

Research on Brand Building and Market Expansion Strategy Under Blind Box Economy—Take Pop Mart for Example

Yitong Wang^{1,*}, Yifeng Yuan²

¹ Cultural Industry Management, Nanjing University of Arts, Nanjing, Jiangsu, 210000, China

² Digital Media Art, Wuhan University of Communication, Wuhan, Hubei, 430000, China

* Corresponding Author Email: wangyit2004926@outlook.com

Abstract. The Blind Box Economy, a burgeoning market phenomenon that has surged in popularity in recent years, has created unprecedented opportunities for businesses seeking innovative revenue streams. This study examines Pop Mart as a paradigmatic case study, leveraging economic frameworks, field theory, and the art world perspective to unpack its strategic success. By integrating SPSS software for quantitative data analysis and employing questionnaire-based qualitative methodologies, the research scrutinizes Pop Mart's brand-building mechanisms and market expansion tactics. The findings reveal a nuanced interplay between consumer psychology, cultural capital, and strategic retail positioning, which collectively fuel the brand's resonance with younger demographics. This paper is particularly valuable for identifying actionable insights: it highlights how Pop Mart capitalizes on scarcity-driven demand, collaborates with artists to enhance product allure, and cultivates a community-driven ecosystem through immersive retail experiences. Conversely, it also critiques challenges such as market saturation risks and the need for sustained creativity. For firms venturing into this domain, the study offers a roadmap—emphasizing agility in product innovation, strategic partnerships with cultural influencers, and leveraging data analytics to refine consumer engagement. Ultimately, this analysis underscores the symbiotic relationship between commercial acumen and cultural relevance, urging businesses to balance profitability with ethical, audience-centric practices to thrive in the dynamic blind box economy.

Keywords: Pop Mart, Branding Market expansion, Blind Box Economy.

1. Introduction

In the expansion of the consumer market, the blind box economy has sprung up in recent years and has become a business phenomenon that cannot be ignored.

1.1. An Overview of the Development of the Blind Box Economy

The concept of blind boxes can be traced back to at least the 80s of the last centuries, originating from Japanese lucky bags. At that time, Japanese department stores used lucky bags to dispose of tail goods, and the value of the goods in the lucky bags was higher than the list price, and it became a regular event on specific festivals. In the 80s, online "capsule toy machines", which were mostly anime IP peripheral goods, appeared to be sold in the figure mode. In the 90s of the last centuries, "container card marketing" appeared in China, although blind box products are mostly accessories, but it is a local practice of blind box marketing. In the 21st century, the concept of BlinkBox has been finalized, and there was a short discussion in 2013, and gradually popularized after 2016, activating the young market of toys.

The global toy market is growing rapidly, with the total size of the global toy industry reaching more than \$34 billion in 2024 and is expected to reach nearly \$45 billion by 2024. China's toy market is growing faster, with an average annual compound growth rate of 34.6% from 2015 to 2019, and as of 2019, blind box sales accounted for about half of the toy market. Blind box products have expanded from the initial animation, film and television peripherals, designer dolls, to daily necessities, beauty and makeup, stationery, digital accessories and other fields, and even in the fields of take-out and travel supplies, blind box marketing has also been applied in blind boxes. Blind box sales have



expanded from offline physical stores to online live broadcast rooms, and online sales have provided consumers with a new shopping experience through live broadcast interaction and other means.

The blind box brand represented by Pop Mart has risen rapidly with such a unique business model and development path and has attracted widespread attention.

1.2. Research Topic

This study uses economic theory to analyze the economic logical relationship behind the blind box economy, obtains first-hand information through questionnaires, uses SPSS software to analyze data, and uses field theory and art world theory to obtain a more accurate research conclusion model through questionnaires. In order to conduct a comprehensive and in-depth study on the brand building and market expansion strategy of Pop Mart Blind Box Company, it will provide useful reference for the development of the blind box industry and related fields, and use SPSS software to study the brand building and artistic value creation and communication mechanism of blind box culture construction.

2. Literature Review

The basic concept and theoretical basis of the blind box economy are the key to understanding and researching this field, but there is no clear single proposer of the concept of the blind box economy. The blind box originated from the Japanese Fukubukuro culture. In the 90s of the last century, Japanese merchants randomly packaged all kinds of goods into lucky bags for sale, and what consumers bought was all up to luck, and later this sales model was introduced to China, and Wang Ning, the founder of Pop Mart, was one of the important people who introduced it into the field of trendy toys.

In 1930, Skinner experimentally revealed the effect of random rewards on behavior, and this mechanism has similarities with the randomness of blind boxes. Market development: Through data analysis, it is found that Wang Zhiming, Liu Yuanyuan, Ni Liejun and others' purchases are mainly due to the influence of mood, preferences and price, and the purchase of blind boxes meets the certain psychological needs of young consumers. Therefore, Wang, Liu, Ni and others concluded through data analysis that young people generally understand blind boxes: buying blind boxes meets a certain psychological need of young people for blind boxes [1]. In terms of brand positioning, Wang Yuetong, based on the positioning theory of Eris as the research object, found that the development of Pop Mart takes IP operation as the core, blind boxes as the main carrier, and the development model is the development of Pop Mart, and its development mode is the development model of blind boxes [2]. In terms of channel expansion, Zhang Shangjie pointed out that the main sales channels of Pop Mart are online and offline dual channels, conference and forum channels and overseas channels to develop the supply of Pop Mart products [3]. However, with the development, many scholars have noticed the problems in the development of the blind box economy. Tian Jinrui pointed out that there is a serious information asymmetry problem in the blind box industry, which makes the legitimate rights and interests of consumers not effectively protected [4]. Li Minghui pointed out that the characteristics hidden behind the blind box transaction, such as luck and addiction, continue to pose challenges to the boundaries of protecting consumer rights and interests, and the safe and good market order. Merchants take advantage of the defects of information asymmetry to shoddy, and consumers do not understand the information of the goods in the process, and they cannot really distinguish the advantages and disadvantages of the goods. Li Minghui pointed out that the characteristics hidden behind the blind box transaction, such as luck and addiction, continue to pose challenges to the boundaries of protecting consumer rights and interests, and the safe and good market order [5]. Starting from the three dimensions, improve the legal system of the blind box market, improve the level of administrative supervision, improve the protection mechanism for the rights and interests of blind box consumers, effectively safeguard the rights and interests of blind box consumers, help the

standardized and healthy development of the blind box market, and stimulate new impetus for economic growth.

3. Research Methods

3.1. Economic Theory

The consumer behavior theory is used to analyze the decision-making process of consumers purchasing blind boxes and explain consumers' preference for the uncertainty of blind boxes from the perspective of utility maximization. The supply-demand relationship of the blind box market is discussed by using the theory of supply and demand, and the market scale expansion and price formation mechanism are analyzed.

3.2. Field Theory

In the field of cultural industry research, Field Theory can be used as a theoretical framework to analyze the dynamic processes of cultural production, dissemination and consumption, as well as the interaction between culture and society, economy and politics. Based on Field Theory, this paper studies the difference between Pop Mart and other blind box trendy toy brands and analyzes how it can become a head brand.

3.3. Questionnaires

In order to explore the brand building and market expansion model under the blind box economy, Pop Mart is taken as a specific case analysis. First of all, analyze the significant impact of Pop Mart's brand building and market model on consumers. If the purpose is to understand the effectiveness of brand promotion, it will focus on selecting people who have been exposed to the brand but have not necessarily purchased the product; If the focus is on optimizing product design, consumers who have purchased multiple series of products are more likely to get specific feedback on product design. Therefore, the following questionnaire on the consumption behavior and cognition of Pop Mart was developed.

Random selection, hierarchical selection, convenient extraction, etc., are adopted to ensure that each individual who meets the conditions, can reasonably reflect the overall characteristics, and ensures that the statistical results are accurate have the opportunity to be selected. The sample selects a wide range of users, with 106 valid users, including those who participated in the survey from under the age of 18 to over 45 years old, and Pop Mart, as a new trendy toy brand, its main consumer group is young people, with users aged 18 to 25 accounting for the highest proportion of filling in. In addition, the proportion of female users in the customer base of Pop Mart is relatively high, so the proportion of female users in the sample selected in this questionnaire is also relatively high.

4. Result

4.1. Consumer Behaviour Factors

This includes people who are frequent, occasional, and have never purchased Pop Mart products. Frequent buyers can gain insight into the behavioral motivations of loyal consumers, while those who have never purchased have been able to explore the cognitive barriers of potential markets. Consumers with different consumption ranges, such as low-consumption, medium-consumption and high-consumption groups, were selected to analyze the relationship between spending power and behavioral cognition. Consumers who buy online through e-commerce platforms and offline in physical stores and robot stores will have different consumption experiences and cognitions, and a certain proportion of samples need to be selected for investigation.

4.2. Development Reasons

4.2.1. Psychological Factors

Consumers' curiosity and desire to explore are stimulated by the unknown and uncertainty of blind boxes. At the same time, the "hidden model" mechanism and scarcity in the blind box can bring consumers a sense of surprise and satisfy their show-off psychology. In addition, consumers' herd mentality and perfectionism also promote a high repurchase rate of blind boxes. According to the survey results, as Table 1 shows, it can also be seen that consumers buy Bubble Mart especially because of the surprise of blind boxes and the temptation of hidden models.

Table 1. The relevance of the reasons for attracting consumers

Correlation							
		What is the most appealing aspect of Pop Mart blind boxes? (Multiple choices allowed) Cute and unique IP characters	Surprise of unboxing	Collectible value	Social attribute: Sharing and communication with friends	Temptation of limited editions and hidden styles	Popular among children
What is the most appealing aspect of Pop Mart blind boxes? (Multiple choices allowed) — Cute and unique IP characters	Pearson correlation coefficient	1	.213	-.098	.183	.271*	-.148
	Significance (Two-tailed)		.115	.471	.178	.044	.276
	Number of Cases	56	56	56	56	56	56
Surprise of unboxing	Pearson correlation coefficient	.213	1	-.171	.101	.075	.067
	Significance (Two-tailed)	.115		.207	.459	.585	.625
	Number of Cases	56	56	56	56	56	56

Collectible value	Pearson correlation coefficient	-.098	-.171	1	.012	.082	.164
	Significance (Two-tailed)	.471	.207		.928	.550	.226
	Number of Cases	56	56	56	56	56	56
Social attribute: Sharing and communication with friends	Pearson correlation coefficient	.183	.101	.012	1	.050	.022
	Significance (Two-tailed)	.178	.459	.928		.714	.870
	Number of Cases	56	56	56	56	56	56
Temptation of limited editions and hidden styles	Pearson correlation coefficient	.271*	.075	.082	.050	1	-.030
	Significance (Two-tailed)	.044	.585	.550	.714		.827
	Number of Cases	56	56	56	56	56	56
Popular among children	Pearson correlation coefficient	-.148	-.067	.164	.022	-.030	1
	Significance (Two-tailed)	.276	.625	.226	.870	.827	
	Number of Cases	56	56	56	56	56	56
*Correlation is significant at the 0.05 level (two-tailed).							

4.2.2. Consumer Trends

The trendy toy market is growing steadily, and the demand for trendy toys among young people is increasing. Moreover, as Chinese trendy toys represented by blind boxes are also loved by foreign consumers, and with the increasing influence of Chinese cultural and creative IP and national tide culture in the international market.

The business model innovation of the blind box economy, such as the "blind box +" marketing model, has brought new development opportunities to various industries, and lowered the threshold for consumers to enter the circle. The sales model of blind boxes has broken the order of the traditional retail industry and has never created a blind box economy to bring new business development.

4.3. Branding Strategy of Pop Mart

4.3.1. Accurate Brand Positioning

According to the characteristics of its own product trend toys, Pop Mart aims at young consumer groups aged 18-35 who pursue fashion and personalization. This group has increased spending power and a strong ability to accept new things, Pop Mart conforms to the economic target market selection theory, by providing trendy toys to meet its personalized collection needs, using different marketing

strategies for different user markets. From Figure 1, it can be found that Pop Mart users are the most active in the age of 18-25. The main marketing channels are offline stores and social media and viral marketing strategies. From the continuous exploration in the early stage of entrepreneurship to the focus on the field of trendy toys, Pop Mart has formed a brand habit of being brave in innovation and daring to try. Invest boldly in IP development, and constantly try new design styles, cooperation models and marketing methods; In terms of market expansion, we actively explore domestic and foreign markets and break geographical restrictions. This brand habit enables it to quickly adjust its strategy in the face of market changes, adapt to the new market environment, and always maintain a leading position in the industry, while some traditional brands are conservative and difficult to keep up with the pace of market changes and are gradually eliminated by the market.

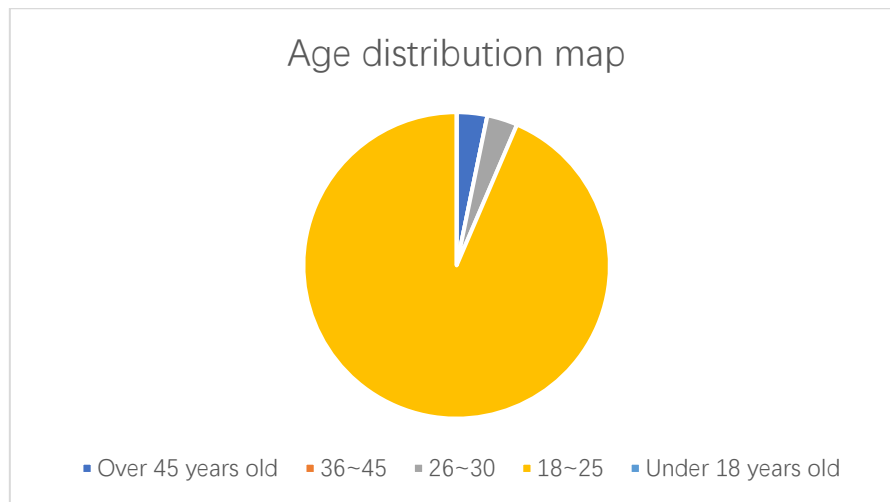


Figure 1. The age ratio of POP MART consumers

4.3.2. IP Creation and Operation

Direct Costs: According to the labor theory of value, well-known designers invest a lot of time, energy and professional skills, and their design results condense undifferentiated human labor, so the design cost is high. At the same time, according to the transaction cost theory, the communication and coordination between enterprises and designers involves search, negotiation, supervision and other links, which will generate information costs, negotiation costs and decision-making costs.

Opportunity cost: During the cooperation period, the company's resources are tilted towards the project, and other investment or cooperation opportunities may be missed, such as the capital and manpower that could have been invested in the research and development of new products or the expansion of new markets are occupied.

Product Differentiation and Monopolistic Competition: According to the theory of monopolistic competition, the designer's unique design differentiates the product, and the enterprise obtains a certain pricing power and can obtain excess profits by raising the price.

Brand externalities: From the perspective of externality theory, designer popularity brings positive externalities to corporate brands, enhances brand image, attracts more consumers, and increases sales and market share.

From the perspective of Field Theory, Pop Mart pays attention to product design innovation and quality improvement, strives for perfection in the details of blind box products, designs colors and micro-expressions to be super interesting, and adds special craftsmanship to distinguish it from the same product style of other brands and meet consumers' needs for uniqueness and aesthetics. For example, the PUCKY genie series, with its cute and dreamy design style, attracts many young female consumers and forms a differentiated competitive advantage at the product level.

IP image shaping and dissemination: According to the theory of word-of-mouth communication, social media users share high-quality content to form a word-of-mouth effect, so that the IP image of

Pop Mart is widely disseminated, attracting the attention of potential consumers and enhancing brand awareness. The unboxing video of the popular new product has been widely spread on TikTok, attracting the attention of a large number of non-fan users. Social media interaction activities are based on interactive marketing theories, with the purpose of enhancing consumers' sense of identity and belonging to the brand, encouraging consumers to participate in them, and improving consumer engagement. Hold a fan idea collection activity on Xiaohongshu to attract a large number of fans to contribute and participate. With the help of big data marketing theory, social media platforms can accurately push content according to user portraits, improve marketing efficiency, and achieve precision marketing. According to users' interests and consumption behaviors, personalized IP product advertisements are pushed to target users on WeChat. According to the questionnaire, the proportion of the sample who knew about Pop Mart through social media channels was relatively high. In field theory, it is analyzed that Pop Mart adopts a channel strategy that integrates online and offline. Set up stores offline in the core business districts of major cities to create immersive shopping scenes; Sell products online through platforms such as Tmall and WeChat mini programs to expand your sales scope and reach more consumers. At the same time, online and offline activities such as new product sales and limited rush purchases are carried out simultaneously to increase consumers' purchase channels and purchase convenience, and increase the market share of the brand. Some competitors may only rely on a single channel for sales, limiting the scale and market coverage of the brand.

4.3.3. Brand Culture Construction

Advocate the brand culture of "creating trends and delivering beauty" and create a community atmosphere in a way that pays equal attention to trends, fashion and sharing. For consumers to form brand loyalty and reduce price sensitivity, from an economic point of view, brand culture is helpful. From the perspective of art world theory, brand culture has become a link for consumers to participate in the interaction of the art world and form a fan community.

5. Discussion

5.1. Pop Mart's Market Expansion Strategy

5.1.1. Omni-channel Retail Layout

Offline store expansion: According to the economic location theory, directly operated stores are opened in core business districts to create an immersive shopping experience space and attract consumers. Develop franchise stores to expand market coverage and analyze the costs and benefits of the franchise model.

Online channel development: Online channels break through geographical restrictions and connect users around the world through the network, and based on network externalities, as the number of users increases, the value of the product or service will also increase, attracting more people to join. For example, a handicraft store that originally operated only locally has been able to see its products by consumers across the country and even around the world after entering the e-commerce platform, and the market scope has greatly expanded. At the same time, online channels can use big data to accurately locate users, analyze the preferences and needs of different consumers, and achieve market segmentation. For example, short video platforms push relevant product content according to users' interests to help merchants find potential customers and tap niche markets. In addition, the social nature of online allows consumers to easily share product experiences, generating word-of-mouth communication effects, attracting more new users and expanding brand influence. Accurately reach consumers through live streaming, community marketing, and other means.

5.1.2. Cross-border Cooperation and Joint Branding

This paper analyzes cross-border cooperation and co-branding from the theory of economic synergy, and uses the brand influence of partners to attract new consumers and enhance the added value of

products. From the perspective of field theory, in the development of the trendy toy industry, Pop Mart hasn established long-term and stable cooperative relations with many suppliers and artists, integrated upstream and downstream resources, and built a complete industrial chain ecosystem. In terms of cooperation with artists, a mature cooperation model has been formed to attract more high-quality artists to join; Work with suppliers to ensure product quality and supply stability. This extensive network of industry cooperation has enabled it to accumulate rich social capital in the social field of trendy toys, while many small brands are difficult to emerge in the competition of social capital due to the lack of industry resource integration capabilities.

5.2. Future Trends

5.2.1. Intensified Market Competition

With the development of the blind box market and increasingly fierce competition, some brands with independent advantages in the field of R&D and design will be more competitive, while some manufacturers that lack advantages may be eliminated.

5.2.2. Development of Industry Norms

The regulatory authorities will continue to strengthen the supervision of the blind box market to standardize the market order, protect the rights and interests of consumers, and promote the healthy and sustainable development of the blind box economy.

5.2.3. Expand the field of application

The blind box economy may be further expanded to more fields to meet the diverse needs of consumers, through innovation in gameplay and application models. However, at present, the channel of selling goods in blind boxes is still developing.

5.3. Difficulties and Challenges Encountered in the Blind Box Economy

In the development of the blind box economy, there are problems such as irrational consumption caused by excessive marketing, uneven product quality, and imperfect industry supervision. By analyzing the theory of market failure, the following conclusions are drawn.

5.3.1. Information Asymmetry

In the blind box transaction, the merchant has the detailed information of the goods in the blind box, including the style, quantity, scarcity, probability of winning, etc., while the consumer can only obtain a limited product introduction before purchasing, and has no knowledge of the specific products in the box. This kind of information asymmetry makes it difficult for consumers to make rational decisions, and they are easily affected by the publicity of merchants and their own psychological factors, and blindly follow the trend to buy. For example, by creating a sense of scarcity and promoting hidden blind boxes, merchants stimulate consumers' curiosity and make them impulsively consume without fully understanding the information.

5.3.2. Externalities

The externality of blind box consumption, which is mainly characterized by indirect influence on others and indirect influence on social consumption behavior. Irrational behaviors such as comparison and showing off caused by blind box consumption will affect the social atmosphere to a certain extent, especially on the formation of young people's values. This negative externality is not reflected in the market price of the blind box, which is a manifestation of market failure that leads to the deviation of market resource allocation from the optimal state. For example, teenagers compete with each other in pursuit of having more rare blind boxes, which increases the financial burden on their families and is not conducive to their healthy growth.

5.3.3. Consumer Bounded Rationality

Consumers are not completely rational, and it is difficult to make decisions in line with economic rationality due to the psychological tendency to continue to invest to recover losses, psychological accounts and other factors in blind box consumption. When consumers buy blind boxes and do not draw their favorite styles, they often continue to invest in order to recover the cost or collect the series, falling into the "gambler's fallacy". At the same time, consumers will classify blind box consumption into a special psychological account and are willing to pay a fee that exceeds the actual value of the commodity, resulting in irrational consumption and making the market mechanism unable to effectively regulate consumption behavior.

5.3.4. Information Asymmetry

In terms of quality, the quality of the goods in the blind box is clear to the merchants, and consumers only know this after opening the blind box. This asymmetrical information gives the market an opportunity for low-quality products that "bad money drives out good money". In order to reduce costs and obtain higher profits, merchants may choose to produce or purchase goods with poor quality and put them into blind boxes, while consumers can only bear losses after purchase because they cannot judge the quality in advance, resulting in high-quality blind box products on the market being gradually squeezed out and the market order chaotic.

5.3.5. Missing Public Goods Attributes

The products provided in the market should have the attributes of public goods such as quality assurance to ensure the rights and interests of consumers. However, in the blind box market, due to the concealment and randomness of goods, it is difficult for consumers to supervise and guarantee the quality, and the market lacks an effective quality supervision mechanism. This makes merchants lack the motivation to improve quality, resulting in uneven quality of blind boxes, unable to meet consumers' reasonable expectations for quality, unable to achieve optimal allocation of market resources, and market failure.

5.3.6. Monopoly and Market Power

With strong IP resources and brand influence, some blind box head companies occupy a monopoly position in the market and have pricing power and product control. These companies may use market forces to harm consumers by lowering product quality, maintaining high prices, and obtaining monopoly profits. Other small businesses may follow suit in order to survive, leading to a decline in the quality of the entire market, undermining the fairness and effectiveness of market competition, and causing market failure.

6. Conclusion

The rapid rise of the blind box economy, represented by Pop Mart's strategic ability in brand and market saturation, highlights the paradigm shift in retail and cultural consumption. By combining economic theory - especially the intersection of behavioural economics and supply chain agility - with the emphasis on cultural capital and symbolic value in the theory of the art world, Pop Mart has designed a product category that transcends traditional consumerism. Its success lies in using scarcity as a psychological trigger to cultivate a collector community, who gives personal and social significance to each unboxing ceremony. This integration of rational economic structure and irrational cultural passion has created a vibrant ecosystem in which commodities are both cultural relics, promoting profit margins and brand loyalty.

However, the exploratory nature of this study brings inherent limitations. The number of samples from the questionnaire study is still too low, and the accuracy of the proof of the survey results may not be accurate enough. In addition, while enriching the theoretical depth, interdisciplinary approaches may cover up the nuances of specific sectors - for example, the role of intellectual property licensing in maintaining the novelty of products and the moral impact of gamified

consumption. Over time, vertical research that tracks consumer sentiment can solve these gaps, and so can comparative analysis with neighbouring industries.

Looking to the future, the evolution of the blind box economy depends on the harmonisation of innovation and accountability. Regulatory standardisation, such as clearly marking the drop rate or the age verification protocol of impulse-driven purchases, can alleviate concerns about predatory marketing. At the same time, working with environmental non-governmental organisations to develop biodegradable packaging or circular economy initiatives may redefine sustainability benchmarks. The department can also explore educational partnerships, embed blind box collections into STEAM courses, and use framework collections as a gateway to design literacy. In the end, the future trajectory of the blind box economy will depend on its ability to evolve from a niche fashion to a socially responsible cultural institution - a cultural institution that balances business ambition and moral rigour to ensure that the unknown excitement is both thrilling and serious.

Authors Contribution

All the authors contributed equally and their names were listed in alphabetical order.

References

- [1] Z. M. Wang, Y. Y. Liu, L. J. Ni, etc. Exploring the psychology of consumption under the blind box economy - addictive consumption of young people [C]//School of Management, Chengdu University of Information Engineering. Proceedings of the 2023 Seminar on Labour Security Research. Dalian Institute of Science and Technology; 314-318 (2023)
- [2] Y. T. Wang, the change and strengthening of Bubble Mart brand positioning. Marketing industry, (11):139-141 (2021)
- [3] S. J. Zhang, Research on the profit model of Bubble Mart. China University of Petroleum (Beijing), (2022)
- [4] J. R. Tian, Research on the legitimate rights and interests of consumers under the "blind box economy" model. National Circulation Economy, (35):34-36. (2021)
- [5] M. H. Li, Research on the path of consumer rights and interests' protection in the blind box transaction mode. Journal of Gansu Open University, 33(04):83-88(2023)