycat did its selling also through specific marketing strategies, like Pop-up

stores and limited-edition products. These pop-up stores are typically established in high-traffic urban areas (up till now, Jellycat organised pop-up stores in Paris, London, Shanghai and New York) and are designed to create a sense of urgency and excitement among consumers, especially adult plush toy collectors. This strategy allows adult collectors to feel that their desire to collect is satisfied through the purchase of limited products. This new marketing strategy has lead Jellycat to great success and highlights Jellycat's brand in public's eyes.

4 SUGGESTIONS

4.1 Increase Specified Events

As until now, Jellycat has only organized pop-up stores for 4 countries: Jellycat Café in Shanghai, China; Jellycat Pâtisserie in Paris, France; Jellycat Fish & Chips in London, UK; Jellycat Dinner in New York, America; with restrict limited-edition toys which can only be bought in the exact pop-up store for a short period of time. This strategy, has already shown great impact on the brand, so that Jellycat should organise more pop-up stores in different regions of the world, in order to achieve higher worldwide brand awareness.

4.2 Diversifying Social Media Marketing Strategies

As what was mentioned in 3.4 Specific selling strategies, only Instagram achieved a high number of followers, which underscores its effectiveness as a primary channel for Jellycat's engagement, while on the other hand Jellycat still needs to work hard on all other social media platforms. Jagdish (2021) highlight that social media and ecommerce have provided access to foreign products and services which has resulted in more diversity of consumption within each nation—Jellycat should maintain strong presence on social platforms. Since each social media has its own function, suggestions are made in the following paragraph: channel on Youtube mainly uploads long-content videos of the brand, but not enough amount. Jellycat should increase the frequency of filming this kind of videos; for Facebook, create official community to let fans join in and discuss their own Jellycat stories, to increase interaction with fans; Pinterest could serve as a proper channel for showcasing product inspiration and lifestyle content.

4.3 Organise Live-Streaming

Another method is to use live-streaming to engage consumers in differentiated formats. In the wake of increased digital engagement, it may be a good way for Jellycat to organise live-streaming on Tiktok, like virtual tours of Jellycat's manufacturing process or Q&A sessions with brand designers, so that Jellycat can offer consumers unique insights into the brand's creative journey. Furthermore, live content should be different among countries and regions, rely on each ones' digital marketing development situations: for example in China, where live-streaming is extremely popular and can boost sales significantly, Jellycat could simply try to open a live streaming channel to sell its product directly; while on the other hand in countries where live streaming sales is not yet very popular, organise expert live-streamings like invite designers to discuss about how the inspiration came out.

4.4 Involve Advertising Campaigns

Finally, another suggestion is made: Jellycat should also involve targeted advertising campaigns that focus on specific segments of the market. As these advertising campaigns have data-driven insights, Jellycat can now tailor ads based on demographics, psychographics and consumer purchasing power, in order to ensure that the brand's messaging is both precise and impactful. In this approach, Jellycat can combine influencer partnerships, interactive content, and data analytics, to significantly enhance its online footprint and drive sustained engagement across various digital platforms.

5 CONCLUSION

To sum up, this paper discussed about digital marketing strategy of Jellycat, Jellycat's success is no doubtly inevitable, it is brand image, high-end luxurious plush toys, with iconic cute smiley face, safe and soft materials, unique design. They all built the current "Jellycat", defeat the other high-end plush toy brands in the market.

The detailed analysis of Jellycat's marketing strategy shows that its strength lies in its overall approach: detailed product classification, not only provide consumers with the most classic plush toy products, but also provide related products such as story books, baby blankets and so on; large customer base, for customers of all ages to develop products in line with customers' wishes; clear segmentation in the

current toy market; positioning as a high-end, good quality and specifically-designed toy product.

The recommendations are provided in order to further develop the potential for growth by increasing pop-up stores all over the world, organising targeted events (live-streaming, virtual events), expanding social media marketing initiatives, and find related ad campaigns and partnerships.

Ultimately, Jellycat's success will depend on its capacity to innovate and remain customer awareness. The brand is in a strong position to develop enduring brand loyalty and stronger ties with its audience by emphasizing experiential marketing and digital diversity. Jellycat's marketing approach, which is characterized by its flexibility and innovative quality, provides an engaging example of how to successfully negotiate the difficulties of a changing industry. Sustained innovation and a dedication to comprehending consumer behavior will be essential going forward to preserve its competitive advantage and guarantee ongoing market expansion.

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