

Research on the Marketing Strategy of Beneunder in China

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Abstract: In recent years, with the widespread popularization of outdoor sports culture and sports awareness in China, outdoor activities have evolved from a niche interest to widespread sports and relaxation in society. Especially against the backdrop of the pandemic and the reduction of social distancing, low-intensity and recreationally lightweight outdoor activities have gained popularity among urban youth. Consequently, the popularization of lightweight outdoor activities has led to the flourishing development of the market for lightweight outdoor activity brands. This study takes the Beneunder brand as a case study, utilizing the SWOT analysis to explore the brand's marketing strategies in the Chinese market systematically. A detailed analysis and summary of the strengths and weaknesses of its marketing strategies will be conducted, and corresponding strategic and optimal suggestions will be proposed. Beneunder, with its co-branding efforts, accurate market positioning, and mature sales channels, has successfully entered the Chinese market for lightweight outdoor activities. However, challenges arise due to weak offline sales capabilities and insufficient investment in scientific research, hindering the brand's development. Faced with competitors from specialized outdoor brands and the impact of negative public sentiment, Beneunder must seize market demands and enhance product design and quality to further achieve brand upgrading.

Keywords: Marketing Strategy, SWOT analysis, Lightweight Outdoor Brand

1. Introduction

Around 2021, the pandemic imposed restrictions on travel of consumers. At the same time, it stimulated lightweight outdoor activities around suburbs, such as hiking and camping. These activities mainly aimed to bring people close to nature, and its short-distance and short-term characteristics had triggered a popularity in lightweight outdoor sports. However, there are relatively few clothing brands focusing on lightweight outdoor sports in China, which leads to limited research on the marketing strategy of outdoor lightweight sports brands. Among a small number of brands, the performance of Beneunder is more prominent. Therefore, this paper takes Beneunder as a marketing case, and systematically analyzes the market positioning, product characteristics, consumer demand and promotion strategy of Beneunder by using case analysis and qualitative research. And this study summarizes the effective marketing strategy of the Beneunder. In addition, through marketing feedback and the comparative analysis of competitors, the weaknesses in its marketing content were identified, the threats faced by Beneunder were clarified

and the corresponding optimal measures were finally proposed. This study not only provides a theoretical basis for the strategy formulation and brand development of lightweight outdoor sports brands, but also enriches the theoretical knowledge system in the field of marketing.

2. Introduction to Beneunder

Traditional outdoor sports usually refer to sports with high professional skills, such as rock climbing, cross-country, alpine skiing, etc., which show high requirements for athletes' physical fitness and sports venues. With the enhancement of Chinese people's awareness of sports and the promotion of outdoor sports culture, the types of outdoor sports have gradually increased and leisure and relaxing types are the main parts. These sports do not require professional skills, which is more beginner-friendly. Also, they provide an opportunity for citizens to get close to nature and make them happy physically and mentally. Outdoor sports with these characteristics are called lightweight outdoor sports [1].

Beneunder is a lightweight outdoor lifestyle brand founded in 2013 by Shenzhen Minus Technology Co., Ltd. In 2013, Beneunder launched its first product, a portable umbrella designed for outdoor activities. This umbrella used a UV-resistant coating called L.R.C™, which effectively blocked harmful UV rays and incorporated a beautiful appearance. The launch of this product laid the foundation for a product strategy that combines UV protection technology with a high aesthetic appearance. Subsequently, this kind of little black umbrella of Beneunder became the flagship product in the field of "essentials of sun protection". Between 2016 and 2019, Beneunder had undergone a strategic evolution from a single product of sun protection to a broader field of outdoor products of sun protection. This transition included the change from stand-alone products of sun protection to a more comprehensive range of outdoor products of sun protection, expanding product line for sun protection clothing, sun protection masks, and so on. And between 2020 and 2022, Beneunder further expanded its product portfolio on the basis of consolidating its outdoor products of sun production in the umbrella and apparel fields, including six core products such as footwear, hats, underwear and accessories. This transition marked the official upgrade of Beneunder to an urban lightweight outdoor brand to meet the diversified market demand better.

3. Analysis of marketing strategies of Beneunder

3.1. Strengths

3.1.1. Co-branding marketing

According to the latest prospectus of Beneunder, from 2019 to the first half of 2022, the proportion of distribution and sales expenses in revenue increased year by year, at 32.45%, 40.7% and 45.9%, respectively. It was obvious that in 2021, Beneunder invested about 590 million yuan in advertising and marketing expenses, accounting for a quarter of the annual revenue. Since 2017, Beneunder has cooperated with celebrities such as Dilraba Dilmurat, Nana Ou-yang, Joe Chen and other high-profile celebrities in terms of marketing and co-branded content, aiming to increase the popularity of its products. Taking 2017 as an example, when Dilraba Dilmurat first posted an opening screen advertisement for products of Beneunder on Weibo(a social online platform in China), the same small black umbrella of Beneunder named "Luohe" was sold out in just 2 minutes. Since 2023, co-branded cooperative marketing of Beneunder has taken a more solid step. At the beginning of March, Beneunder cooperated with singer Sitar Tan to release the video content "Poem of Insects Awaken". And only a month later, it cooperated with the singer-songwriter group named "Landlord's Cat" to release the video content of products of sun protection named "All the Sun". In addition, Beneunder also announced Jay Chou as its spokesperson, and released the video

content named "Simple Love" with Jay Chou in May. From "Poem of Insects Awaken" to "Simple Love", Beneunder not only relied on celebrity endorsements to enter the track of brand upgrading successfully, but also directed the public's attention to its lightweight sportswear products.

3.1.2. Segmentation positioning of brand marketing

In Chinese fierce competition of clothing market, Beneunder has been able to stand out both due to its excellent marketing strategy and its unique and refined market segmentation. Beneunder has consistently adhered to the core positioning of its sun protection, lightweight and outdoor sports, focusing on the in-depth development of lightweight outdoor sports and gradually expanding its product line of lightweight outdoor. In the early stage of the Beneunder development, focusing on this differentiated product positioning, Beneunder avoided the highly competitive sportswear market successfully. It started with the "Little Black Umbrella" product for sun protection and utilized collaborations and endorsements strategies to increase brand awareness. And then it gradually expanded its product line to include apparel and eventually cover six core product categories. The brand has always adhered to the integration of "sun protection technology" in the products and highlighted "close to nature" in the marketing strategy. So the concept of "lightweight outdoor" can be displayed vividly. After a series of videos released by Beneunder in 2023, the public's perception of "lightweight outdoor sports" not only has gone beyond the simple concept of physical fitness, but also it is more inclined to the perspective of leisure, lifestyle, and sports culture [2].

3.1.3. Well-developed channel of marketing

In 2019, Beneunder signed Rosy Zhao as its spokesperson successfully. As a spokesperson, Rosy Zhao released a recommendation video of the related products to promote its diversified series of products. In addition, Beneunder collaborated with KOLs (opinion leaders) and KOCs (content creators) on many social media actively. Therefore, some online platforms with a large number of users, such as Xiaohongshu (a life-sharing platform in China), had cases of product recommendation videos of Beneunder. According to the prospectus of Beneunder, as of the first half of 2022, the number of key KOLs cooperated with Beneunder has reached 1,577. As of the first half of 2023, Beneunder sales on the Tik Tok platform in China exceeded 800 million yuan. In terms of sales structure, it mainly includes store broadcast (live broadcast through the official flagship store), star broadcast (live broadcast through Internet celebrities), online mall (official e-commerce platform), and short video. Among them, store broadcast revenue still dominated. The products of the Beneunder's official flagship store on the Tik tok China platform are mainly focused on clothing for sun protection and the official broadcast live maintained sufficient inventory of clothing for sun protection to ensure that consumers could buy it immediately, which also formed a complete closed loop from attraction to purchase. Beneunder actively cooperated with celebrities of live streaming, including with John Romero, Austin Li and other well-known top celebrities in live streaming. These collaborations not only enhanced the marketing effect of the new production, increased the revenue share of apparel products, but also improved the brand's popularity further, laying a solid foundation for the brand's upgrade in the lightweight outdoor field.

3.2. Weakness

3.2.1. Sales ability of offline stores and model of production

In 2016, Beneunder opened its first directly operated store in Shanghai, marking the initial development of its retail business. However, from 2019 to the end of 2021, the number of retail

outlets of Beneunder grew slowly, only from 39 to 66. And the sales of offline stores are not satisfactory. The share of revenue generated by its offline stores compared to other sales channels, including retail networks and key customer sales, declined over the period, from 8.1% in 2019 to 2.7% in 2021. The reason behind this trend is that operating costs of offline stores increased due to staff salaries, rent and other expenses. In addition, compared with online stores, offline stores have limited exposure and attraction ability to consumers, usually only a limited number of customers, and the profit conversion speed is slow and inefficient [3]. It is worth noting that the main production mode currently used by Beneunder is factory OEM production. This model may lead to inconsistent product quality and vulnerability to supply shortages and disruptions as well as fluctuations in raw material prices, meaning that brands may lose their competitive edge in the production link [4].

3.2.2. Investment and professionalism of products

Beneunder has achieved great success because of its beautiful appearance of small black umbrella products and the combination of "sun protection technology", which has established a brand image of "sun protection" as the core product tonality. However, it is worth paying attention to that Beneunder is facing a more significant problem of unbalanced fund distribution. According to the data in Beneunder prospectus, from 2019 to 2021, Beneunder's research and development expenditure accounted for 5.2%, 4.5% and 3.0% of its total revenue, respectively. This trend has raised questions about whether effect of sun protection are consistent with the results shown in its marketing. Although Beneunder has won consumer recognition in the past with products such as its little black umbrella, there are increasing questions about the product's performance and functionality as the brand continues to expand its product line, especially in other areas outside of the sun protection field [5].

At the same time, the development process of Beneunder can be described as clear and orderly, from the initial single product of sun protection as the entry point, gradually expanded to form a sun protection series, and finally entered the field of lightweight outdoor brands. However, it is noticeable that there is still a certain gap in the process of product line expansion, especially from the main "sun protection" products to the process of building a professional lightweight outdoor sports brand. Some foreign outdoor brands such as Archaeopteryx and Columbia, etc., started by manufacturing raincoats, rain hats and other products, focusing on outdoor supplies and equipment. Although the product of Beneunder focus on the "sun protection" field of outdoor lightweight sports, it still also need to consider the investment of scientific research and more professional brand positioning to become a professional lightweight outdoor brand.

3.3. Threat

3.3.1. Analysis of competitors

Compared with traditional outdoor brands such as Archaeopteryx, North Face, Columbia, Wolf Claw, etc., Beneunder is facing a wide range of competitive gaps, including the following four aspects below. First, traditional outdoor brands entered the Chinese market earlier, at a time when Chinese outdoor sports brands were booming. This had given them a large base of consumers and strong brand reputation, giving them a strong position in the Chinese market. In contrast, as a latecomer, Beneunder needs to deal with the pressure of fierce market competition and brand positioning. Second, traditional outdoor brands have established a relatively stable and diversified product line. For example, the North Face provides professional mountaineering equipment, jackets, ski wear and other products, while Colombia covers mountaineering, skiing, hiking and other types of outdoor sports. The product line of Beneunder is relatively limited and lacks comprehensive

coverage of diverse outdoor sports [3]. Third, the products of traditional outdoor brands focus on professional outdoor sports equipment, and invest a lot of money in product research and development, including independent research and development of high-tech fabrics. This makes traditional brands have significant advantages in terms of production threshold and technical level. In contrast, Beneunder's professionalism in the field of professional outdoor products is relatively not enough, limited by capital and research investment. It is challenging to enter the highly specialized field of outdoor sports. Finally, traditional outdoor brands have a wide network of sales channels, covering all kinds of stores such as offline self-owned stores and street stores, and also extending to second - and third-tier cities. There are relatively few offline stores of Beneunder, which are mainly distributed in first-tier cities, limiting its coverage and market share in the market. This poses a certain challenge for gaining a larger share in the highly competitive outdoor sports brand market.

3.3.2. Influence of negative sentiments

Since 2017, Beneunder has invested heavily in advertising, actively invited star spokespeople and cooperated with marketing channels such as KOLs and KOCs, achieving a certain degree of product sales growth. However, what does not match the growth in sales is that its scientific research investment and the actual sun protection effect of its products have not kept pace with the sales. This phenomenon has led to consumers' impression of "focus on marketing and ignore research and development" of Beneunder, questioning the actual effectiveness of its products. In some e-commerce platforms, such as Taobao and Tik Tok, there are a large number of complaints about exaggerated product features and false publicity in the user comment sections. These negative reviews have adversely affected Beneunder reputation. This may not only deter some potential new users from buying, but also lead to the loss of existing consumers, which can negatively impact the revenue. This negative cycle can lead to companies getting stuck and not being able to free up enough capital for research and innovation. In addition, Beneunder tried to be listed in Hong Kong in 2022, but failed. This negative press may have a negative impact on potential consumers and reduce their confidence in the products of Beneunder.

3.4. Opportunity

3.4.1. Analysis of demand

In September 2023, Austin Li with negative news caused Chinese consumers to pay extensive attention to domestic brands. In social media, many domestic products of the broadcast room popularity exploded. In the same year, on 11th November, Tmall hot list also appeared more domestic brands. Beneunder, as a high-profile domestic brand in Chinese sun protection market, can take this opportunity to create the image of high-quality and cost-effective domestic products favored by the people. Also, it could carry out emotional marketing with the attention of the Internet platform to domestic products, to win the favor of consumers. In 2023, the report released by the Lightweight Outdoor White Paper shows that the number of Chinese people participating in outdoor sports has greatly increased and the proportion of young people in outdoor sports has significantly increased. The increase in outdoor exercise will correspondingly bring about a high demand for sun protection and sports products. For Beneunder which started by the sun protection products and expanded the sports product line, the demand market expansion. So it can launch more suitable for young people's outdoor sun protection products and pay attention to functional publicity, meeting the needs of young people outdoor sports. The increase in outdoor exercise essentially reflects people's concern for their own physical health [6]. In recent years, concept of "sunbathing" has also been changed, which means people no longer think that sun exposure is always a good thing. The

latest scientific articles have clearly pointed out that improper sun protection can increase the probability of skin cancer. Therefore, people who love outdoor sports are more and more concerned about skin sun protection, Beneunder got market attention by sun protection “little black umbrella”. In the future, Beneunder can continue to deepen the field of physical sun protection and launch more high-quality products. Moreover, it can broaden the product line and pay attention to the development of sunblock sunglasses, sun-protective clothing and other products.

3.4.2. Analysis of supply

In October 2023, governments in China published a favorable manufacturing policy to attract more manufacturing industries to return to product, which is a method to promote the renewal and upgrading of the manufacturing industry. With the development of Chinese economy and the progress of technology, Chinese manufacturing industry has been trying to change the old habit of relying on the demographic dividend and adopt various ways to enhance the manufacturing capacity such as technological empowerment, scientific and technological innovation. For Beneunder, it is an opportunity to ask upstream suppliers to update their capacity. Beneunder is currently the mainly focus on sun protective clothing. However, sun-protective clothing in China shows a phenomenon that large number of manufacturer produce them and the quality of sun-protective clothing is different. The manufacturing industry adheres to stereotypes and lacks innovation for a long time. So Beneunder can require the upstream to improve production equipment and improve standardized production levels and reduce production costs while improving production efficiency and improve product quality. In addition, Beneunder should take advantage of product design and occupy the market by the appearance style design that is more suitable for market demand [7]. For example, current sun-protective clothing pays too much attention to functionality but it is not suitable for daily wearing. In the future, Beneunder can try to design more sun-protective clothing suitable for daily wearing and occupy the market [8].

4. Conclusion

Beneunder has achieved remarkable success over the past decade, mainly due to its excellent marketing strategy, which increased the brand's awareness in the early stage of development and attracted the attention of a wide range of young consumers. Differentiated market positioning of Beneunder has also helped it win a place in the highly competitive apparel market. Through differentiated product positioning, the brand successfully avoided the fierce competition. At first, the "little black umbrella" sun-protective single was the starting point and the brand awareness was enhanced by cooperation and spokespersons. Then the product line was gradually expanded, and finally six core product categories were formed. Beneunder's well-developed channel marketing strategy was also an important factor in its success, including a variety of sales channels such as store broadcast, star broadcast, mall and short video, which further improved brand awareness and sales. However, Beneunder also faces some challenges. First, brands invest relatively little in scientific research and the questions about product functionality and performance are increasing. Beneunder need more investment and research to meet consumer demand for product quality and functionality. Secondly, the brand's product professionalism still needs to be improved, especially in the field of professional lightweight outdoor sports. Compared with traditional outdoor brands, Beneunder still has a certain gap in product line expansion and professional fields.

Although this study makes a comprehensive analysis of the marketing strategy of Beneunder, there are still some shortcomings. First of all, there is limited information on the specific data and financial information of this brand, which may lead to the limitation of in-depth evaluation of Beneunder. Second, there is relatively little discussion about the brand's future development

strategy and market expansion. Future research can focus more on brand strategic planning. Finally, there is no in-depth analysis of the brand's strategy and opportunities in the international market, which is also the direction of future research.

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