

# ***Research on the Marketing Strategy of Holiland Brand in Chinese Market***

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**Abstract:** As the largest bakery chain in China, Holiland has a leading influence on the Chinese market. From the beginning of its establishment to the present, its brand positioning and brand image have been continuously optimized, and the visibility of the brand itself has been greatly improved across a variety of baked goods categories. The current marketing situation of Holiland has some problems, such as the brand positioning is not clear enough, the lack of Chinese characteristics and the lack of brand marketing precision. The suggestions are to clarify the brand positioning, optimize the brand image, improve online and offline services, reduce the capital investment of uncompetitive products, continue to develop new products, optimize the membership system, make reasonable use of star effect and use reasonable promotion strategies. This paper makes clear the present situation of Holiland enterprise in the market pattern, explores the causes of related marketing difficulties, and summarizes the specific implementation plan and effect evaluation system of marketing. It is of great guiding significance to Holiland's new media marketing strategy. It is hoped that this can provide some meaningful enlightenment for the development of China's baking industry marketing.

**Keywords:** brand rejuvenation, bakery industry, Gen Z characteristics, new consumption, marketing strategy

## **1. Introduction**

### **1.1. Research Background**

Global franchise network data illustrates that in the past five years, China's most potential for development of the industry, the baking industry ranks among the best. The current situation of China's baking industry is as follows: the first-tier city market is saturated, the second and third-tier cities have great potential, market competition is fierce, the consumer group is younger, the demand for Chinese pastries has increased significantly, the baking products are differentiated, and the industry is trending toward diversified development. So as a domestic brand that has existed for more than 30 years, and experienced the changes of generations, from the fire to the setback and innovation to get out of the dilemma, Holiland has captured the pace of The Times and stepped out of its own pace under Generation Z. The key to its success lies in its novel marketing in China, which provides new ideas and insights for other dessert brands and even domestic brands in various industries.

## 1.2. Literature Review

Huang et al. believe that the baking industry is gradually developing and maturing, and the competition between brands is becoming increasingly fierce. Regardless of size, brands are based on their characteristics, open up new roads, and actively seek development in the face of the market. The momentum of domestic brands is fiercer, integrating local culture, creating local brands, marketing excellent reputation, combining a variety of sales channels, and expanding market demand. And integrate, make the brand younger, inject vitality into the baking industry, and bring a new look [1].

Shen has demonstrated that in the baking industry, which is a very fast replacement of the industry, Holiland with the determination and courage to break the back of the fire through its unique marketing means to revive the dead, so this has existed for 30 years of domestic dessert brand "rejuvenation" [2].

Xie analyzed that although the Holiland brand has a good reputation and occupies a certain weight in the market, with the success of "network red", Holiland's customer group has insufficient stickiness and large liquidity. Suppose it does not adhere to product quality as the primary purpose in subsequent development and strive to improve product quality, under the competition in the market. In that case, Holilai will be able to improve product quality. Whether Holiland will be backfired. Therefore, maintaining the youth while retaining customer groups has become an important thinking problem for the next development step [3].

## 1.3. Research Framework

This paper will first describe the development process of Holiland in the Chinese market, from which consumers can find Holiland's market control and brand development cognition in different stages. Secondly, it will analyze the drawbacks and possible problems under the success of Holiland "network red", and analyze the causes and influencing factors of its formation. In addition, it provides optimization plans and adjustment measures, as well as how to maintain the original intention of the brand and adapt to the changes in the industry and market needs. The last part is the expectation and suggestions for Holiland, a well-known dessert brand.

## 2. Case Description

Holiland was established in July 1992 by photographer Luo Hong in Lanzhou, from a small town in Ya'an, Sichuan Province, Mr. Luo Hong has a photography dream since childhood, in order to pursue his dream, he left his parents, uproot his hometown, and came to Chengdu, Sichuan Province to study photography alone, after a small achievement, perhaps in order to repay his parents, Mr. Luo wants to have a grand birthday for his mother, Searched the whole Ya'an did not find the Western-style cake in mind, since then Mr. Luo has realized that the Chinese baking industry is too backward, so under the coincidence, Mr. Luo began his baking career, but also for the later establishment of Holiland opened the prelude. In the early days, Holiland was smooth sailing because Mr. Luo, who had a whimsy, introduced the latest Western styles and designed a very Chinese-style cake. New shops and new styles were extremely rare in China in 90 years, so Holiland was very famous. New stores are also established in Lanzhou. Holiland development trend is excellent, all the way to North China development, at that time, became the first leader of the northern dessert brand. Then Mr. Luo retired to the second line, the new brand agent chose to change the brand enterprise model, the first to reduce expenses, the second to adopt the western management model, and the third to accelerate the pace of development, this change seriously deviated from the brand culture, with the establishment of new stores, the contradiction gradually sharpened, the annual profit decreased by 40%, the brand reputation seriously declined, in just a few years, Holiland gradually faded from people's view from a famous new brand. Mr. Luo realized the seriousness of the problem and decided

to set about changing the situation. The first step was the expansion of new stores; only in 2007, a year Holiland shut down nearly 300 stores and put a lot of costs into product research and development; the change lasted for 12 years until 2019 to readjust and resumed the road expansion. During this period, Mr. Luo not only changed the pace of development of the brand, but also changed the brand image, in 2014, Mr. Luo's two sons joined, creating Holiland from the old-fashioned Western-style pastry into a young new brand. At present, Holiland's market positioning is the middle and high-end market, and the target customer group is the new generation of young people, representing personalized and young. Holiland now belongs to the relatively popular and huge bakery retail industry, with various products, mainly selling cakes, bread, midpoint, pastry, coffee, moon cakes, dumplings, zongzi, and other products. Consumers can choose different kinds of products to meet the needs of consumers of all ages for desserts, such as taste, sweetness, dessert types, etc. In addition, the new product release rate of Holiland is faster than that of other similar dessert brands and has characteristics and personality, which is not easy to crash in the market, and the brand features are distinct. According to the IIMedia Research survey (see Figure 1 for details), more than half of Chinese consumers will only choose a few bakery brands in 2021, that is, the so-called old, big brands, such as Daoxiangcun, Taoli, Hsu Fu Chi, Daliyuan, Holiland and so on. Others can try other brands or even buy only one brand [4]. Among these widely selected bakery brands, some only factories have online stores and wireless physical stores. Holiland not only owns the domestic first-class large-scale modern food industrial zone in Beijing, Tianjin, and Shenyang, but also owns more than 1,000 stores nationwide and has a variety of online stores. Therefore, under the influence of these factors, Holiland has gradually become the choice of more people and walked out of adversity.

### **3. Analysis on the Problems**

#### **3.1. Analysis of the Current Marketing Strategy of Holiland**

Holiland Foods Co., Ltd. is one of the largest local bakery chains in China and has a huge influence in the country. According to the development of The Times, Holiland uses more and more advanced means to promote the leading position of Holiland products and the entire brand in China. In recent years, its main marketing strategy has revolved around "youth", with the rise and development of a variety of new food brands, such as happy tea, good food shop, and other young food brands, Holiland also follows the trend; the main target customers are young people. In the highly competitive market, the original consumers will inevitably have good memories of the brilliant experience of the old brand, which makes it possible for the younger brand, and it is also a historical advantage that the new brand does not have. Therefore, brand rejuvenation is the trend of The Times and is the best way for old brands to survive.

##### **3.1.1. IP Co-branded Products**

Holiland cooperates with many well-known brands to create co-branded products, attracting more people and expanding the audience of Holiland products to a new scope. Among them, the co-branded brands span various areas, including food, sports, toys, and animated characters. Holiland has joint marketing with 21 brands, such as Oreo, RIO, Ovaltine, Haagen Dazs, Little Horse Polly, SMILEY, Hecha, Orange, and Pop Mart. The combination of the two brands has elevated both brands to a new dimension. Brand co-branding can also better explain the brand concept from multiple dimensions and diversification. At the same time, on the other hand, it is worth noting that we should pay attention to the unity of the brand concept of both sides, so that we can better achieve win-win results.

### 3.1.2. Product in Vogue

Creating product in vogue plays a crucial role in the development of a brand. In recent years, a number of new consumer brands have emerged on the market, and the road to brand creation has been completed in two or three years, becoming explosive products, and sales are often as high as several billion yuan [5]. A cake called half-ripped cheese was launched in 2015, and within a short period, 200,000 boxes were sold in five months on Tmall, a shopping platform in China alone, becoming a hot item of Holiland. Holiland uses this product once enhance its visibility in front of the public.

### 3.1.3. Diversified Theme Concept Store

Holiland establishes different form of chain stores, main birthday cakes, pastry, midpoints, bread, and other products. It has opened nearly a thousand chain stores in more than 80 large and medium-sized cities in the country and established a huge chain operation system. For example, the Holiland Lab store in Hongqiao Xintiandi Store in Shanghai is gray as a whole, and laboratory elements are added to give the baking room of semi-finished products a postmodern industrial style and a conveying machine mechanical aesthetics. The Holiland Pink store in Changsha uses pink throughout the store to create a sweet style. Shen thought while bringing a sweet taste experience, guests are invited to touch the boundaries of time and space and talk about the future [2]. Every time the concept theme store is carefully designed, Holiland closely caters to the personalized needs of young consumers who love the trend, making the brand image more diversified and stimulating consumer desire.

### 3.1.4. Personal IP

With the development of the Internet, various short video platforms such as Tiktok gradually became popular. The second son of Holiland became popular with his social terror boss and was praised numerous times so that more people learned about Holiland through his short videos, secretly and effectively promoting the brand's development and increased product revenue. Simultaneously, in various short video platforms, we also found a lot of food bloggers to promote and evaluate.

## 3.2. Holiland Marketing Strategy Existing Problems

As Holiland's brand style has changed in recent years, many problems have emerged.

### 3.2.1. Vague Brand Style

At the beginning of its creation, Holiland brand gave people the impression of a classic old baked pastry brand, showing in front of the public is the wedding candy, a variety of old snacks. However, with the change of the brand's overall style in recent years, it has become more and more youthful, collaborating with many brands leading new fashion trends and co-signing with familiar animation characters such as Mickey Mouse, Barbie, and Ultraman. It has followed the trend in recent years so that the most popular styles are reflected; after putting aside these, the brand has lost its unique style, and consumers have no memory of it.

### 3.2.2. Lack of Local Characteristics

There are too many Western bakery dessert brands in the Chinese market, and it is not easy to occupy the Chinese market only by Western desserts' main styles and tastes. According to the report of Hu and Zhang, with the continuous improvement and optimization of Chinese dim sum, Chinese people prefer Chinese dim sum more [6]. Holiland 30th anniversary celebration to "retro" as the theme, the

selection of old cream cake; this nostalgic brand launched a series of old cream cakes with the Chinese classic big red flower to do the shape with the retro wind paper bag, combining with the 1990s store decoration and consumers' good childhood memories combined, making the brand into the Chinese elements easier to resonate with consumers. However, the problem is that Holiland does not continue to launch relevant products. Therefore, appropriate product marketing strategies should be made in accordance with the needs of the Chinese market and related to the state.

### **3.2.3. Insufficient Marketing Precision**

China has a vast territory, the economic differences between different places; Holiland brand positioning is the high-end market compared with other baked desserts; the price is high, and consumers are mostly higher-income people in the second and third-tier cities in the ordinary people to buy fewer opportunities. Holiland in the more backward economic development of the city can be on the new price of slightly lower products, so as to adapt to the differentiation of various regions, to achieve the best value of products.

Aiming at some problems of Holiland marketing status and the development trend of Chinese market, this paper puts forward some suggestions on product marketing optimization of Holiland.

## **4. Suggestions**

### **4.1. Clear Product Positioning**

Holiland adheres to the high-end market positioning, its price is relatively high, but the quality is mellow, suitable for white-collar workers and young people. Blindly reducing the price is not a good marketing strategy; in line with the brand's positioning, the appropriate price increase is more conducive to brand image building. Since we have chosen the high-end market to develop, we should not price products similar to those of populist brands. Upgrading the style of the product will gain the favor of more brand target customers.

### **4.2. Optimize Product Brand Image**

The overall optimization of the brand image is also a crucial step. The brand of Holiland is gradually becoming younger, and it should be in line with various aspects of Generation Z. First of all, live streaming of goods can be carried out on entertainment platforms such as Tiktok and Weibo, and relevant information can be pushed to target groups through various platforms through reasonable use of public opinions summarized by social media, thus playing a role of drainage [7]. At the same time, optimizing the product's propaganda, which has its characteristics, and is easy to understand, and can make consumers have more profound in memory. In addition, some public welfare activities, such as donations, can be done appropriately to improve the brand's image of social responsibility in the public's minds.

### **4.3. Upgrade Service**

The public's evaluation of a brand is not only based on the product itself, but also on its service. Many products will make consumers unhappy because of problems such as service attitude. First of all, in offline stores, to ensure the service attitude of salespeople and the cleanliness of the store, it is necessary to train employees regularly. At the same time, Holiland cable trading, ordering, and delivery speed to improve in terms of food safety to be guaranteed, the express choice to choose a good reputation, fast delivery of express companies, in the food quality problems found in a timely after-sales service [8].

#### **4.4. Cut Back on Uncompetitive Products**

The resources of the enterprise are limited; the more the number of products, the less the investment in the design, research, and market research of each product [9]. Holiland has a wide range of products across cakes, bread, pastries, midpoint, coffee drinks, mooncakes, glutinous rice balls, zongzi, etc. It can appropriately reduce the products at a disadvantage in the competitive market and combine consumers' feedback to appropriately reduce the products that consume a lot of resources and have a small number of buyers and provide resources to competitive products.

#### **4.5. Constantly Developing New Products**

Holiland's IP co-branded products are one of its major brand characteristics, and many customers will go to buy because of their favorite IP characters; therefore, Holiland should be based on the development of The Times to find more IP that fits the brand to achieve a strong combination, to create better quality products, to maintain the freshness of the brand for customers. In addition, the taste of the product itself, taste, etc., can not be too simple; IP joint name should only be the additional halo of the product, and can not blindly focus on this to make the product itself attractive enough.

#### **4.6. Membership Marketing**

The membership system is mainly used to reward loyal customers; each level of customers has exclusive privileges; one is to encourage customers to spend more to upgrade the level, and the second is to stimulate customer psychology, build a high growth, high value, high feedback membership system, to provide them with temperature, depth of membership experience. For consumers who have become members, we can provide appropriate tasting services, improve product discounts, improve store re-purchase rates, and increase customer stickiness [10].

#### **4.7. Fair Use Spokesperson**

It is necessary to invite traffic stars to endorse products to increase brand awareness, but it is necessary to rationally look at and carefully analyze the suitability of each star and the brand. If Holiland wants to create a different brand image, it must consider whether the product and brand's image are highly related to the selected star. If we want to enhance the persuasiveness of the advertisement, we should pay attention to the social reputation of the selected star; To quickly enhance the visibility of a new product, Holiland needs to choose stars with large traffic; If Holiland wants to project a different brand image, it has to consider whether the image of the product and the brand is highly relevant to the chosen star.

#### **4.8. Reasonable Promotion Strategy**

As a high-end food brand, Holiland's promotion can not be achieved simply by blindly reducing prices, which will damage the brand image. On special holidays such as Double 11 and 618, Holiland can get small gifts or discounts by sharing its products on the moments or social media platforms. In addition, in the live broadcast, Holiland can improve the discount of products, attract more consumers, and promote the popularity of the broadcast room to enhance brand publicity.

### **5. Conclusion**

Holiland grasped the new market trends and recognized the importance of brand use. Whether it's consumer-based or brand lifecycle, Holiland has its own unique strengths and issues. The analysis of the marketing path can sum up the "three engine" methods of young people: product, marketing



method, and channel. Change the look, make it sell. Positioning lines and star power spur consumers to keep buying. There is no hope of strong co-brands that closely attract the eyes of young consumers. Pay attention to store experience, establish a new brand image, and grasp the situation of domestic goods take out consumers' hearts. Promoting multi-channel marketing that forms consumer memory points, closed-loop design, and cultivating individual intellectual property rights aims to increase consumer stickiness. Behind the success, the company must be prepared, especially young marketing to determine the solution to the stage problem, always remember the aesthetic fatigue of the "wine", for a period of time, quality assurance, but also the shadow to build a reputation, find reputation, only do the brand behind, create a sense of identity of mining multi-brand, create value for the society, which is the most ideal.

### Authors Contribution

All the authors contributed equally and their names were listed in alphabetical order.

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