

Marketing Case Study: Beast

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Abstract: This research focuses on evaluating the market competition of BEAST, using SWOT analysis and 4P theory to analyze and reposition its market position. The evaluation shows that BEAST has potential risks but great development potential in the future.

Keywords: BEAST; SWOT; 4P; Positioning and Re-Positioning

1. Introduction

The Beast, a Chinese high-end flower brand, has thrived for over a decade, gaining the nickname "Hermes in Flowers". Initially incubated on Sina Weibo, it filled a gap in the Chinese flower art market. The brand extended its product range to household items, using story-based sales techniques and clear, upscale brand positioning. It also leveraged celebrity endorsements to boost its popularity.

According to the survey and statistical data from Sootoo Institute (Figure 1. statistical data), the majority of flower e-commerce consumers are young women aged 25-35, seeking high-quality products for home and office decoration. The Beast has capitalized on this trend, producing regular video content and live broadcasts, and achieving significant sales.

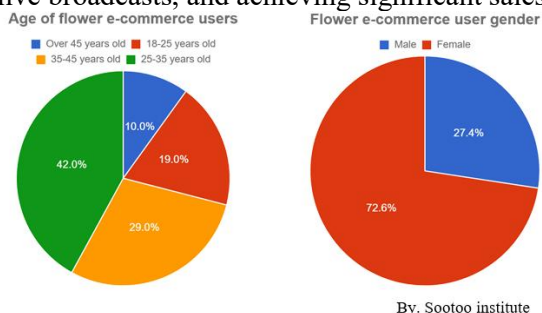


Figure 1. Statistical Data

The Beast, a leading e-commerce brand, effectively utilizes new media, releasing regular video marketing and conducting live broadcasts. This strategy, combined with its emphasis on quality and high-end customized sales, has increased its sales from 14 million yuan in 2015 to 160 million yuan in 2017. The

Beast continues to use an online shopping and offline mailing model, reducing inventory pressure and promoting customer flow. As consumer trends in China evolve, new retail strategies are crucial for brand success. The Beast's growth coincided with an increase in the total sales growth rate of the Chinese consumer goods market, as noted by the 2018 China Shopper Report. The brand's aesthetic encapsulates its philosophy of warm, sincere, and exquisite living. The Beast has deeply rooted in the field of new media. In holidays, brand anniversaries and cross-border co-branding activities, it has released 364 related video marketing videos, updated one latest video every 2-3 days, with an average of 27000 likes, and brand influence continues to rise.

2. Brand SWOT Analysis

2.1 Strength

1) Clear positioning and high brand added value: Art life brand, targets the affluent middle class, aiming to convey a high-end artistic lifestyle. It adds value to its brand by storytelling, packaging flowers with narratives that resonate with customers. This "user thinking" approach, combined with collaborations with artistic paintings and famous storylines, allows The Beast to infuse its products with a unique soul.

2) Derivatives of the original brand products: the vision is not limited to selling flowers, but to developing more products. BEAST has found the second growth curve of the brand, that is, romantic lifestyle products, including scented candles, home textiles, beauty and skin care, jewelry and more. The profit from multiple product lines can make up for lower flower sales in the off-season.

3) Multi-channel sales model and diversification of marketing models: Beast employs a multi-channel sales model, combining online ordering and offline experiences to reduce inventory pressure and

attract customers. Its diversified marketing strategies include leveraging key opinion leaders, releasing short video ads for new products and collaborations, and conducting "brand self-broadcasting".

4) High brand loyalty: BEAST has developed from a microblog influencer to an artistic luxury brand, and can always surprise consumers at key points. Cooperating with product expansion, it has built a moat that other competitors cannot replicate, creating high consumer loyalty.

2.2 Weakness

1) Insufficient product strength: Beast has faced criticism following revelations that its high-priced perfume cost 420RMB and shares a foundry with a cheaper brand, MINISO costs 29.9RMB, leading consumers to question the product differentiation. Additionally, the brand's quality control has been questioned, particularly during peak sales seasons, with many customers expressing dissatisfaction over the disparity between the product images and the flowers received.

2) Offline stores are facing pressure: Although BEAST has a relatively complete and balanced layout of offline physical stores, counters and cooperation channels, it is facing the challenge of e-commerce, and it is facing greater pressure in terms of drainage and sales transformation.

3) No core patents and insufficient product research and development capabilities. The huge sales volume of BEAST is largely due to its excellent marketing methods. Compared with good products, BEAST is better at attracting consumers with moving stories, exquisite appearances and traffic stars. In general, BEAST has no invention patents or utility model patents.

2.3 Opportunity

1) Expanding E-Commerce Market: The Chinese flower e-commerce market is growing annually, with BEAST's O2O model aligning well with this trend, facilitating an integrated online and offline sales approach.

2) Consumption Upgrade Trend: The "2023 China Luxury Market Report" indicates a recovery in luxury consumption within China by International consulting firm Ruder Finn Communications Group and market research company, emphasizing brand history,

craftsmanship, and consumer relevance, aligning with BEAST's luxury positioning.

3) Short Video Industry Growth: The burgeoning short video and live broadcast platforms have diversified the influence of opinion leaders, offering new avenues for product promotion and sales.

4) Artwork Derivative Potential: The integration of art into daily life through product design presents a significant market opportunity, with art derivatives becoming a consumer goods trend and an economic development indicator.

2.4 Threat

1) Market Competition: BEAST operates in a monopolistic competition market characterized by intense rivalry and product homogeneity among art lifestyle brands, necessitating distinctive product design to meet target consumer needs.

2) Direct Competition: With a broad product range, BEAST faces specific competitors in each category, such as ZARA Home in furniture and Roseonly in flowers, requiring strategic differentiation to maintain market presence.

3. Brand Competitive Strategies

3.1 Product

1) Product Portfolio Expansion: BEAST has strategically diversified its product line beyond flowers to include fragrances, perfumes, and home furnishings, aligning with the brand's upscale narrative and targeting the lifestyle segment of affluent consumers.

2) IP-Centric Product Development: The brand has shifted its focus towards intellectual property (IP)--centric products, leveraging storytelling to enhance the emotional value of its offerings and differentiate them within the market. This approach extends to perfumes, where each product is given a unique theme, reinforcing BEAST's position as a purveyor of lifestyle art products.

3.2 Price

1) Premium Pricing Strategy: BEAST employs a light luxury pricing strategy, positioning its products at a premium to standard market rates. This approach capitalizes on the brand's high-end image and the perceived value of its products, particularly

in the flower and gifting segments.

2) **Value Enhancement Through Packaging:** The brand enhances the perceived value of its products through elaborate packaging and theming, which justifies higher price points and aligns with the consumer's expectation for luxury goods. This strategy is evident in the pricing of daily flowers and gift boxes, which range from moderate to significant luxury levels.

3.3 Place

1) **Online Presence:** BEAST initiated its online presence on Weibo, reducing operational costs and fostering a narrative-driven consumer relationship. The brand leverages digital platforms for rapid content dissemination and consumer engagement, enhancing brand awareness and facilitating direct consumer interactions through e-commerce integration.

2) **Offline Experience:** BEAST's physical stores offer diverse and thematic shopping experiences, aligning with the brand's high-end art lifestyle image. These stores are designed to provide experiential consumption, reinforcing the brand's aesthetic and deepening consumer engagement through visual merchandising strategies that distinguish BEAST from competitors and traditional retail formats.

3.4 Promotion

1) **Emotion-Centric Storytelling:** BEAST employs an emotive narrative approach, assigning personal stories to products to forge a deeper consumer connection and enhance brand attachment and loyalty.

2) **Influencer Collaboration and Celebrity Endorsements:** The brand strategically collaborates with celebrities and leverages key opinion leaders to amplify brand visibility and appeal, particularly among younger demographics, bolstering brand influence and driving sales.

3) **Digital Media and Short Video Campaigns:** BEAST utilizes digital platforms and short video content to engage with consumers, shaping brand image, and facilitating rapid content dissemination to capture a wider audience and increase customer engagement. In the past two years, Beast's sales on Tik Tok have increased from 14 million to 160 million, ranking first in Tik Tok and gaining many

young people (**Figure 2. Internet statistics data**).

	Maximum number of rounds (pieces)	Maximum video views (Ten thousand)	Number of videos related to this series (pieces)
KYOTO Sakura Sake	766	11.4	5
BANGKOK Tropical Rain	833	8.7	2
Le Petit Prince	803	7.4	5
PANDA POO-POO	705	8.3	4

	Maximum number of likes (Ten thousand)	Maximum number of comments (Ten thousand)	Number of videos related to this series (pieces)
KYOTO Sakura Sake	4.3	0.27	9
BANGKOK Tropical Rain	5.9	0.17	5
Le Petit Prince	2.8	0.01	8
PANDA POO-POO	4.8	0.04	13

Figure 2. Internet Statistics Data

4. Comments

4.1 Advantages

1) **Extremely high added value to the products it sells:** BEAST uses the method of story marketing, when worthless raw materials are packaged in a series of beautiful stories, these products become endowed with unique emotions, and when the products are linked to human feelings, naturally, the price of the product soars.

2) **The diversified sales channels of BEAST:** As the origin of BEAST was on the online platform of Weibo, the experience accumulated in the early days came into play when the Internet economy rose. You can almost find them on any online channel, including mini-programs, live broadcast sales, etc. Meanwhile, BEAST also opened offline stores in prime business districts of first-tier cities, exposing them to a wider audience.

3) **Clear target audience:** BEAST has precisely targeted middle to high-income demographics. The brand's offerings cater to consumers who prioritize the added value of a brand over product cost, aligning with BEAST's premium pricing strategy, which reflects the high value-added nature of its products. This strategic positioning justifies the higher prices charged for BEAST's goods, resonating with its clientele's expectations and purchasing power.

4.2 Disadvantages

1) **Overemphasis on Marketing:** BEAST focuses more on marketing than on developing core product competencies. This reliance on marketing success is temporary, as the lack of investment in research and development results in an absence of classic and sustainable products. While BEAST is well-known as a brand, it lacks specific products that consumers

can associate with it, which is crucial for long-term growth and strength.

2) Vulnerability to Economic Changes: BEAST's strategy of selling "imagination" faces significant risks. The economic downturn caused by the pandemic has altered consumer spending habits, with increased production costs and a shrinking wealth base among its original consumers. This shift has led consumers to reevaluate their purchasing decisions, posing a challenge for BEAST, which relies heavily on its brand premium.

5. Marketing Recommendations Providing the Reasons

5.1 Increasing Product Added Value and Enhancing Product Differentiation Advantages

By developing new products or improving existing ones, businesses can provide higher quality, more functionality and better user experience, thereby increasing product added value and bringing actual benefits to consumers. This, in turn, enhances their brand image and advertising effects, consolidates their market position, and elevates market share and profitability. Furthermore, product innovation can also help to address changing consumer needs and preferences, allowing businesses to stay ahead of the curve and maintain relevance in a rapidly evolving market.

5.2 Maintaining Market Competitiveness

To stay competitive, businesses must continuously introduce and improve products. Core technology and competitive products create advantages that protect market position and prevent loss of market share. High-quality products and positive customer reviews enhance brand reputation and differentiate products from competitors.

5.3 Establishing a Formidable Defence Mechanism

Product research and development is one way for businesses to establish a formidable defense mechanism. By continually developing new products, businesses can maintain advanced technology and expertise, accumulate patents, and brand value, thereby reducing the entry barriers to their competitors and forming their market barriers. Through

continuous technological innovation and investment in R&D, businesses can accumulate patents, brand value, and core technical strength, making it difficult for competitors to surpass them and establish a foothold in the market.

5.4 Adapting to Market Demands

Market demands are constantly changing, so businesses must continually develop new products or improve existing ones to meet customer needs. Only by seizing market trends and meeting customer needs can businesses win customer trust and loyalty, thereby increasing market share and profitability. In addition, by staying attuned to market trends and customer feedback, businesses can also identify opportunities for growth and expansion into new markets or product categories. This can help to diversify their product portfolio and reduce their reliance on a single product or market segment.

5.5 Reducing Costs and Improving Production Efficiency

Product research and development can also help businesses improve production efficiency. By developing new products or improving existing ones, businesses can adopt more advanced technology, manufacturing processes and materials, thus improving production efficiency and quality, reducing costs, and increasing profits. In addition, the use of advanced materials can help businesses create products that are more durable, efficient, and environmentally friendly, which can help to differentiate their products in the marketplace and attract environmentally conscious customers.

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