Proceedings of ICMRED 2026 Symposium: Green Finance Innovation, Climate Risk Governance, and Sustainable Development
DOI: 10.54254/2754-1169/2026.LH33126

Financial Performance of Asset-Light Ip Operating Model From the Perspective of Service-Dominant Logic: A Case Study of Pop Mart

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Abstract. Against the background of the rapid development of cultural and creative industries, the traditional commodity-dominant logic is gradually finding it difficult to explain the new enterprise value creation model with Intellectual Property (IP) as the core. Based on the theoretical framework of service-dominant logic, this paper takes Pop Mart as the research object, combines its asset-light IP operation practice and financial data from 2020 to 2024, and systematically analyzes the internal relationship between its operation mode and financial performance. The study found that Pop Mart, through IP service operation, asset-light structural configuration and user participation mechanisms, achieves improvements in profitability, asset efficiency and growth elasticity. The service-dominant logic does not stay at the theoretical level, but is transformed into observable financial performance through a specific operation mechanism. This paper constructs a mechanism model of how service-dominant logic affects financial performance, which provides practical enlightenment for business model optimization and financial strategy formulation of cultural and creative enterprises.

Keywords: service-dominant logic, asset-light operation, IP economy, financial performance, Pop Mart.

1. Introduction

In recent years, the IP economy has developed rapidly worldwide, and cultural content has gradually become an important competitive resource for enterprises. In fields such as trendy toys, animation derivatives and digital cultural products, consumers' purchasing behavior is increasingly influenced by emotional identification, symbolic meaning and community belonging rather than purely by product functions. Under this background, the logic of enterprise value creation is undergoing significant transformation. On the one hand, asset-light operation has become an important trend. Many new consumer enterprises outsource production and focus more on IP design, brand operation and content innovation to improve resource allocation efficiency. On the other hand, the traditional commodity-dominant logic that relies heavily on scale expansion and cost control gradually shows limitations in explaining new business models centred on content and user relationships.

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From a theoretical perspective, Vargo and Lusch proposed service-dominant logic (SDL), which provides an important framework for understanding this paradigm shift [1]. According to SDL, enterprises are essentially service providers and value is not embedded in products during production but is co-created through interactions between firms and consumers in the process of use. Later research further developed this theoretical system and emphasized the role of resource integration, service ecosystems and value co-creation in enterprise value creation [2,3]. Under this framework, enterprises obtain sustainable competitive advantage through continuous interaction with consumers and the integration of heterogeneous resources.

Existing studies have also examined the relationship between service-dominant logic and enterprise performance. For example, Storbacka et al. argue that actor engagement is a microfoundation of value co-creation in service ecosystems [4], while Nenonen and Storbacka emphasize the importance of resource integration in the formation of enterprise value [5]. Meanwhile, service innovation research suggests that enterprises can enhance their competitive advantage by developing new service systems and value creation mechanisms [6]. In addition, studies on the asset-light business model indicate that reducing heavy asset investment and focusing on core capabilities can significantly improve enterprise performance in dynamic environments [7]. Recent research also suggests that service-dominant logic provides an important analytical framework for understanding digital service ecosystems and emerging technologies [8,9]. However, existing research mainly focuses on theoretical discussion or single-dimensional empirical analysis. There is still a lack of systematic analysis of how service-dominant logic is transformed into corporate financial performance through specific operational mechanisms, especially in IP-based enterprises.

Pop Mart, as a representative enterprise in China's trendy toy industry, has gradually formed an IP-centred asset-light operation model in practice. The company outsources manufacturing and logistics while concentrating resources on IP design, brand management and channel operation. At the same time, through blind box mechanisms and community interaction, Pop Mart enhances consumer participation and continuously expands the value of IP. This operational model provides a typical case for analyzing how service-dominant logic can influence enterprise financial performance.

Based on this background, this paper takes Pop Mart as the research object and analyses its financial data from 2020 to 2024 from four dimensions: operating capacity, profitability, solvency and growth capacity. The purpose is to explore whether its asset-light IP operation reflects the core characteristics of service-dominant logic and how this logic affects financial performance through specific operational mechanisms.

2. The reality of the dominant logic of Pop Mart's asset-light IP operation and service

2.1. Shift of focus of asset allocation and value creation

Pop Mart does not gain a competitive advantage by expanding the scale of production, but chooses to outsource production and logistics, and concentrates resources on high value-added links such as IP design, content planning, brand operation and channel management. In this way, enterprises present a typical asset-light operation: tangible production assets account for a small proportion, but intangible assets related to IP content and brand management have become the core of value creation.

Under this structure, the focus of value creation has shifted from "product manufacturing" to "content and relationship operation". Physical products are no longer the final result of value

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creation, but act as a medium to connect consumers with a broader IP content ecology. This transformation is essentially a leap from relying on tangible assets to relying on intellectual assets and relational assets.

From the perspective of service-dominat logic, enterprises mainly create value by integrating resources and interacting with consumers, rather than the exchange of physical goods [1]. Therefore, the ability of resource integration plays a key role in the value formation of the service ecosystem [5]. Pop Mart's asset-light operation enables it to invest more resources in IP development and brand management, thus strengthening the ability to integrate creative resources, consumer communities and channel networks.

2.2. Service-oriented operation of IP: taking Labubu as an example

Pop Mart does not regard IP as a disposable product that only generates value at the moment of sale, but adopts a strategy of serialization and long-term operation to make IP a carrier of continuous value creation. The Labubu series is a typical one. This role appears in many product themes and co-branded projects, and its narrative meaning and cultural identity are also constantly being expanded.

In this process, the commercial value of IP is not limited to a single product cycle, but slowly accumulates in repeated product iteration and consumer interaction. Every time a new product is launched, it will deepen consumers' emotional connection with the IP image, and it is also easier to promote repeated purchases.

From the perspective of service-dominat logic, physical toys actually play the role of a "service entrance", connecting consumers to the whole IP ecology. After purchasing Labubu products, consumers will continue to pay attention to the new series, participate in relevant discussions, and share their collections on social media. That is to say, the value of IP is realized in use and interaction, not by one-time product exchange [1]. This mode of operation just reflects the service innovation mechanism emphasized by the service-dominat logic [6].

2.3. Platform-based IP incubation and continuous content supply

Pop Mart does not rely on a certain popular IP to maintain its performance, but builds a system of multi-IP parallel incubation. The newly launched IP will continue to be tested by the market. Only a few successful ones, such as Molly and Labubu, will gradually grow into core brand assets, and the rest of the IP will remain in the product system as a content reserve.

Under this structure, the role of the enterprise is more like a cultural content platform than a traditional toy manufacturer. The company continues to launch new IP images and storylines to maintain consumers' attention. Once an IP is recognized by the market, its value will be further amplified through serialized products, cross-border cooperation and scenario extension.

This operating model reflects the characteristics of the service ecosystem - enterprises achieve value creation by integrating multi-party actors and resources [3]. With the help of continuous IP incubation and content update, Pop Mart not only maintains the freshness of the market, but also reduces the operational risk of a single popular product.

2.4. Consumer participation and value co-creation

Another important feature of Pop Mart's business model is that consumer participation is quite high. The blind box mechanism significantly improves the depth of user interaction. Take the Labubu

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series as an example, the hidden style and the collection design of the whole set promote consumers' purchasing behavior to extend to the level of collection, exchange and sharing.

These behaviors make the process of value creation beyond the boundaries of the enterprise itself. On social media platforms, consumers often share their collections and discuss which styles are rarer, which further amplifies the influence of IP brands.

In this process, consumers are not only buyers, but also active participants in value creation. Their interaction helps to spread the brand culture and enhance the attractiveness of IP ecology. This phenomenon echoes the concept of value co-creation emphasized by the service-dominat logic - value emerges in the participation of multiple actors [4].

Through continuous community interaction and user participation, Pop Mart has extended value creation from the internal production system to a wider consumer network, forming a circular value creation structure that supports the long-term development of the brand.

3. Service-dominant logic impact on financial performance

To examine the actual impact of service-dominant logic on financial performance, this paper analyzes Pop Mart’s operating capacity, profitability, solvency and growth indicators from 2020 to 2024.

3.1. Analysis of operating capacity

Table 1. Operating capacity index of Pop Mart (2020-2024)

Year	Inventory turnover	Accounts receivable turnover	Total asset turnover
2020	15.90	41.42	0.63
2021	8.92	36.31	0.60
2022	5.35	24.22	0.52
2023	7.05	24.27	0.67
2024	10.59	32.17	1.04

Data source: Pop Mart International Group Limited

As shown in Table 1, the operating efficiency of Pop Mart showed a phased decline in 2022 due to external market fluctuations. However, since 2023, the total asset turnover rate has rebounded significantly and reached 1.04 by 2024. This shows that the revenue-generating capacity of enterprises has been improved under the relatively limited expansion of assets.

From the perspective of service-dominat logic, enterprises achieve growth not only by expanding production capacity, but also by continuously updating content and interacting with users to drive value creation [2]. Pop Mart's serial IP development has shortened the product cycle and kept the product flow at a relatively stable pace. At the same time, the repeated purchase behavior of collectors has also further accelerated the inventory turnover.

In addition, the asset-light operation structure enables enterprises to concentrate resources on IP design, brand operation and other high value-added activities, thus improving the efficiency of resource allocation. Therefore, the improvement of operational capacity reflects the effectiveness of the content-driven operation model under the service-dominat logic framework.

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3.2. Profitability analysis

Table 2. Pop Mart's profitability index (2020-2024)

Year	Gross profit margin (%)	Net profit margin on sales (%)	Return on equity ROE (%)	Operating profit margin (%)
2020	63.4	20.8	15.7	21.5
2021	61.4	19.0	13.4	19.5
2022	57.5	10.3	6.6	11.0
2023	61.3	17.3	14.6	19.0
2024	67.0	25.0	33.0	26.5

Data source: Pop Mart International Group Limited

As shown in Table 2, Pop Mart maintained a gross profit margin of around 60% throughout the study period. Although profitability declined in 2022 due to market conditions, most indicators rebounded strongly after 2023, and several reached historical highs in 2024.

From the perspective of service-dominant logic, IP operates as a long-term service platform that maintains stable relationships with consumers. Product prices therefore reflect not only production costs but also the brand value and emotional experience associated with IP content [1]. Continuous IP development also reduces marginal marketing costs, while repeated purchases increase customer lifetime value.

Consequently, the relatively high profit margin structure can be interpreted as a financial manifestation of IP servitization. Through long-term IP operation and consumer engagement, Pop Mart is able to maintain strong profitability even under fluctuating market conditions.

3.3. Solvency analysis

Table 3. Indicators of Pop Mart's solvency (2020-2024)

Year	Current ratio	Quick ratio	Asset-liability ratio (%)
2020	9.40	9.06	12.05
2021	6.18	5.46	18.06
2022	5.85	5.08	18.82
2023	4.43	3.91	21.95
2024	3.63	2.99	26.80

Data source: Pop Mart International Group Limited

As shown in Table 3, although the asset-liability ratio has gradually increased, it has remained below 30% throughout the study period. This indicates that Pop Mart does not rely heavily on debt financing during its expansion process and maintains relatively strong financial stability.

The asset-light operational model plays an important role in maintaining this financial structure. By outsourcing manufacturing and focusing on core content development, the enterprise significantly reduces capital expenditure and dependence on heavy assets. According to research on service ecosystems, value creation increasingly depends on resource integration and collaborative networks rather than large-scale asset investment [5].

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Previous empirical studies also show that asset-light operational strategies can improve resource allocation efficiency and corporate performance in service-oriented industries [10].

3.4. Growth capacity analysis

Table 4. Growth capacity indicators of Pop Mart (2020-2024)

Year	Operating income growth rate (%)	Net profit growth rate (%)	Operating cash flow growth rate (%)	Growth rate of total assets (%)
2020	49.32	15.8	75.7	553.9
2021	78.7	63.3	14.3	19.4
2022	2.81	43.2	4.8	3.08
2023	36.5	107.6	119.3	16.19
2024	106.9	185.9	140.4	49.17

Data source: Pop Mart International Group Limited

It can be seen from Table 4 that Pop Mart's growth indicators declined in 2022, but rebounded rapidly after 2023. In 2024, many indicators reached a record high, showing strong growth resilience.

This growth trend reflects the structural advantages of the multi-IP incubation model. Mature IP can bring stable revenue streams, while newly incubated IP provides potential growth space. Once the market demand warms up, the existing IP can expand rapidly through product updates and cross-market promotion.

Under the framework of service-dominat logic, enterprises create long-term value by continuously interacting with consumers and accumulating brand relationships [2]. Therefore, the growth of Pop Mart depends not only on the sales of the product itself, but also on the continuous expansion of its IP ecosystem.

For this reason, the company's strong growth resilience can be regarded as an important financial result brought about by the light asset IP operation model.

4. Analysis of the mechanism model of service-dominant logic affecting financial performance

Based on the above analysis, the mechanism path through which Pop Mart’s service-dominant logic affects financial performance can be summarized as follows. Service-dominant logic transforms IP from a one-time product into a continuous content supply platform by promoting IP servitization operation, thereby generating brand premium and maintaining relatively high gross profit margins [1]. At the same time, the asset-light structure reduces capital occupation through production outsourcing and resource concentration, which improves asset turnover efficiency and helps maintain a relatively low asset-liability ratio [5]. In addition, consumer participation and value co-creation mechanisms enhance brand stickiness and repeated purchasing behaviour, enabling enterprises to demonstrate stronger revenue and profit elasticity during periods of market recovery [4,11]. The interaction of these mechanisms ultimately leads to structural improvements in profitability, asset efficiency and financial stability.

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5. Conclusion

Based on the perspective of service-dominant logic and combined with the financial data of Pop Mart from 2020 to 2024, this paper systematically analyzes the relationship between its asset-light IP operation model and financial performance. The research shows that Pop Mart has realized the shift of value creation focus from "product manufacturing" to "relationship operation" by transforming its IP from one-time product sales to continuous content supply and an interactive service platform. At the operational level, the enterprise maintains a stable content supply and user engagement through IP-serialized updating and a multi-IP parallel incubation mechanism. At the asset structure level, the asset-light structure is formed through production outsourcing and resource focus to improve asset turnover efficiency and maintain a low debt level. In terms of financial performance, the gross profit margin remained high for a long time, the total asset turnover increased significantly during the market recovery stage, and the growth of revenue and profit showed strong elasticity. The three mechanisms interact and jointly promote the structural improvement of profitability, asset efficiency and financial soundness, which verifies the practical feasibility of service-dominant logic in IP-based cultural and creative enterprises. This finding is also consistent with previous studies emphasizing the role of service ecosystems and user participation in value co-creation.

Future research can be further deepened in two directions. On the one hand, people can conduct a more systematic empirical test on the causal relationship between service-dominant logic and financial performance through multi-case comparison or measurement model construction, so as to enhance the universality of research conclusions. On the other hand, with the increasing competition in the IP market and the rapid change of user preferences, how to maintain the continuous innovation ability while maintaining the advantages of high gross profit and light assets will become the key to determining the long-term competitiveness of enterprises. For IP enterprises, they should strengthen IP life cycle management ability, improve the efficiency of original content incubation, and deepen the user participation mechanism through digital tools, to realize the continuous and effective operation of service-dominant logic in a dynamic environment.

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