

# *The Analysis of Beneunder's Marketing Strategy Based on Consumer Psychology*

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**Abstract:** As living standards improve and knowledge becomes more widespread, people are becoming more and more aware of sun protection and the discussion of sun protection products has now become a hot topic in life. In terms of annual data, the number of sunscreen-related company registrations in China increased year on year from 2015 to 2019, while Brand Beneunder stood out from the crowds as the number one popular Chinese sunscreen brand of the moment. Therefore, this paper will analyze the reasons for Beneunder's success by collecting its financial data and social media placement data, and conducting a swot analysis of Beneunder based on consumer psychology data to analyze marketing strategies. The analysis finds that the success of Beneunder is inextricably linked to differentiated marketing but in addition to maintaining this excellent marketing strategy, the quality of the product itself has to be strengthened because good products are the most important factor for the long-term survival of the brand. The significance of this paper is to analyze the marketing strategies of successful brands to provide implications for other companies so that they can organize their business activities in a planned manner and promote healthy and sustainable growth.

**Keywords:** Beneunder, marketing strategy, social media, consumer psychology

## 1. Introduction

The analysis of brand marketing strategies is an important issue that every company should focus on. Marketing strategy plays a key role in the development of a brand. Many factors are needed for the success of a brand, and marketing strategy is one of the very important ones. It also has an influence on the development of business strategies. Deng [1] found that with the increasing intensity of competition in the market, corporate marketing has become an important tool for companies to gain market share. For example, the Chinese brand Perfect Diary has used social media marketing, cross-border cooperation, and other marketing methods to become a first-tier brand in just three years since its inception. Its impressive growth rate is inextricably linked to its excellent marketing. The press conference on the new profession of an Internet marketer, hosted by the China Light Industry Federation, was informed that the number of Internet marketing practitioners in China has now exceeded 10 million, and continues to grow (People's Daily) [2].

Huang [3] claimed that products must rely on good quality and effective marketing strategies in order to capture the market. Without brand marketing, products are bound to be unsuccessful. Zhou [4] points out that brand marketing is conducive to the improvement of corporate image, and a good

corporate image is a powerful weapon for companies to win in the market competition. According to Zhang [5], it is impossible for a company to exist without the market, and marketing includes sales and is market-oriented. Therefore, enterprises must pay attention to the concept of marketing to seize the opportunities in the market competition and obtain sustainable survival and development opportunities. The main purpose of various marketing tools is to better meet the actual needs of consumers, and improve the economic efficiency of enterprises while enhancing their competitiveness in the marketplace (Wang) [6]. Liu [7] said that enterprises should combine their specific situation and the current market conditions to build a sound marketing system, and gradually improve the development capacity of enterprises.

Hong [8] claims that an accurate marketing strategy will lead the company to improve its marketing efficiency, ensure its smooth operation and achieve its rapid development and efficient and benign operation Yuan [9] points out that a good marketing strategy can optimize the allocation of resources and meet the needs of society, and plays an important role in enhancing the competitiveness of a company. Hu [10] said that if any enterprise takes the lead in mastering a good marketing strategy and maximizes its role, it will have mastered the dominant role in the economic market, thus laying a foundation for the enterprise's future market competition. Shen [11] found that with the power of branding, some companies are able to stand out in a highly homogeneous market competition such as product channels. The point of this paper is to learn from the marketing strategies of successful brands and hopefully provide a reference for other companies to follow when making their marketing strategies

Therefore, this paper focuses on the analysis of Beneunder's marketing strategy based on consumer psychology, which has led to the conclusion that marketing strategy plays an important role in the success of the brand. An analysis of the company's financials shows that marketing accounts for a large proportion of Beneunder's growing turnover year on year. Beneunder's marketing strategy makes use of consumer psychology and market insights as well as the power and influence of social media. Swot analysis of Beneunder shows that the brand's strengths lie in its product technology and understanding of market needs, its weaknesses lie in its over-reliance on e-commerce channels and lack of traditional brand influence, while the opportunities for Beneunder lie in the gap in the female sunscreen market, the rise of urban outdoor sports and the importance of skin protection. The threat is the lack of an independent supply chain and factory and the high cost of brand marketing. The advice to Beneunder is to build an independent supply chain and factory, improve product quality and tap into new demand.

The remainder of the paper is organized as follows: Section 2 describes Beneunder's background information, operations, and financial situation; section 3 analyses his market strategy of Beneunder from the point of view of social media and consumer behavior and psychologies. Section 4 presents a swot analysis of Beneunder and gives suggestions for the development of the company; the last section is the conclusion.

## **2. Beneunder**

### **2.1. Overview**

Bene under, founded in 2013 is an urban outdoor brand from China. Its Chinese name "Jiaoxia" is taken from the phrase "under the banana leaf". While chemical sun protection was prevalent in China, the two founders of Beneunder saw the market for physical sun protection and started the Beneunder with a sunscreen umbrella, and launched the "Little Black Umbrella" in the same year, which quickly became a hit. Since its inception, Beneunder has been committed to providing strong and effective sun protection for people's skin health. Beneunder launched its capsule umbrellas with innovative technology and aesthetic design in the eight years between the launch of the "Little

Black Umbrella" in 2013 to 2021. Then expanded its product range to non-umbrella sun protection products such as sleeves, hats, sun protection clothing and masks, followed by non-sun protection outdoor products such as canvas shoes, Martin boots, underwear, warm clothing and accessories in 2021, making the product mix even more diversified. At the same time, it offers sun protection, coolness, dryness and warmth to the public while inspiring a healthy and vibrant urban outdoor lifestyle.

## 2.2. Financial Analysis

With a beautiful appearance, practical, diverse products and a strong marketing strategy, Beneunder has become the number one Sunwear brand in China, and the number one online retailer among all Sunwear brands in China for the year, outpacing the second largest brand by five times. Moreover, as can be seen from figure 1, the company's revenue and gross profit are on an upward trend from 2019 to 2021. Beneunder's revenue is \$385 million, \$794 million and \$2,407 million respectively, with a compound annual growth rate of 150%. Beneunder filed an application for listing on the Hong Kong Stock Exchange for a proposed Hong Kong Main Board listing on 8 April 2022.

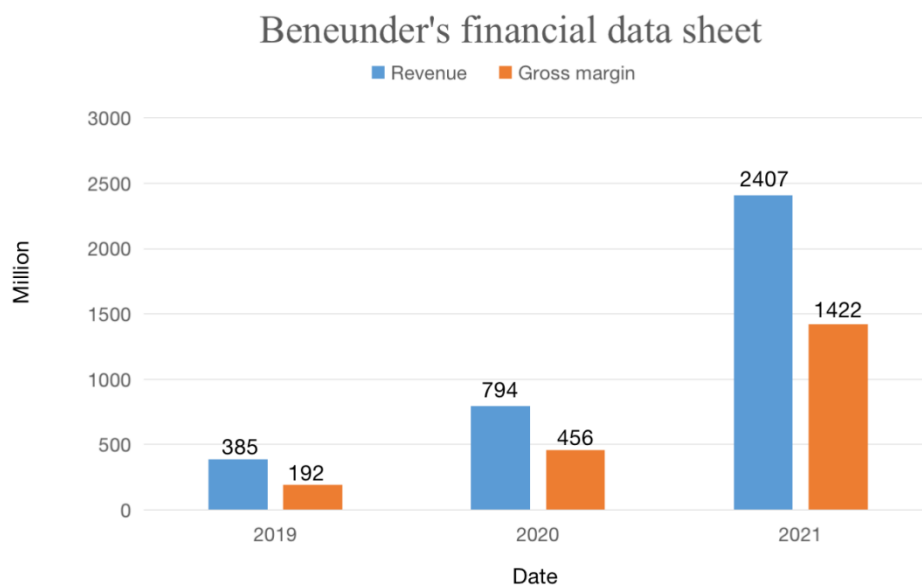


Figure 1: Beneunder's financial data sheet.

## 3. Marketing Strategies Analysis

### 3.1. Social Media

Beneunder's year-on-year revenue growth has a lot to do with its marketing strategy. From a social media perspective, Beneunder's marketing strategy is to use the extremely wide reach of the internet to cover its advertisements on several social media platforms such as Weibo, Douyin, and XiaohongShu, greatly expanding its brand awareness and transmission range. According to the prospectus of Beneunder, its advertising and marketing expenses accounted for 24% of its revenue in 2021, which is much higher than the industry level. Beneunder has cooperated with over 600 KOLs with diverse fan bases in 2021 alone, which have approximately 1.4 billion followers on mainstream social platforms, with over 199 KOLs having millions of followers and generating 4.5

billion views. And in August 2021, Beneunder signed popular actress Lusi Zhao as its brand spokesperson.

### 3.2. Consumer Behaviour and Psychologies

In terms of consumer psychology and behavior, Beneunder has captured the psychology of consumers from its name, which brings a sense of coolness under the banana leaves and the sensation of enjoying the sunshine and feeling healed in the outdoors, greatly stimulating the consumer's desire to buy the brand. In addition, signing celebrities not only enhances the brand image but also attracts consumers' attention. People like celebrities and KOLs and therefore like the products they recommend, increasing the reasons for consumers to buy. Some people are always looking for trends and see the many recommendations on the internet and are tempted to buy for psychological satisfaction. Beneunder's marketing strategy captures this psychological phenomenon of emotional displacement and herding phenomenon. At the same time, the multi-platform coverage of the advertisements increases consumers' perception of the brand and evokes their potential needs to attract many potential consumers, who will give priority to the familiar brand in their memory when they need it. In addition, people are increasingly interested in beauty, so good packaging can also enhance the user experience and purchase rate. The trendy design and beautiful packaging of Beneunder attract many female consumers, and the accompanying umbrella bag can be used both for storage and as an accessory, enhancing Beneunder's position in the minds of consumers and making it a visual priority over other brands. Beneunder has captured the consumer's love of beauty as part of a successful marketing strategy for the brand.

In addition, Beneunder has a high level of market acumen to tap into new consumer needs, with its success in the sun protection sector, Beneunder's marketing strategy has gradually expanded to include the market brought about by the emerging lifestyle of young people in the urban outdoors. Due to the impact of Covid-19, people are gradually moving from wilderness activities to urban outdoor activities. Camping, cycling, and hiking in the city, have become the new trend in outdoor sports. The company has taken advantage of this hotspot to organize many user communities for hiking, fishing, Frisbee, and cycling, and regularly organizes a variety of offline activities to interact with consumers to achieve good word-of-mouth among them. At the same time, the interaction is used to solidify consumers' dependence on the brand. This marketing strategy expands the brand's influence while providing people with scientific knowledge.

## 4. SWOT Analysis

Swot analysis is based on the internal and external competitive environment and competitive conditions of the situation analysis. It can be a comprehensive, systematic, and accurate analysis of the study object-Beneunder, and based on the results of the development strategy.

### 4.1. Strengths

In addition to its excellent marketing strategy, Beneunder's strength lies in the fact that it is based on a DTC business model that strengthens the connection with the consumer, addressing the needs of the consumer directly and reflecting consumer feedback directly to the brand. The company has also developed its technology with R&D patents: AirLoop fabric, original yarn sun protection technology, L.R.C coating technology, omnidirectional push-pull honeycomb technology, silent honeycomb technology, and FlexCore lightweight sole technology. These technologies are not only self-developed but also patented. Among them, Beneunder's self-developed L.R.C coating technology has a strong shading ability, which can resist more than 99% of UVA and UVB rays, and its high quality in product life testing also shows that the umbrella can be used for a long time.

And Beneunder's strength also lies in its understanding of market needs. Beneunder launched a variety of beautiful patterns while the umbrellas on the Chinese market are all the same plain colors. From beautiful flowers to lovely fruit patterns, fully caters to the needs of female consumers of all ages who love beauty and seek unique and individual expression.

#### **4.2. Weakness**

However, as a new brand that started online, Beneunder has the weakness of relying on e-commerce channels and is still lacking in the scale of its onsite shops. In addition, there were already several well-known outdoor brands before Beneunder was established. Sun protection is a niche market for outdoor sports as the needs of urban outdoor and professional outdoor sports are still very different. As Beneunder's target audience expands from women to different age groups and different genders, the influence of beautiful appearance becomes much less and product professionalism and value for money become the needs of the new target audience. The disadvantage of Beneunder is that the professionalism and brand influence of outdoor products are not enough to compete with traditional brands. The traditional brands have a customer base and brand awareness that Beneunder lacks.

#### **4.3. Opportunity**

However, at the time of Beneunder's inception, it was founded with a female target audience and there was no similar outdoor sun protection market for women in China. It was a great opportunity to fill this gap and with the subsequent outbreak of Covid-19, there was a wave of urban outdoor sports and camping. Urban outdoor sports is a new trend that has just emerged in China, boosting demand for outdoor products. And urban outdoor sports are in need of pioneers and leaders, which is a great opportunity for Beneunder. At the same time, with major internet bloggers spreading awareness of the importance of skin protection, buying sun protection products became an essential step.

#### **4.4. Threat**

However, the threat of Beneunder is that this factory OEM model of Beneunder can lead to a high degree of replicability due to the lack of an independent supply chain and factory. Also, the beautiful look of the product and the product features for women can be easily copied and competitors can easily emerge. And according to Beneunder's prospectus, its advertising and marketing expenditure increases year-on-year from 2019 to 2021 and accounts for a higher proportion of total revenue than any other brand in its category, resulting in a significant difference in its gross and operating margins. The high marketing funding has affected Beneunder's operating margin while bringing in new customers, which has resulted in a high brand premium and low value for money situation.

#### **4.5. Advice for Beneunder**

Therefore, Beneunder could create its supply chain and factory, which would not only reduce procurement and transportation costs but also allow it to control the quality of its products while constantly optimizing its production process and keeping a constant eye on technical costs. It is also possible to make timely deliveries according to the market. In addition, Beneunder also needs to shift its marketing costs to quality, technical research, and development, as quality is the key to the product and is the basis of the company's longevity in the market. The focus of the brand competition is on long-term value. Beneunder should build on its existing base to make product quality better and develop more unique technologies and good products to secure the market.

## 5. Conclusion

As a part of a company's business strategy, it is important to analyze the company's marketing strategy. This paper selects a successful marketing company-beneunder and analyses its marketing strategy based on consumer psychology. This paper uses swot analysis and the brand's insights into consumer psychology and the market to analyze Beneunder's marketing strategy.

The analysis reveals that Beneunder has achieved significant success in its business development through its marketing strategy of large advertising and marketing expenditures. It can be seen that a well-developed marketing strategy based on consumer psychology and the market can have a significant effect on the growth of a company. The main contribution of this paper is to analyze the marketing strategies of successful companies so that other companies can learn from them.

The weakness of this paper is that there is less data collection on brands and no quantitative analysis methods are used. Therefore, future research can collect more financial data and consumer data on Beneunder and use regression analysis to analyze the future development of the brand.

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