

Analysis of Blind Box Marketing Strategy in China

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Abstract: In the case of the prevalence of the blind box economy, thinking about why the Z generation group is the main force of the blind box consumption, through the classic 4Ps theory of marketing to analyze the marketing strategy of the domestic head of the blind box enterprise POP Mart, its successful marketing means and the combination of various types of media platforms in the era of the new media, which can be migrated to the domestic cultural and creative industry to promote the development of China's creative and cultural products in the other products to help improve our cultural self-confidence, and at the same time, to let the public pay attention to the prevalence of the blind box economy of the Moral Hazard, and to call on the state and the enterprise to be able to take note of the and to take some effective means.

Keywords: blind box, marketing strategies, Z generation, media platform

1. Introduction

In the era of social media, people's consumption demand is more diversified, and the young generation's consumption concepts and purchasing methods have undergone significant changes. As members of Generation Z, their pursuit of personalized, unique, and limited edition products is increasing. As a new thing, the blind box has been sought after by many young people in recent years, it also has a specific consumer group and has derived the corresponding blind box culture. The essence of the blind box is a random purchase, and the consumer cannot know the specific contents of the box in advance. This sense of mystery and unknowability stimulates consumers' curiosity and desire to explore, making them more willing to buy blind box products. Therefore, domestic blind box enterprises have made a positive response to this trend and developed relatively complete marketing strategies to stimulate consumers to enhance their desire to buy.

According to data from Forst&Sullivan: between 2019 and 2021, the size of China's blind box market has expanded year by year; In 2019, the size of China's blind box market exceeded 2.5 billion RMB and rapidly expanded to nearly 10 billion RMB 2021; From 2019 to 2021, the compound annual growth rate is close to 75% [1]. To a certain extent, this shows that China's blind box market is in a booming stage of development, and this trend also brings great opportunities and challenges to the blind box industry. Blind boxes, as a mysterious and surprising-filled shopping method, have become a hot commodity madly sought after by young people of Generation Z. This paper will take some domestic blind box brands such as POP Mart, 52TOYS, etc. to discuss the domestic blind box marketing methods and the development of the blind box industry, and analyze the reasons behind it

and the Moral Hazards like some potential difficulties faced in the development, with the purpose of helping to promote the innovative development of the blind box industry.

2. Literature review

Domestic scholars' research on the blind box market mainly focuses on consumer behavior and market trends. Some have fully discussed the appeal of blind boxes to young consumers in five aspects, such as mystery, collection value, social interaction, variety of choices and price, and the influence of blind boxes as a fashion play and shopping mode on consumer behavior [2]. At the same time, the blind box economy is a product jointly created by the youth subculture and the blind box attribute, and the marketing effect of social media makes the blind box economy have strong vitality in the era of social media, but the young people may have a dependence on the blind box consumption, and then lead to uncontrollable irrational consumption, which is not conducive to the physical and mental health of the young people [3].

Blind box consumption is a typical manifestation of contemporary youth, especially the "post-95" youth "self-pleasing consumption, which conforms to this group's preference for animation and secondary cultural aesthetics, satisfies their spiritual needs, and improves their subjective quality of life. A blind box is aesthetically pleasing, full of healing external perception and social value, enhances the blind box lovers' individual sense of identity, and group belonging, relieves social pressure, enriches leisure life becomes an effective channel for individual emotional catharsis and spiritual comfort [2].

In addition, some studies have also paid attention to the development trend and market size of the blind box market, according to the data of market research institutions, the size of the blind box market has shown a continuous growth trend in recent years. The enthusiasm of consumers for blind boxes and the intensification of market competition have promoted the expansion of the market size. Some will also focus on the blind box economy, explain the origin and development status of the blind box, and explore its marketing strategies for specific consumer groups, such as building a variety of offline marketing scenarios, cross-border co-branding, socialization, and virtualization marketing strategies [4]. The marketing strategy of POP Mart is sorted out, from which the thinking on the marketing strategy of similar products is extended, and the influence of social media on blind box marketing is also analyzed, but most of them do not focus on the shaping of the brand itself[4].

However, there has been relatively little in-depth research into the development of the blind box industry and the dilemmas it may face in the future. At present, whether it is toys, stationery, cosmetics, air tickets, and other goods can be sold as blind boxes, with the diversification of product types, there is a certain bubble and excessive speculation in the blind box market. In order to pursue short-term interests, some merchants have launched low-quality blind box products, which has damaged the interests and trust of consumers [5]. Secondly, the development of the blind box industry also faces problems such as regulation and intellectual property protection [6]. These problems will be analyzed in detail in the article.

3. Generation Z and Blind Box Appeal

3.1. Generation Z and its consumption characteristics

Generation Z, also known as the Internet generation, the Internet generation, the second-generation generation, and digital media natives, usually refers to the generation born between 1995 and 2009[7]. They are the main force in China's future society. This generation is usually considered to be the A generation with a high level of education, the pursuit of individuality and independence, and a keen interest in social media and network technology [7]. Generation Z pays more attention to spiritual consumption and consumption quality, is more inclined to consume in the virtual world, and is willing

to buy high-quality and High-value products and related derivative services; at the same time, their consumption types are more biased towards beauty and labeling, and their choice of goods and services is more focused on self-identity and taste, and they prefer this type of personalized products and customized services. Crowds have an important influence on the culture and consumption of a country. They have their own unique circle culture, and they are more inclined to share their consumption decisions and experiences with others through social media in the consumption process and are accustomed to generating awareness of brands through the behavior of "acquaintances" or "Internet celebrities", understand and generate purchase behavior.

3.2. Reasons why blind boxes are popular in China

One is that the blind box itself is full of unknown surprises. Because users have no knowledge of the products contained in the blind box, the uncertainty of the blind box makes users have certain expectations during the transaction process. Once the blind box is opened, the answer will be revealed, accompanied by the emotions of satisfaction, surprise, or loss, this kind of emotion attracts users, which is a bit similar to the psychology of gambling, which makes people look forward to unknown surprises such as blind boxes. Create a sense of scarcity and mystery, thereby generating a driving force for purchase. The second is that the shopping experience of blind boxes is different from that of traditional commodity purchases. Blind box marketing stimulates the psychological needs of young people with novelty as the original driving force through the model of fixed money + hidden money. Scarcity will essentially create a sense of urgency, achieve more decisive and faster purchases, and continue to stimulate consumers' purchasing interest, achieving the marketing effect of continuous order placement. The third is to buy low-priced entry-level models, which has become a way for users to please themselves. In order to bring users into the surprise marketing of blind box manufacturing, most domestic brands still choose a low-price strategy. In today's era of self-expression and individuality, those interesting and inexpensive products have become the first choice for contemporary users. At the same time, buying blind boxes has also become one of the ways for the Z generation to reward themselves. Started out just buying low-cost entry-level models. If there are too many figures, the unit price is higher, and the entry-level model may bring higher user consumption, which is an emotional connection between the merchant and the user.

4. Case study-POP Mart

In this case study, I will use the classic 4Ps theory of marketing, which is to analyze the POP Mart marketing approach in depth from four aspects: Product, Price, Place, and Promotion [8].

4.1. IP marketing under brand communication

IP refers to "Intellectual Property", which is the essence of the output after the accumulation of culture to a certain level. It has a complete worldview and values and has its own vitality. An IP needs to have a carrier medium, content attributes, a fan group that agrees with the IP, and a certain monetization ability [9]. First, the product. With the changes in market trends and user consumption habits, POP Mart began to shift the focus of POP Mart's business model to independent development and design in 2015. In 2016, it bought out designer Wang Xinming's Molly and started from design. To marketing, and then to the series layout of retail channels and methods. At the same time, the company collaborated with many artists to design its own brand's blind box image, and integrated design, trend, painting, sculpture, street fashion culture, IP, and other elements into the specific "carrier" of blind box [10]. In addition to the brand's unique IP, POP Mart also combines famous IPs from all over the world, such as Harry Potter and Toy Story, to attract more fans who are familiar with and love these popular works; The elements of relationship are designed together so that

consumers get a whole new experience. For products like blind boxes, it seems to be a toy, but it is not aimed at children to a large extent. It usually has a story background with certain cultural connotations, which can give buyers certain emotional needs and emotional sustenance, so their art collection value is far greater than the playful nature of the toy itself. Specific series, limited production quantity, and hidden explosions make the value of blind boxes skyrocket. The continuous commercial output and marketing communication of enterprises have made the original IP of the blind box more popular, and the number of consumers has continued to increase. The blind box marketing based on these IPs has entrusted the feelings of this generation. Through different types of derivatives such as hand-made products, it has entered the public's vision bringing the things consumers love into people's daily lives, greatly enhancing the value of IP marketing, and spreading the brand's influence.

4.2. Social Currency under Community of Like-mindedness

Next is Promotion. The first is to create the social attributes of the blind box to achieve marketing fission. POP Mart has independently developed the most professional trendy toy social platform in China – The Paqu app, an online community dedicated to creating trendy toys, aiming to provide trendy toy players with trendy toy information and shopping services, so that players can interact with each other and communicate. The APP has now covered about 540 trendy play brands, attracting many trendy play designers to settle in and set up columns. A new way to play. By creating such a trendy game gathering place, POP Mart has gathered a large number of trendy game enthusiasts and formed a strong and stable target user community. On this basis, a kind of interesting group with a circle culture formed with interests and emotions as the core has emerged, making this network circle based on identity continue to expand the scale and space of communication with its unique appeal. The second is the development of social media in the new media era. The process of consumers unlocking blind boxes and the results of buying satisfactory styles continue to stimulate consumers' desire to share blind boxes. Realize the socialization of product experience, let the product have its own traffic and dissemination, and help the realization of the brand and the geometric growth of corporate profits. Blind boxes belong to the network socialization of a Community of like-mindedness groups. In the process, they also act as a new type of "currency", speed up social exchanges, further strengthen the stickiness of identity, and win a sense of social belonging and identity [11].

4.3. Experiential Consumption under Scene Marketing

At the same time, the role of Place cannot be ignored. For consumers, the blind box is not only a material consumption, but more value lies in the sense of experience brought by the consumption process. The reason why POP Mart is one of the most successful marketing and operation brands in my country's blind box market is that it has adopted a variety of marketing strategies, such as limited sales, online and offline linkage, etc., to further enhance the product's ability to reach consumers [12]. It creates a variety of sales channels and scenarios. Offline includes self-service purchase machines and various types of offline stores, and online includes Tmall Mall, JD Shopping, and other large online shopping platforms, WeChat, unboxing applets, and Paqu APP. Diversified marketing channels have created rich consumption scenarios, because the spread of cultural attributes of blind boxes largely depends on the realization of economic attributes, showing the daily consumption scenarios[3].At the same time, large-scale trend exhibitions will be held to attract more types and numbers of customer groups. You can also communicate with well-known domestic and foreign artists on the spot to understand the stories behind the blind box design and effectively enhance user stickiness. In 2019, POP Mart held the Shanghai International Trendy Toys Exhibition and the first International Trendy Toys Online Exhibition. At the same time, POP Mart was selected as the official

designated art toy supplier of the China Pavilion Franchise Center of the 2020 Dubai World Expo, further expanding its influence and promoting cultural exchanges around the world [4].

5. Conclusion

POP Mart's marketing strategy deserves some in-depth thinking about blind box products in China. From their relatively low entry price to attract consumers to buy, to the unique IP make consumers love, and limited edition of the hunger marketing, to meet the curiosity of the blind box consumers and the sense of surprise, the moment of opening the blind box of happiness and sadness has become a blind box consumers chase the fun [10]. Various online and offline channels and co-branding with other cross-border brands, from a variety of dimensions, attract more layers of consumers from understanding to willing to buy and even multiple repurchases. I think the explosion of blind box products also brings new ideas to the development of output and sales of all kinds of cultural and creative products in China. In essence, the types of items inside the blind box can be changed, and based on the principle of "everything can be in a blind box", domestic cultural and creative industries and products can also learn from POP Mart's marketing strategy, through which they can attract consumers while passing on excellent cultural elements, not only all over the country but also in the current market we should be able to pass on China's voice through these products. We should seize the new industry of blind box, constantly digging the national tide IP, improve cultural confidence, but also through these to convey China's voice, and tell a good Chinese story. However, in the last two years, in the prevalence of the blind box economy, some gray industries such as live animal blind boxes or low-quality blind boxes are also emerging, so the market should strengthen the regulation of the industry, businessmen should also self-supervision, legal participation in the market competition.

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