

Research on the Impact of Different IPs on the Profitability of Pop Mart

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Abstract. In recent years, the emergence of national trend culture has heightened the importance of intellectual property rights in the consumer market, especially among younger buyers who prioritize emotional connections and personalized experiences in their shopping choices. POP MART, a prominent player in China's trendy toy industry, has expanded rapidly by developing a wide range of intellectual property (IP). Its "blind box economy" model has attracted considerable attention from various sectors. This article examines POP MART and analyzes three key IPs: the primary IP "Dimoo," the up-and-coming art IP "Crybaby," and the collaborative IP "The monsters X Sanrio characters." By analyzing these IPs and conducting comparative research, the paper evaluates their life cycles, market strategies, and profitability. The findings reveal distinct profit models for each type of IP: core IPs provide stability and consistent revenue, serving as critical assets; emerging art IPs come with more risk but can yield significant returns if they become popular; and collaborative IPs focus on short-term engagement and attracting consumers, often encountering difficulties in creating long-term value. The research emphasizes that these three types of IP work in conjunction rather than separately, contributing to the company's profits through their interconnected dynamics. This study offers important insights into the commercialization of intellectual property rights and guides businesses regarding their IP strategies and operational methods.

Keywords: Pop Mart, IP operation, Profit model, Market strategy

1. Introduction

In recent years, with comprehensive improvements in social development and a shift in consumption concepts, more and more people are willing to pay for national trend culture. Under various academic, work, or social pressures, the purchase of trendy toys that "have no practicality but provide emotional value" has triggered a rush of young people, and the trendy toy industry has become an important part of the cultural and creative industry [1]. The distinctive business model of the contemporary toy industry - blind box economy. It reduces the consumption threshold and further enhances the inclination to purchase [2]. Most importantly, the uncertainty of the blind box is the core factor that attracts consumers to buy many times.

Of course, intellectual property rights are also a core source of competitive advantage for trendy toy enterprises. Successful trendy toy companies no longer rely on a single IP hit but build a

powerful IP matrix. Through continuous design iteration and cultural cooperation, they continue to extend the product life cycle, attract a wider audience, and stabilize consumer groups.

As a pioneer of Chinese trendy toys entering the international market, POPMART has robust, diversified intellectual property assets at its core. The company expands its IP matrix through internal and external collaborations, including incubating original IP, discovering and signing artists, and collaborating with classic characters. At the same time, POPMART has also developed derivative products of popular IP characters, established an IP paradise, and continuously attracted users. Therefore, the life cycles, marketing strategies, and resource allocations of different types of intellectual property rights are of great research significance to the company's profitability.

This article discusses the differences in the life cycles and market performance of various intellectual property rights, their impact on Pop Mart's profitability, and the overall impact of intellectual property. To study these problems, this article will specifically analyze three types of IP: core IP, new art IP, and external cooperation IP, and compare and analyze the impact of the business model of these three types of IP on the profitability of Pop Mart. The research methods adopted in this article include, but are not limited to, specific case analysis, comparative analysis, and literature citation.

This article can serve as a reference for other popular culture toy enterprises and help predict the development of new IP. At the same time, it also offers suggestions on allocating intellectual property resources and developing market strategies to improve enterprises' long-term competitiveness.

2. IP1: Original core IP (Dimoo)

In Pop Mart's IP system, native IP has always occupied a central position. Among them, "Dimoo" is one of the most representative cases. Their unique dream style has strong visual recognition, and they are more flexible in operational rhythm and resource allocation. As a result, the core original IP can often form long-term, stable commercial value [3].

Based on the development process, "Dimoo" cannot achieve growth overnight. In the initial promotion stage, it mainly relies on the image's recognition to attract limited attention, and market response is relatively limited. However, as the limited-edition box sales method gradually gained popularity, the IP began to enter a wider consumer base. Consumers can't determine the style in advance during the purchase process, which enhances the experience and encourages more people to participate [4]. With the increase in participants, the product has gradually sparked discussion, and its dissemination scope has expanded accordingly.

After entering the stable development stage, the "Dimoo" product line continues to expand. Based on the same image, various theme designs are derived, no longer limited to a single style but forming a series structure. From the original "mini-animal" and "fairy tale" to the later, more adult-oriented "dark fairy tale", it continues to attract users from different circles. At the same time, the limited sales and hidden versions help maintain the product's market scarcity. This strategy not only enhances the attractiveness of a single sale but also prompts some consumers to buy again [5].

From the perspective of users, such an IP is more likely to accumulate long-term fans. Some consumers will continue to pay attention to new product information and develop a habit of collecting certain products. This kind of behavior not only drives a single transaction but also fosters a more stable consumption relationship. From an operational perspective, this stability is crucial because it allows the company to set relatively reliable expectations for future revenue.

From a profitability perspective, native IP usually has better cost control. Since they do not involve external license fees, their profit margins are relatively more sufficient. In addition, sales

fluctuations are relatively small, and overall income is more stable [6]. In general, the "Dimoo" type of IP can not only serve as a source of income but also foster brand awareness, and can be regarded as the foundation for the long-term development of enterprises.

3. IP2: New artistic IP (Crybaby)

Compared with the core original IP, the development path of emerging art IP is more changeable and more dependent on market sentiment [7]. "Crybaby" is a typical example. Its appeal mainly stems from its unique design rather than its standardized product line. These IPs usually have strong creator characteristics, so they are more likely to form differences in visual expression.

These intellectual property rights often exhibit clear fluctuations during growth. At the beginning, most of them were concentrated in niche circles. When a design or theme resonates more broadly on an emotional level, it may quickly enter an upward stage [8]. However, this growth often lacks sustained support, and its popularity may decline rapidly once the market focus shifts.

In terms of operation mode, emerging artistic intellectual property rights emphasize personality and expression, rather than large-scale reproduction. Their product design often does not pursue a unified style but instead constantly explores new visual languages. Although this method can maintain freshness, it also makes it difficult to form stable market expectations. The performance of different series varies widely, and success or failure is somewhat random.

From the perspective of consumers, purchase motivation also differs. Compared with the collection attributes of core original IPs, these IPs are more likely to trigger emotional recognition. When choosing a product, some consumers pay more attention to the atmosphere or attitude it conveys, not just its appearance [9]. This kind of consumption behavior is inherently subjective, making market performance more unpredictable.

In terms of income, emerging art IP usually has the characteristics of "high volatility". Once a series goes popular, it may get a relatively high premium in a short period of time, but overall, its sustainability is relatively weak. Some products will soon lose market share, making it difficult to build a long-term sales model. Therefore, from the enterprise's perspective, this intellectual property is more like a tentative investment that needs to strike a balance between potential returns and uncertainty [10].

Despite the risks, these intellectual property rights remain important. They can continuously inject new content into the product system, maintain brand vitality, and create opportunities for future growth. From this perspective, emerging art intellectual property rights are more like an "opportunity-based resource" whose value lies not only in stable returns but also in potential breakthroughs.

4. IP3: Co-branded IP (The monsters × Sanrio characters)

In the multi-IP architecture, the function of co-branded IP differs from that of the first two types. By collaborating with established brands, intellectual property rights can quickly gain significant attention, enabling rapid market transformation. The monsters × Sanrio characters" is a typical example of this model.

From a temporal perspective, co-branded intellectual property rights usually exhibit distinct characteristics. In the early stage of the product launch, because the combination of the two brands brings a sense of freshness, consumers tend to show strong interest, and sales volume will also grow rapidly [11]. However, this popularity is often unsustainable for long. As the market gradually digests, consumers' sense of freshness declines, and sales performance follows suit.

In terms of specific strategies, the focus of this cooperation is to utilize existing resources. By introducing mature IP, you can quickly reach the other party's user base, thereby expanding your potential market. At the same time, cross-border transactions themselves may also trigger discussions, thereby enabling products to gain more exposure in a short time [12]. Compared with a single IP, this communication method is more efficient but more susceptible to external factors.

From the perspective of consumer response, co-branded IP is more likely to attract non-core users. Some people buy this kind of product not out of long-term preference, but because of the attractiveness of this form of cooperation [13]. Therefore, the consumption behavior of such products often exhibits a clear "trial nature". After the first purchase, the willingness to continue to consume is relatively limited.

In terms of profitability, products can achieve rapid revenue growth in the early stage of listing, thereby improving short-term performance. However, due to cooperative sharing, its actual profit margin may be affected. In the long run, such intellectual property rights are unlikely to make a stable contribution and are better suited to use at a specific stage.

In general, the value of co-branded IP is more reflected in the market level. It can help brands expand their influence, reach new consumer groups, and improve their product systems. However, if it is overly dependent on it, it may affect the rhythm of the company's operation. Therefore, when using such strategies, they must be coordinated with the overall plan.

5. IP comparison analysis

If people examine these three types of intellectual property rights within a single framework, they can more intuitively see the differences between them. The core original IP emphasizes continuous operation, which offers strong stability and can provide long-term income sources for enterprises; emerging art IP is more uncertain but may also bring new growth opportunities; co-branded IP is more inclined to short-term market operations and is good at increasing attention [14].

These differences determine that enterprises need to make trade-offs in IP layout. If people rely solely on core original IP, although the risk is low, it may lack innovation; if they invest excessively in art IP, they may face greater fluctuations; frequent co-branding may weaken the brand's independence. Therefore, it is more reasonable to combine different types of IPs so that they can play a role at different levels.

Further analysis shows that these three types of intellectual property rights do not form a simple parallel relationship, but rather interact. Original IP lays the foundation for the brand, enabling enterprises to operate continuously; art IP constantly delivers new content, helping maintain users' interest; co-branded IP expands its influence through cross-border channels, so that more people can come into contact with the brand [15]. This division of labor makes the overall structure more perfect.

In practice, this combination can also be adjusted based on the stage. For example, during brand expansion, cooperation can be appropriately increased to improve brand exposure; as development stabilizes, it can rely more on the original IP to consolidate the foundation; when the market changes, introducing new art IP may create new growth points. Through this dynamic adjustment, operational risks can be reduced to a certain extent.

In general, Pop Mart's profitability does not depend on a single IP but rather on the synergy of multiple IP types. Different IPs assume different functions, forming a relatively balanced structure. This not only enhances enterprises' ability to withstand risks but also provides them with more choices amid market changes.

6. Conclusion

By comparing different types of intellectual property (IP), it can better understand POPMART's profit model. Rather than relying on a single IP type, the company adopts a diversified strategy in which each category plays a distinct yet interconnected role. Original IP, typically developed in-house, forms the foundation of the business. It allows for greater operational control, strengthens brand identity, and builds customer loyalty. Revenue from these IPs tends to be stable, making them essential for long-term sustainability. In contrast, emerging art IP is more volatile and highly influenced by consumer trends. While risky, it encourages innovation and can generate rapid growth when it successfully captures market interest, making it valuable for diversifying offerings.

Cooperative IP, created through collaborations with established brands, enables quick market expansion and access to new customer segments. Although it can drive immediate sales and boost visibility, its long-term value is often limited, making it better suited to short-term gains. Collectively, these three categories of intellectual property enhance one another: original IP ensures stability, emerging IP fosters innovation, and cooperative IP broadens market access. This collaboration improves flexibility and mitigates total business risk.

However, managing a multi-IP strategy requires careful resource allocation. Companies must balance investment across IP types based on growth potential and development stage. Overreliance on one type may threaten stability. This analysis is limited by its reliance on qualitative data. Future research could incorporate quantitative methods and broader comparisons across companies. Overall, balancing innovation with stability is key to achieving sustainable growth.

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