

# ***Labubu Phenomenon: How Celebrity Endorsements and Viral Marketing Drive Sales Growth for Pop Mart***

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**Abstract.** In the digital-native era, collectible toys such as Pop Mart's Labubu have gained tremendous popularity. However, limited studies explore how celebrity influence and short-form videos create explosive market phenomena, especially in Chinese brands exporting culturally resonant IPs. This study investigates the Labubu phenomenon, focusing on its role in Pop Mart's growth through celebrity endorsements, online virality, and hype-driven sales. Using a mixed-methods approach, combining qualitative case study analysis of viral content and endorsements with quantitative data review of sales figures and social media metrics from 2024-2025, the study draws on industry reports and academic literature. Findings show that Labubu generated \$670 million in H1 2025, accounting for 34.7% of Pop Mart's revenue, with profits increasing by 396.5%. This growth is attributed to scarcity tactics and social proof. The study highlights the risks of overconsumption and suggests that brands balance hype with sustainability to ensure long-term viability.

**Keywords:** Labubu Phenomenon, Pop Mart Sales Growth, Celebrity Endorsements, Viral Marketing, Consumer Hype

## **1. Introduction**

The collectible toy market has evolved alongside digital trends, with Chinese firms like Pop Mart leading through blind-box models—achieving \$1.81 billion in revenue in 2024 [1-3]. Recent studies highlight viral marketing's role in consumer goods, such as analyses in the *Journal of Marketing* on social media-driven fads and the *International Journal of Consumer Studies* on blind-box psychology, yet scant research addresses Asia's cultural exports surpassing Western giants like Hasbro amid post-pandemic FOMO-driven buying. This gap is especially evident in understanding how phenomena like Labubu—fueled by short videos and speculation—reflect shifts in global consumer behavior. This paper aims to dissect Labubu's rise as a case study in integrated marketing, examining how celebrity bring-goods and internet fermentation translate to real sales booms, while probing social implications like hype and overconsumption. Utilizing a mixed-methods approach, the study combines secondary data (financial reports, media analyses) with primary insights (X post sentiment, viral video metrics) to trace causal links from endorsements to economic outcomes. Insights benefit marketers by highlighting digital strategies for niche products, inform policymakers on consumerism's environmental/societal costs, and empower consumers amid hype bubbles, fostering sustainable trends in global retail.

## 2. The fermentation effect of the digital ecosystem

The development of digital ecosystems has reshaped how consumer products attract attention and circulate in society. For Pop Mart's Labubu, the process of digital fermentation transformed the toy from a niche collectible into a cultural symbol. Fermentation in this context refers to the organic and escalating spread of buzz through repeated circulation, imitation, and amplification across social media platforms. Rather than being driven solely by company-led advertising campaigns, the Labubu phenomenon emerged from countless small interactions between users, influencers, algorithms, and online communities. The digital ecosystem thus acted as both amplifier and accelerator, pushing Labubu into mainstream visibility at unprecedented speed. This effect is particularly evident in how initial user-generated content sparked widespread imitation, leading to a self-sustaining cycle of engagement. As platforms prioritized high-engagement posts, Labubu evolved from a quirky toy into a symbol of shared excitement, reflecting broader trends in digital consumerism where community participation outpaces traditional marketing. This organic growth not only boosted Pop Mart's visibility but also integrated Labubu into everyday cultural expressions, from memes to fashion accessories, demonstrating the power of interconnected digital networks in modern brand success.

### 2.1. The viral spread mechanism of short video platforms

Short video platforms such as Douyin, TikTok, Instagram Reels, and Bilibili have become the most powerful channels for shaping consumer attention. Their design prioritizes concise, visually engaging content that captures interest within seconds, aligning perfectly with the nature of blind-box collectibles like Labubu. Unboxing videos, where buyers reveal the contents of sealed boxes provided dramatic moments of suspense and excitement. When rare or hidden figures appeared, the emotional reactions of the unboxer were amplified by background music, edits, and commentary. This highly shareable format created a wave of user-generated content that multiplied exposure. By mid-2025, the #Labubu hashtag on TikTok alone had amassed over 2.3 billion views, with countless videos showcasing these unboxings turning ordinary fans into content creators overnight.

Douyin, primarily targeting Chinese users with a youthful, urban demographic, excels through its highly localized algorithm that prioritizes culturally resonant content and rapid trending challenges, enabling Labubu to spread via folklore-inspired themes that appeal to domestic pride. In contrast, TikTok's global user base, skewed toward Gen Z in diverse markets, leverages a more adaptive algorithm emphasizing cross-cultural remixes and viral sounds, which amplified Labubu's international reach by facilitating user duets across languages. Instagram Reels, with its influencer-heavy audience focused on aesthetics and lifestyle, visual-first recommendations and e-commerce integrations. This enhanced Labubu's fashion-related appeal through styled displays. Bilibili, popular among anime and gaming enthusiasts in China, features longer-form comments and bullet-screen interactions, fostering deeper community discussions around Labubu's creative storytelling. These differences influenced Labubu's propagation: Douyin drove initial domestic hype, TikTok enabled global virality, Reels enhanced premium branding, and Bilibili sustained niche engagement. Pop Mart adapted strategies accordingly—using Douyin for localized challenges, TikTok for celebrity collaborations, Reels for e-commerce links, and Bilibili for fan animations—to optimize platform-specific algorithms and interactions.

The viral mechanism of short videos does not depend solely on celebrities or large-scale influencers. Ordinary users also participate, often imitating popular formats or adding creative twists. For example, collectors on Bilibili created stop-motion animations with Labubu figurines,

while Douyin users used them as props in comedy skits. Each new reinterpretation encouraged further remixing, creating a cycle where content was continuously refreshed rather than fading. The result was an ongoing cultural conversation around Labubu that extended beyond the product itself. Fans began incorporating Labubu into daily life scenarios, such as travel vlogs where the toy "adventured" in new cities or cooking challenges where it "helped" in the kitchen. These creative adaptations not only kept the trend alive but also built emotional connections, as viewers related to the joy of discovery, the frustration of duplicates, and additional senses of achievement from completing collections, community belonging, and social recognition gained through likes and shares on personalized content. By crafting unique Labubu narratives or customizations, users showcased their creativity and individuality, fulfilling social needs for self-expression and validation in online spaces.

The global reach of short video platforms further magnified the spread. Clips originating in China quickly circulated internationally, with translations, subtitles, or duets connecting audiences across languages. Fans in Southeast Asia, Europe, and North America began encountering Labubu content not through official marketing but through viral sharing. In Thailand, for instance, local influencers paired Labubu with traditional outfits during festivals, blending cultural elements that resonated regionally and drove search spikes. Similarly, in the US, TikTok users turned Labubu into a fashion statement by attaching it to bags or matching outfits to the toy's colors. This cross-cultural exchange turned Labubu into a symbol of global youth culture, where participatory media broke down barriers. Celebrity involvement accelerated this process; when Blackpink's Lisa posted a casual photo with her Labubu in 2024, it sparked a surge in international interest, leading to fan recreations and duets that further globalized the trend. Rihanna's endorsement in late 2024 caused an immediate spike in app downloads for Pop Mart, as fans rushed to replicate her style. Moreover, the platform's duet and stitch features encouraged collaborative content, where users reacted to others' unboxings in real-time. A popular trend involved "Labubu challenges," such as racing to complete a series or creating fan fiction around the toy's folklore-inspired backstory as a playful monster. These interactive elements fostered a sense of community, turning solitary collecting into a social event. By 2025, Labubu-related challenges had generated millions of user entries, with some videos garnering over 100,000 likes individually. This grassroots participation not only sustained virality but also provided Pop Mart with free, authentic promotion.

## 2.2. Algorithm recommendations and traffic conversion

While user creativity initiated the viral spread, algorithms played a decisive role in maintaining and expanding visibility. Recommendation systems are designed to maximize user engagement, meaning that content generating strong reactions is prioritized and shown to larger audiences. For Labubu, videos with high completion rates, comments, and shares were continuously pushed into recommendation feeds, creating echo chambers where users were repeatedly exposed to similar content. This algorithmic boost turned fleeting interest into sustained hype, as platforms like TikTok analyzed user behavior to refine suggestions.

Algorithms also personalize exposure based on user interests: individuals who engaged with toy, anime, or cute aesthetic content were more likely to receive Labubu-related recommendations. This targeting ensured that promotional content reached audiences most inclined to become collectors. As a result, exposure was not only broad but also precise, optimizing the conversion of interest into sales. In early 2025, following viral campaigns amplified by these algorithms, Pop Mart reported a 200-300% spike in app downloads, directly linking digital visibility to real-world actions. The seamless integration of e-commerce functions further supported this process. Platforms allowed

users to purchase Labubu toys directly from videos or linked shops, minimizing friction between desire and purchase. Pop Mart's collaboration with online retailers made it possible to move from watching an engaging video to buying a product in just a few clicks [4,5]. Reports from the previous two years indicated that app downloads spiked by more than two hundred percent following major viral campaigns, underscoring how algorithm-driven attention translated directly into financial outcomes.

Algorithmic amplification also extended into secondary markets. Resale platforms used similar mechanisms, recommending high-priced listings to collectors and fueling perceptions of scarcity. For instance, after celebrity endorsements like Rihanna's, algorithms pushed related content to fashion enthusiasts, leading to a surge in resale prices where rare editions fetched 10-20 times retail value. This feedback loop created urgency, with users fearing they might miss out on the next product drop.

Furthermore, the duality of broad awareness from viral hits and targeted pushes refined consumer journeys. Micro-influencers, whose content is favored by algorithms for niche authenticity, drove conversions by sharing personal stories that resonated deeply. In 2025, global data showed Labubu content achieving 15-20% engagement rates, far above averages, thanks to these tailored recommendations. Blind box mechanics amplified this, as algorithmic exposure heightened the thrill of uncertainty, prompting impulse buys. Pop Mart capitalized on this by integrating direct purchase links in viral posts—turning passive scrolling into active transactions. However, this reliance on algorithms also introduced volatility, as shifts in platform priorities could deflate hype. Overall, the fermentation effect illustrates how algorithms not only sustain trends but also actively convert digital buzz into tangible growth for brands like Pop Mart [6].

### 3. Quantitative assessment of market bubbles

The economic performance of Labubu illustrates the immense potential of viral consumer goods, but it also reveals the characteristics of a market bubble. Pop Mart reported revenues of 1.81 billion dollars in 2024, and in the first half of 2025 Labubu alone accounted for 670 million, representing 34.7 percent of the company's total. Profits rose by nearly 400 percent, a remarkable achievement for any consumer brand. Social media activity mirrored this growth: Labubu-related content accumulated over 500 million impressions within six months, with engagement rates significantly above industry averages.

However, such rapid growth suggests that demand is driven as much by speculation as by genuine consumer appreciation. The secondary market provides evidence of bubble-like dynamics. Limited edition Labubu figures were resold at prices ten to twenty times higher than retail. Online platforms such as Xianyu were filled with speculative listings, and discussions often revolved around profit opportunities rather than the joy of collecting. By mid-2025, trading volumes in these markets fell by approximately fifteen percent, signaling early signs of correction.

Endorsements and viral marketing significantly accelerated these dynamics. Celebrity appearances could trigger sales spikes of over two hundred percent, while influencer-driven traffic consistently boosted revenue by seven to twelve percent. These results underline the dual nature of endorsements: they are powerful engines of growth but also catalysts of volatility. At the same time, broader macroeconomic conditions also shape and amplify Labubu's market bubble. In periods of low interest rates and abundant liquidity, consumers often display a stronger propensity for speculative consumption, treating collectibles as quasi-financial assets. Similarly, under high inflation or declining consumer confidence, limited-edition figures may be perceived as a hedge against currency depreciation, leading to an "asset substitution effect," where capital is redirected

from traditional savings into collectibles with perceived appreciation potential. Such dynamics illustrate that Labubu's market volatility stems not only from cultural enthusiasm and marketing stimuli but is also structurally reinforced by macroeconomic variables such as interest rates, inflation expectations, and consumer sentiment. For example, during the COVID-19 pandemic, stimulus measures lowered interest rates and raised global inflation expectations—prompting many consumers to shift discretionary spending toward scarce cultural goods, which contributed to rapid price increases in the Labubu secondary market.

Comparisons with other collectible industries provide further context. Funko Pops in the United States achieved international popularity but followed a steadier growth trajectory. The company emphasized large-scale distribution and moderate scarcity, which stabilized demand. By contrast, Pop Mart leaned heavily on blind boxes and rarity, which heightened both excitement and instability. As a result, Pop Mart outpaced Funko in growth—by some estimates over 150 percent in 2025—but also exhibited greater vulnerability to shifts in consumer sentiment [7].

The quantitative indicators therefore suggest that while Labubu's rise has been extraordinary, it also embodies the risks of a bubble. Price-to-value ratios exceeding 5:1, combined with declining secondary market volumes, mirror classic speculative patterns in financial markets. Without careful management, such dynamics could lead to consumer fatigue, brand dilution, and sudden drops in revenue.

#### 4. Multidimensional reflections of social culture

The Labubu phenomenon is not merely an economic event but also a reflection of social and cultural shifts. It reveals how consumer goods can serve as tools for identity construction, emotional fulfillment, and community building—while also exposing tensions around conflict, addiction, and sustainability.

For many consumers, Labubu offers genuine joy. The excitement of unboxing a blind box, the satisfaction of discovering a hidden figure, and the pride of completing a set all generate positive emotions. Collectors often share these experiences online, gaining social recognition and forming bonds with fellow fans. This sense of belonging transforms consumption into a cultural ritual.

Nevertheless, scarcity-based marketing also generates conflict. Many buyers report frustration when they fail to acquire desired items, and limited supply often pushes them into expensive secondary markets. Scalpers exploit this scarcity to charge inflated prices, excluding ordinary fans. Online communities reflect this tension, with heated debates over fairness, accessibility, and the ethics of resale.

Pop Mart has attempted to mitigate conflict through lottery systems and regulated releases, but such measures cannot fully address consumer dissatisfaction. Surveys reveal that while 60 percent of collectors experience joy from unboxings, about 25 percent later feel regret, describing the activity as addictive or financially draining [8]. This duality highlights the precarious balance between enjoyment and harm in hype-driven consumption.

Celebrity endorsements can partially alleviate these conflicts: warm, relatable influencers frame scarcity as part of a shared experience to ease consumer frustration, while celebrities create moments of collective excitement that temporarily overshadow complaints [9]. In the longer term, however, sustainable solutions may require stronger community-building and consumer education. By organizing offline events, cultivating official forums, and encouraging dialogue among collectors, the brand could reduce tensions caused by scarcity and reframe collecting as a collaborative rather than purely competitive activity. Yet over time, unresolved conflicts still risk eroding loyalty, especially if consumers perceive the brand as prioritizing profit over fairness.

The Labubu phenomenon illustrates the paradox of modern consumer culture. On one hand, mass production and blind box marketing fuel its success; on the other, they create significant environmental and ethical concerns. Millions of plastic figurines contribute to global waste, and the blind-box model intensifies overconsumption as consumers chase rare designs and accumulate duplicates. While secondary markets extend the life of some toys, the environmental burden of constant production persists. Moreover, unboxing culture normalizes excessive purchasing, potentially clashing with the values of eco-conscious youth who increasingly prioritize sustainability [10]. To address this tension, Pop Mart could experiment with biodegradable materials, recyclable packaging, or consumer recycling programs, while promoting mindful collecting that emphasizes artistry over volume. Such measures would not only reduce environmental harm but also enhance the brand's reputation as socially responsible and forward-looking.

## 5. Conclusion

The collectible toy industry must evolve beyond hype-driven growth for long-term success. Pop Mart's reliance on Labubu highlights the need for IP diversification to avoid consumer fatigue. Expanding storylines and collaborating with international artists can stabilize demand, as seen with competitors like Funko. Technological innovation is also key, with augmented reality and digital collectibles offering new engagement opportunities. Virtual unboxing and blockchain-based ownership can enhance the appeal of physical toys, especially to younger consumers, while reducing over-reliance on physical production. In terms of endorsements, a hybrid approach combining celebrity visibility and influencer loyalty can ensure both global reach and local authenticity. Lastly, integrating sustainability through recyclable materials and eco-friendly production is essential. Governments are increasingly regulating industries that promote waste, so ethical policies and transparency are crucial. By diversifying IPs, embracing technology, balancing endorsements, and committing to sustainability, Pop Mart can transform its current momentum into a resilient and ethical global expansion model.

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