

Pop Mart: An Economic Phenomenon in the Emerging Consumer Culture

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Abstract. In recent years, with young people becoming the main consumers, consumption patterns in cities have begun to change, shifting from merely purchasing functional goods to a greater pursuit of emotional satisfaction and identity expression. Against this backdrop, Pop Mart's collectible toys and blind boxes have rapidly gained popularity. This paper focuses on this phenomenon, aiming to explore why Pop Mart has stood out in the emerging consumer culture and its economic impact. The purpose of this study is to explain the formation conditions of the collectible toy economy and understand the choice logic of young consumers. The article employs methods such as literature review, case observation, and simple data comparison, relying mainly on industry public data and brand development materials. The research finds that the popularity of Pop Mart is not accidental; it relies on the excitement brought by blind boxes, the spread on social media platforms, and the emotional value of its serialized images to attract consumers. Meanwhile, the company's stable production system and marketing strategies have further promoted market expansion. Overall, Pop Mart reflects the dual demands of emotionality and sociality in contemporary youth consumption.

Keywords: Pop Mart, Consumer Market, Consumer Culture, Blind Box

1. Introduction

In recent years, the Chinese consumer market has witnessed a new trend that diverges from the traditional consumption logic. Among them, the blind box culture, as a new form of consumption that combines uncertainty, emotional projection and social interaction, has rapidly emerged. Pop Mart, as a pioneer and leader in this field, has achieved a rapid transformation from a niche, trendy toy brand to a listed enterprise by leveraging its precise understanding of the psychology of young consumers [1].

The success of Pop Mart is not merely the sudden popularity of a single product or IP; it is rather a reflection of the evolving new consumption culture in China. Against the backdrop of the concurrent development of consumption upgrading and emotional expression, Pop Mart, through the form of "blind boxes" - a product with gambling and collection elements - has stimulated consumers' curiosity and sense of participation. Behind its business logic lies a precise operation of a complete modern consumption economic system, including "scarcity pricing", IP matrix creation, and manipulation of the "fan economy".

The rise of the blind box market is not accidental. It is closely related to the transformation of the consumption concepts of modern young people. Beyond the satisfaction of traditional material needs, the younger generation also pursues emotional attachment, identity expression and a sense of participation. The "opening box ritual" and social sharing mechanism embodied in blind box consumption meet this de-functionalized but highly participatory new consumption trend. The explosion of this market has also triggered extensive discussions on the economic laws behind it.

It is precisely under such a consumption context and market momentum that Pop Mart is not only an enterprise case, but also a model of an emerging economic phenomenon, worthy of systematic analysis within a broader social and economic framework.

In traditional consumption theory, consumers' purchasing behavior is usually explained as a rational choice based on the functionality or cost-effectiveness of the product [1]. However, the rise of Pop Mart has presented a disruptive new consumption logic. Consumers do not engage in transactions for "known goods", but pay for "unknown expectations". This uncertainty in consumption is not merely a clever design of the business model; it also reflects the deep-seated needs of contemporary young people in terms of identity construction, emotional projection, and social identification [2].

This research aims to break through the previous academic and media discussions on Pop Mart, such as the addiction to limited edition boxes. From the intersection of economic psychology and behavioral economics, it explores how Pop Mart utilizes scarcity, random reward mechanisms, and anthropomorphic character designs to create expectations and emotional connections, thereby driving consumers to repeatedly purchase. This phenomenon not only affects the consumption structure of China's emerging middle class and the Z-generation, but also reshapes the public's perception of the value of items.

In addition, this study also regards Pop Mart as a representative of a new type of capital-emotion binding mechanism, analyzing how it uses the limited edition box mechanism and community marketing to involve consumers in a semi-voluntary and semi-manipulative economic participation. Studying this phenomenon not only helps clarify the irrational reasons for contemporary consumption behavior, but also provides a new perspective for understanding the transformation of Chinese society from survival-oriented consumption to experience-oriented consumption.

2. Overview of Pop Mart

2.1. Company profile

Pop Mart is a Chinese trendy culture company founded in 2010. Initially, it was positioned as a comprehensive toy retailer, mainly focusing on introducing brands and cultural products from overseas. However, it was the blind box business that began to be prioritized in 2016 that truly drove its explosive growth. Since then, Pop Mart has rapidly transformed from a traditional retail business to a content platform for trendy toys, covering IP incubation, design, brand operation, and all-channel sales. In 2020, it successfully listed on the Hong Kong Stock Exchange and became the first company in China to lead the blind box economy.

Unlike traditional toy companies, Baofamart does not focus on product functionality. Instead, it builds a unique IP image system by constructing character worldviews and story backgrounds, such as Molly, Dimoo, Labubu, etc. The company continuously produces images with visual recognition value and emotional connection capabilities by signing independent designers and its own creative teams, thereby promoting consumer products to evolve into "emotional assets" [3].

2.2. Product features

Firstly, in terms of the IP incubation mechanism, Pop Mart adopts a "dual-track parallel" model. On one hand, it continuously introduces new characters through open platforms to maintain the freshness of the product image; on the other hand, its own team is also continuously developing original IPs to ensure the stability and autonomy of core products. Through this mechanism, Pop Mart gradually forms a diversified character ecosystem, which includes both long-lasting popular IPs and periodically launched emerging characters to meet the aesthetic and collection needs of different groups.

Secondly, in terms of the emotional empowerment strategy, Pop Mart does not emphasize the practicality of toys, but strengthens the stories, personalities and visual features behind the characters, making them a medium for young consumers to express themselves and find emotional support. This "personification" strategy enables consumers to form emotional connections during the collection process, thereby increasing the repurchase rate and user stickiness.

Thirdly, in terms of channel layout, Pop Mart adopts a "multi-point reach" model, covering offline flagship stores, shopping center stores, intelligent retail machines and online e-commerce platforms. Especially the distribution of intelligent retail machines makes the purchasing behavior more random and immediate, further amplifying the psychological stimulation of the "blind box mechanism". At the same time, the combination of online channels and social media provides consumers with a space for display and sharing, promoting spontaneous secondary dissemination.

Finally, in terms of secondary market expansion, the hidden and limited edition characters of Pop Mart have given rise to strong collection and resale demands. Through this artificially set scarcity, the company implicitly constructs a speculative logic similar to that of the financial market, making some IPs have appreciation potential, and further strengthening consumers' dual investment of economic and emotional aspects.

In summary, the business model of Pop Mart is not merely a one-dimensional "blind box sales" approach, but rather a systematic operational logic built around IP. The key to its success lies in transforming character images into "symbolic capital", and through multi-level channels and social dissemination mechanisms, enabling this capital to continuously circulate and increase in value among the consumer group.

2.3. Market size and user group

In terms of the user group structure, the consumer base of Pop Mart exhibits distinct generational and class characteristics. Its core users are mainly concentrated in the young demographic aged 18 to 35, especially the Z Generation and emerging middle-class women. This group typically has a strong need for self-expression and a habit of social sharing, and is willing to pay for emotional value and identity labels. Compared to functional consumption, they place greater emphasis on "experience" and "participation", and the opening of the box and the companionship of the characters provided by the limited edition toys precisely meet this psychological need.

The user base of Pop Mart is not monolithic but rather exhibits a multi-level distribution:

A. Core collectors: They have a high degree of dependence and identification with the IP characters, have a high consumption frequency, are willing to invest a lot of money to collect the entire series, and actively participate in secondary market transactions [4].

B. Emotional consumption group: Predominantly composed of young office workers and students, their purchasing motivations are more driven by "relieving stress" and "rewarding themselves", and the collectible boxes become a small source of happiness in their daily lives [4].

C. Socially-driven consumers: Such users are usually influenced by online trends and social circles to make purchases, their purchasing behaviors have the attributes of conformity and display, and they tend to post pictures on social media to gain recognition and attention [4].

D. Occasional participants: They make purchases occasionally, driven more by curiosity or temporary impulse, and do not have long-term stickiness; however, they provide incremental support to the overall market size [4].

3. The economic impact and challenges of Pop Mart

3.1. The driving effect on the related industrial chain

The rapid rise of Pop Mart is not only reflected in its own revenue growth, but more importantly, it has a significant driving effect on the upstream and downstream industrial chains. Its business model is centered around IP, which has stimulated the full-chain activity from creative design to manufacturing production and retail circulation, thereby establishing a new link between the cultural industry and the consumption industry [5].

3.1.1. Activation of the design industry

The core asset of Pop Mart lies in the character IP, which directly promoted the growth of independent designers and creative teams. The company continuously attracts new emerging designers into the pop culture ecosystem through contract cooperation, designer competitions, and licensing platforms, thus forming a "design-driven" creative market. Many individual designers who were previously difficult to establish themselves in the commercial market have achieved large-scale production and market-oriented operation of their works through Pop Mart's platform. This not only broadens the commercialization path of original Chinese design but also promotes the professional division of labor and talent mobility in the IP industry to a certain extent [5].

3.1.2. Upgrade of the creative industry

In the manufacturing stage, the batch production and refined production of blind boxes have raised higher requirements for traditional toy manufacturing. Pop Mart's products are known for their exquisite painting and small details, which forces the contract factories to continuously improve their craftsmanship standards, improve material usage and production processes to meet the demand of pop culture consumption for "high-quality small products". This demand-oriented approach has driven the industrial upgrading of the toy manufacturing industry and indirectly enhanced the international competitiveness of Chinese-made trendy cultural products. Some factories even accumulated high-end craftsmanship experience through cooperation with Pop Mart and gradually extended towards design and brand ownership, forming a case of manufacturing industry transformation to "intelligent manufacturing".

3.2. Market supervision and consumer protection issues

The core charm of limited-edition boxes lies in the "uncertainty before opening". However, this randomness has also raised concerns among the academic community and society regarding its "gambling-like" nature. Consumers, in their pursuit of hidden editions or limited editions, may exhibit excessive consumption or addictive consumption behaviors, especially among the underage

population. Currently, the regulatory standards for "random sales" in the market are not yet complete, resulting in a blurred boundary between profit and responsibility for enterprises [6].

Driven by the secondary market, the prices of some popular styles have been significantly inflated. However, ordinary consumers often cannot clearly know the actual probability or value of hidden editions in the primary market. This lack of information transparency increases the risks for consumers and also leaves room for false advertising and price manipulation. Although some e-commerce platforms have required merchants to indicate the probability, the enforcement and supervision mechanisms are still limited.

Pop Mart's main consumer group is mainly young people, including a large number of student groups with lower economic independence. Due to the lack of rational judgment ability, they are more likely to be attracted by the "surprise economy" and engage in excessive consumption behaviors. How to set purchase thresholds, strengthen parental supervision and enterprise self-discipline has become an important issue in market supervision. The issue of child protection

3.3. Potential bubble risks and market sustainability analysis

3.3.1. Excessive expectations in the capital market

Since its listing, Pop Mart has received significant attention from the capital market, and its valuation has been pushed up to a level far exceeding that of traditional toy companies. This overly optimistic valuation mainly relies on the narrative of the "new consumption sector" rather than stable profitability. If the confidence of capital wavers, the company's market value may face significant fluctuations, thereby increasing doubts about the sustainability of its model.

3.3.2. Uncertainty in the macro environment

Furthermore, the macroeconomic environment also affects the stability of the trend toy consumption. When economic growth slows down or employment pressure increases, limited edition boxes, as "non-essential consumer goods", are most vulnerable to impact. This means that Pop Mart's business model has a certain period sensitivity and needs to be strategically flexible in response [7].

3.3.3. Vulnerability of consumption drivers

Although the "limited edition economy" represented by Pop Mart has achieved significant market success in recent years, its rapid expansion also harbors certain bubble risks. Once consumer psychology or capital expectations change, this model may face challenges such as a slowdown in growth or a sudden drop in demand. Therefore, examining the sustainability of Pop Mart from the perspectives of the industrial life cycle and consumer psychology has important practical significance.

3.3.4. Secondary market and speculative bubble

The prices of hidden editions and limited editions are significantly inflated in the secondary market, forming a speculative consumption logic similar to that of speculation. This price system, driven by scarcity, is prone to attracting short-term speculators but is difficult to maintain long-term stability. When secondary market prices fall or liquidity declines, it may cause some consumers to "exit the

trend", thereby impacting the sales performance of the primary market. This is similar to the logic of bubble bursts in some art markets or NFT markets.

4. Policy recommendations and future outlook

4.1. Policy recommendations

Clarify legal positioning and industry norms: Currently, the legal definition of blind boxes remains ambiguous. They are different from traditional toys and also have overlapping characteristics with lotteries and lotteries. Regulatory authorities should clearly define the nature of "blind box sales" at the policy level and introduce industry norms to prevent enterprises from conducting excessive marketing or false promotion by taking advantage of the institutional loopholes.

Establish return and exchange and protection mechanisms for minors: Some consumers, especially minors, have the risk of excessive consumption during the "opening box addiction" process. Regulatory authorities can consider requiring enterprises to provide a "cooling-off period refund" mechanism and set consumption limits or guardianship prompts for minors' purchase behavior to reduce potential social risks.

Improve information disclosure system: To protect consumers' right to know, enterprises should clearly mark the proportion of hidden items, production batches, and probability distribution in product packaging or sales pages to avoid misleading consumers through information asymmetry. This not only reduces disputes but also helps establish a more transparent market environment.

4.2. Prediction of future development trends

As the blind box economy enters a mature stage, the development of Pop Mart will no longer solely rely on "novelty" and "scarcity", but will face challenges in model transformation and industrial upgrading. From the perspectives of the industrial chain, consumer psychology, internationalization, and technological innovation, the future development trends may take the following directions:

(1) Expanding from a single blind box to diverse consumption scenarios

In the future, the core competitiveness of Pop Mart will no longer be merely the "surprise upon opening the box", but rather extending the value of the IP through cross-border cooperation. For instance, integrating pop culture characters into the fields of film, games, fashion or virtual idols to create a complete cultural ecosystem. This extension can reduce the risks brought about by fluctuations in the blind box market and enhance the long-term stickiness of the brand [8].

(2) The Rise of Digital and Virtual Pop Culture Toys

With the development of the metaverse and blockchain technology, virtual gift boxes, digital collectibles (NFTs), and AR/VR experiences may become new growth points. Compared to traditional physical items, digital pop culture toys break through the limitations of physical production and are easier to spread and trade globally. If the combination of technology and culture can be achieved, Pop Mart has the opportunity to become the pioneer of "digital pop culture toys" [8].

(3) Generation Shift in Consumer Groups

The current main consumer group consists of the Z generation and some young white-collar workers. However, in the next 10 years, the Alpha generation will gradually become the new driving force of consumption. Their consumption habits are more dependent on social media and online communities, which means that in the future, Pop Mart will need to place greater emphasis on

interactivity and personalization, and may even use AI to generate customized figurines to meet the demand [8].

5. Conclusion

As one of the most representative innovative models in China's consumer market in recent years, Pop Mart not only promoted the rise of the trendy toy industry but also demonstrated the economic power of "emotion-driven consumption" on a broader scale. Through the combination of random mechanisms, IP operation and community culture, Pop Mart successfully transformed the traditional toy industry into a new consumption phenomenon with financial attributes and cultural symbols. This model has not only driven related industries and stimulated the consumption demands of young people, but also served as an important window for observing the new consumption trends in China.

However, the success of Pop Mart is also accompanied by challenges that cannot be ignored. Its growth path is highly dependent on consumer psychology and capital expectations. Secondary market speculation, excessive consumption, and regulatory gaps may all trigger potential bubble risks. How to maintain innovation vitality while achieving market transparency and sustainable development remains a difficult problem that enterprises and policy makers need to jointly address.

Future research can be conducted in three directions: First, deeply explore the long-term impact of the blind box economy on consumer psychology, especially its shaping effect on the consumption concepts of young people; second, compare the acceptance and localization paths of the blind box model in different cultural contexts to provide experience references for international expansion; third, from the perspective of institutional economics, analyze how regulatory mechanisms can find a balance between innovation and protection.

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