

Marketing Strategy Behind the Pop Mart

—Based on 4C and 4P

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Abstract: Pop Mart is a solid Chinese company famous for its "blind box" toys. The company's success comes from its innovative marketing approach, characterized by its "blind box" format, which combines surprise with cultural relevance. In China, Pop Mart is popular among both teenagers and adults. During the past few years, their mall stores were usually full of customers. In this research paper, we will analyze the marketing strategy of Pop Mart and how its products attract customers of different ages. Furthermore, Pop Mart has many toys with different prices to satisfy different consumer groups. We will also introduce how they formulate the prices of different levels of their products. Pop Mart has many series of toys with different prices to satisfy different consumer groups. The company's success comes from its innovative marketing approach, characterized by its "blind box" format, which combines surprise with cultural relevance.

Keywords: blind box, marketing strategy analysis, Ips and culture, 4C, 4P

1. Introduction

This paper focuses on researching Pop Mart, a popular cultural entertainment brand in China established in 2010. It specializes in selling blind boxes. Over the past decade of development, Pop Mart has built a comprehensive operation platform covering the entire industry chain of trendy toys, focusing on five areas: global artist exploration, IP incubation and operation, consumer reach, trendy cultural promotion, and innovative business incubation and investment. At the same time, Pop Mart also collaborates with world-renowned brands to create trendy products that young consumers love for their IP image. The concept of Pop Mart is to light up passion and bring joy.

In this paper, we are mainly committed to analyzing the marketing strategy of Pop Mart based on its successful current situation. To conduct a comprehensive analysis of the company's strategy, we selected two models for research, the 4P and 4C models. This section fully combines the current sales methods and operational concepts of Pop Mart. We first use the 4P model, which contains the product, price, place, and promotion analysis of Pop Mart. Analyzing their marketing methods by studying their participation in marketing activities and their effect. Then, the 4C model, including analysis of Pop Mart's customer solution, customer cost, convenience, and communication between Pop Mart and its consumers, is used. Corresponding to the 4P model, further analysis of Pop Mart is shown

based on consumer demand. This also enables the research of the enterprise to be presented at a deeper level. Based on the above analysis, we finally summarized the core factors for the success of Pop Mart as well as its advantages.

The rest of this paper is organized as follows: Section 2 Literature review discusses the related literature and general idea of the paper. Section 3 Analysis of Pop Mart using the two models 4P and 4C to do further research and then analyze the market strategy of Pop Mart. Section 4 Conclusion summarizing Pop Mart's promotional strategy and company philosophy, identifying the core factors for Pop Mart's success, and looking forward to the future of the enterprise. Section 5 Authors's contributions and references.

2. Literature Review

Our research is directly related to the literature on consumer market analysis of blind boxes and why people like to buy them. SW Liu, W Huang, H Rao, YK Fu show that the thesis, by means of the variables BBSM CEV and BBSM ISV, is to study the motivation of consumer spending and the main types of consumers from the perspective of marketing. Thus, it is concluded that consumer motivation is not only the value of the products themselves but also the influence of psychological and other factors. Moreover, the study concludes that consumers are mostly younger women and people with high average monthly income. However, this article is skeptical about the idea that blind box consumers are supposed to be Generation Z. It is believed that this result is due to the fact that the sample structure is set to have a higher proportion of Generation Z respondents, and the authors point out that the effects of blind box marketing may be applicable to other generations[1]. D Wang explores the merchant's marketing strategies targeting specific consumer groups and focuses on the blind box economy from the perspective of consumer behavior. The thesis states that Pop Mart merchants take advantage of people's herd mentality to encourage irrational consumption. Moreover, under the stimulation of the experience economy, people dominate the purchase desire through emotional perception. There are more repeat purchasers because people will make repeat purchases when they habitually buy or use a certain product[2]. GFN Mvondo, F Jing, and K Hussain find that customer delight stimulates brand evangelism and mediates the relationship between hedonic benefits, perceived risk, and brand evangelism, which emphasizes the significance of consumer satisfaction[3]. Y Zhang, T Zhang show that the mechanism of positive influence on uncertainty and the moderating role of consumption purpose are examined in depth based on the stimulus-organism-response (SOR) theory. This leads to the conclusion that uncertainty plays a positive role in blind box products. It was also concluded that uncertainty has a significant negative effect on functional values and a significant positive effect on emotional and social values from the perspective of perceived value. In addition, the results of the study show that the uncertainty game mainly increases consumers' affective value and also influences their purchase intentions[4].

Our work also adds to the literature on content provision by brand management of Pop Mart. GFN Mvondo, F Jing, and K Hussain highlight the importance of blind box selling and brand strategy and provide valuable managerial insights for brand managers[3]. Y Luo tries to study the influence of the mode of "cultural and creative + blind box" on the commercialization process of traditional culture by analyzing the development status and prospects of traditional culture IP commercialization. The study results show the mode of "cultural and creative + blind box" has successfully brought new development opportunities and new creative ideas for the traditional culture industry. However, it must still keep innovating and progressing to find new business opportunities[5]. The "blind box+" is also mentioned in Jian X's article. It explores the viability of Pop Mart's customer brand loyalty and future culturally relevant directions through PEST and SWOT analyses. Through data and analysis, it was concluded that product and brand effects and values can help increase customer stickiness. Moreover, combining blind boxes with culture and entertainment can help provide a

sustainable direction[6]. Luo, J shows that Pop Mart's brand marketing is analyzed in detail, and some suggestions are made for its future development. Through the analysis, the thesis points out that Pop Mart's brand marketing is integrated with digital technology to win consumers' trust through innovative development[7]. Yu, J shows the visual image of the Pop Mart brand is explored from the consumer's point of view to analyze the development path of the blind box in the cultural and creative products market. After analysis, it is concluded that Pop Mart was able to occupy most of the market in a short time due to its excellent brand image building and symbolic culture dissemination. Its unique brand culture and image also help the blind box to combine with culture, not only traditional culture but also trendy culture, overseas culture, and so on. The following part of the analysis mainly mentions the combination of Pop Mart's blind box and trend culture[8].

3. Analysis of Pop Mart

3.1. 4P

3.1.1. Product

Pop Mart is a Chinese company that sells collectible toys in a "blind box" format. They have different collection series, many of which are original. They also have collaboration series with other brands like UNIQLO. Pop Mart's products appeal to both male and female consumers, especially female consumers. 65% of females aged between 15 to 35 are the customer base of this brand. The creative designs and unique packaging keep attracting more young customers in mainland China. Pop Mart's innovative products attract many adult customers as well. There are always seen people aged between 20s to 30s in the store. Pop Mart also merges different cultures around the world in their products. This would help them open up international markets significantly. "Pop Mart's focus on creating culturally relevant products has contributed to its success in the international market. For example, the company's collaboration with Singaporean artist Daniel Yu created the popular series MONSTER TOYS, which features creatures inspired by Southeast Asian folklore." [9].

3.1.2. Price

Pop Mart is famous for the "blind box" series, which is also the key to its success. There is an apparent spread between Pop Mart's products. Each "surprise box" is between 7.99 17.99 dollars. For some special series, the price of a single toy can be up to 1,000 dollars. Moreover, Pop Mart's peripheral products are mainly in the price range of \$5 to \$11 and \$21 to \$27, of which the most expensive is the \$96 LABUBU figure lamp. Therefore, there are many choices for consumers to choose the series they like. This is a good marketing strategy to have different lines of products for consumers with different consumption levels.

3.1.3. Place

Pop Mart was founded in Beijing, China, in 2010. It has grown vastly when Chinese consumers favor them. Now, it has 288 stores and 1800 vending machines in China. Pop Mart also expanded its toy empire to the international market recently. They Opened 29 Pop-up stores in 11 countries to promote art toys globally in 2021[10]. Until 2022, they have more than 50 overseas outlets to bring the charm of art toys to fans. Consumers can also purchase Pop Mart through their official website.

3.1.4. Promotion

Pop Mart does have promotions on its official website for new customers. People can sign up for 5\$ off on the entire first order. Pop Mart will have unique toys co-branding with popular video games or

brands in China. The price may be higher than the regular blind box series. However, they are unique and limited edition. It would be an excellent opportunity for collectors to have another "artwork." Furthermore, Pop Mart usually puts huge models of their toys in popular malls. This is also a good marketing strategy to advertise their products.

3.2. 4C

3.2.1. Customer solution

With the development of designer toy culture, it has moved from the niche to the public, and the market has expanded accordingly. Moreover, "Millennials" and "Generation Z" have gradually become the main consumer groups of designer toys, and they pursue personalized, customized, and good-looking products. At the same time, otaku and anime cultures have also stimulated consumer demand for garage kits or other analogous products. Besides, designer toys attach great importance to IP and culture, so the consumers can enjoy the product-related culture. The mystery and collectible value of blind boxes are what contemporary consumers expect and need. Thus, Pop Mart cooperates with some IPs, such as Molly and Pucky, to jointly launch a series of blind boxes. Regarding social attributes, blind box sales provide consumers with opportunities to communicate or exchange with each other, allowing them to feel a sense of identification. Regarding these trends, Pop Mart developed corresponding marketing strategies for blind box sales.

3.2.2. Customer cost

Because of the adoration for China-chic and minority culture and the emotional need mentioned earlier, the willingness to pay for Pop Mart's consumers is relatively high. The customers get the culture reflected in the series of blind boxes and the emotional value of a high-end brand of blind boxes, which satisfies consumers' "philatelic psychology" and "decompression needs"[11]. Besides, most blind boxes in Pop Mart come in regular and hidden versions. The value of hidden ones can even reach dozens of times that of regular ones. This model that can make consumers dependent or even addicted to the goods further promotes consumption. Pop Mart's co-branding strategy also plays a significant role. It utilizes the popularity of current popular IPs to attract benchmarking audiences and increase their awareness. In addition, customers of Pop Mart trust its product quality and brand value, so they are relatively willing to buy its products. Moreover, the price of Pop Mart's blind boxes is slightly high in the whole market. Thus, some consumers will be discouraged, but this does not impact Pop Mart's consumption.

3.2.3. Convenience

Pop Mart focuses on customer needs and devotes itself to improving the speed of response to customer demands. Thus, Pop Mart adopted multiple scenario coverage and omnichannel sales methods to ensure the convenience of consumers' access to products and increase the touch points of the brand. The offline site selection of Pop Mart is usually in places with high traffic, such as shopping malls or airports. In terms of online marketing, Pop Mart has opened official websites for countries such as Japan, Singapore, and France. There are also special sales methods for mini-programs and E-commerce sales in China. These channels all make sure that consumers can purchase Pop Mart's products efficiently and conveniently. Moreover, Pop Mart uses vending machines for blind box sales to reduce customer waiting while removing location restrictions. No cash register mode is an effective way of promoting impulsive consumption. In addition, the threshold for blind box consumption is very low, with almost no hidden consumption, further increasing consumer willingness.

Online and offline manual services will stand in customers' perspective, listen to customers' needs, and help customers find the most suitable products on a timely and large scale. Moreover, they will try their best to solve the after-sales problems of the products. These methods aim to reduce consumers' purchasing time and improve working efficiency.

3.2.4. Communication

Pop Mart strives to establish long-term and stable relationships with consumers. It has made consumers aware of their brand and brand positioning through the long-term subtle influence, which has laid a good foundation for obtaining consumers' brand loyalty. To retain loyal customers, Pop Mart has established membership groups to promote new products and inform members of discounts. Consumers, therefore, can update the latest information and contact the local branch.

Pop Mart has also independently developed a social platform in China called Paqu, which provides a platform for consumers to communicate with each other or even with designers[12]. What's more, it can also encourage consumers to participate in the production process of products and increase consumers' emotional connection. Otherwise, Pop Mart has entered several consumer service platforms, such as Black-cat, where consumers can directly raise their after-sales issues with Pop Mart and be immediately negotiated. Besides, Pop Mart also expands its contact with consumers by opening large-scale offline activities (the Shanghai International Fashion Toy Exhibition, 2018.4).

4. Conclusion

Pop Mart's ascendancy in the art toy industry can be credited to a meticulously crafted synergy of product innovation, consumer-centric pricing, strategic market placement, and astute promotional tactics. The attraction of the "blind box" concept, showing a fusion of surprise and cultural resonance, has resonated strongly with diverse consumer segments, ranging from Millennials to Generation Z. By incorporating collaboration with artists, Pop Mart has developed a brand identity beyond mere collectibles, imbuing their products with emotional and cultural value. Pop Mart emphasizes customer solutions, cost, convenience, and communication and has played an essential role in aligning the company's strategies with consumer preferences. Establishing an inclusive online and in-store system with responsive customer service has increased brand loyalty and consumer engagement. As Pop Mart continues global expansion and exploration of co-branding avenues, consumer-centricity with cultural relevance will likely remain central to its ongoing success.

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All authors contributed equally to this work and should be considered co-first authors.

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