

Analyzing the Marketing Strategy of Pop Mart in Overseas Market

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Abstract: The rapid expansion of the Internet and the widespread spread of global businesses have both contributed to Pop Mart's decision to expand its operations into international markets. Using Pop Mart's current development state as a foundation, this research explores the possibilities for the company's future expansion and improved market position in international markets. This study fills a previously existing gap in scholarly research about Pop Mart's foreign marketing strategies. According to the findings of the study, Pop Mart possesses substantial potential for expansion in international markets. Pop Mart can leverage this potential by implementing three crucial strategies: understanding consumer psychology, prioritizing product design and innovation, and enhancing the brand's digital media promotion. In order to provide Pop Mart with important insights for its future expansion in the worldwide market, this research analyzes and makes recommendations based on three aspects that are considered to be of fundamental importance. The purpose of this study is to provide an objective analysis that helps connect researchers and scholars interested in analyzing the international market for Pop Mart.

Keywords: Marketing Strategy, Consumer Psychology, Product Appearance & Innovation, Dissemination of Digital Media

1. Introduction

With the outbreak of the pandemic in 2020, the Internet experienced even faster expansion with the pandemic outbreak in 2020, and an increasing number of people are turning to their mobile devices for communication. In 2020, data showed that adult citizens used their cell phones for 100.75 minutes per capita per day, up 0.34 minutes from 2019 [1]. By 2021, the average person would spend 3.3 hours per day on their cell phones [2]. This demonstrates how the Internet has steadily become an increasingly vital part of people's lives, serving as the primary interactive and social space. On the other hand, many brands and companies at the time began to grab the chance to fiercely grow the e-commerce network, and more brands or companies began to seek an exit and further development. Established in 2010, Pop Mart stands as China's leading trend culture and entertainment enterprise. It has created a complete operation platform that spans the whole trendy toy industry chain, focusing on five key areas: worldwide artist excavation, IP incubation and operation, consumer reach, promotion of fashionable toys and culture, and investment and integration of adjacent businesses. Pop Mart's appearance series has been well-received by the public, and practically every series has gone viral. It formed its own worldwide e-commerce team and began gradually opening offline outlets

overseas by the end of 2020, with many of them generating more than a million dollars in revenue on the first day. Against this backdrop, Pop Mart began expanding its global business in 2020.

Pop Mart, as a distinct brand, continues to attract a lot of attention. Ying and others conducted a study on Pop Mart, focusing on its business model, marketing strategy, consumer loyalty, and other related aspects [3]. The study analyzed Pop Mart's innovative business model in relation to marketing theory, branding theory, consumer behavior theory, and other relevant theories [3]. Shao and Yang conducted a study on the business model and sustainability of Pop Mart Company, which is a prominent player in China's tidal game sector [4]. They utilized industry analysis, data analysis, and other analytical tools to investigate the factors contributing to Pop Mart's high profitability [4]. Another study also takes Pop Mart as the research object, but it focuses on analyzing and optimizing Pop Mart's marketing strategy, taking into account consumer psychology, Pop Mart's marketing strategy, and the Chaozhou game business in China [5].

However, most researchers have overlooked Pop Mart's performance and development in overseas markets. So, how can Pop Mart further enhance its market position in overseas markets, where the brand is so popular among consumers? Despite extensive research on Pop Mart's marketing strategy in the domestic market, the epidemic outbreak and the deepening of economic globalization have created new development opportunities in overseas markets. During this period, Pop Mart also seized the opportunity to expand its market overseas and showed a better development trend, but the overseas market has a shorter contact time and is still immature compared with the domestic market. Therefore, this thesis aims to fill a gap in the study of Pop Mart's overseas market. How can Pop Mart further enhance its position in the overseas market?

Under the aforementioned context, this paper will analyze and study the development status of Pop Mart's overseas market and how to enhance its position in the overseas market. The research on this aspect will help us better understand Pop Mart's overseas marketing strategy, which can provide some references for the expansion of Chinese hip-game brands in the future.

2. Case on Pop Mart

Pop Mart is a fashionable cultural and entertainment corporation that specializes in the research and development, production, and sale of trendy intellectual property toys. Wang Ning launched the brand in 2010. Pop Mart's product development has excellent original design capabilities, and it can identify its own brand positioning and consumers, explore new development prospects, and adapt to changing consumer needs and preferences through constant innovation and integration. Concentrate on product play and utility, and directly address consumer pain concerns. In 2010, Beijing saw the inauguration of Pop Mart's first store, thus establishing the brand. In 2016, Pop Mart expanded into Tall and launched the first Blind Box series, which quickly gained popularity. In 2017, the company introduced the Robot Store, a self-service sales terminal. Pop Mart launched its globalization strategy in 2018 and began developing its own overseas market in 2020, establishing its own cross-border e-commerce team and stationing on various cross-border e-commerce platforms, which has become one of Pop Mart's means of expanding its overseas market channels.

Pop Mart opened its first overseas offline location in South Korea in September, after the opening of its international flagship store on July 2, 2020. Pop Mart will initially focus on developing Hong Kong, Macao, Taiwan, and China's surrounding East and Southeast Asian countries, such as South Korea, Japan, Thailand, and Singapore. Pop Mart established its first European store in the United Kingdom in January 2022, followed by the release of the official APP in the United States and the opening of the first U.S. flash mob, as it rapidly expanded into Europe and the United States.

Pop Mart's overseas business revenue will reach 1.066 billion yuan by 2023, bringing the total to 1.5 billion yuan. Business revenue totaled \$1.066 billion, representing 16.9% of total sales. According to the news on February 11, 2024, Pop Mart established its third local offline store in Bangkok,

Thailand, on February 9 at the Sangare Throw Mall, with sales exceeding RMB 5 million on the first day of business, setting a new one-day sales record for Pop Mart stores worldwide. Prior to this, Pop Mart's first store in Thailand had over 1,000 customers queuing on opening day, resulting in a revenue of more than RMB 2 million.

3. Analysis on the Problems

3.1. Reasons on Consumers' Psychology

Pop Mart is popular among young people because it captures their consumer psychology, resulting in a high number of devoted customers. Whether domestically or internationally, today's young people purchase blind boxes to satisfy two more essential needs: the satisfaction of collecting objects and the need for spiritual company. Pop Mart's distinctive style and aesthetics play an important role in attracting the consumption of today's young people. Pop Mart does not instill values and stories in its intellectual property, instead allowing consumers to use their imaginations. Young consumers of the "Z era" are no longer satisfied with simply owning a basic object, preferring to utilize it as a symbol to reflect their identity and attitude. The general public usually does not recognize Pop Mart's designs as attractive, but doll fashions that the public does not find beautiful or distinctively fashioned tend to be more expensive and rarer.

Pop Mart will possess the qualities of scarcity and uniqueness that will effectively capture the psyche of contemporary young consumers and showcase their individuality and autonomy. Contemporary young people's psychology heavily influences their purchasing behavior, which in turn influences their likelihood of buying blind boxes. Wang et al. have undertaken a study on consumer psychology within the blind box economy [6]. Adolescents seem to have a higher level of awareness of blind boxes, and their emotions, preferences, and cost play a significant role in determining whether they make a purchase [6]. In addition, the acquisition of blind boxes fulfills specific psychological demands of young customers [6].

Abroad, especially in Europe and the United States, young individuals often come across movies and TV series that exemplify the principles of individualism and reverence for equality. As a result, this enhances the Western hero motif in popular literature from these areas, inspiring numerous young people to strive to personify the essence of individual heroism. Zhou Tian has conducted a thorough investigation into this phenomenon [7]. Pop Mart's relationship with companies like Marvel and DC, known for their focus on individual heroism, has effectively caught the psyche of young people abroad. Overseas, youthful people are similarly inclined to purchase Pop Mart's blind boxes due to these factors.

3.2. Reasons on Product Appearance and Innovation

For overseas consumers, the brand's product appearance and innovation are also significant draws to shop. Overseas Post-95s enjoy seeking out novelty and pursuing new experiences and cultural trends. Pop Mart's doll design is instantly identifiable, and its R&D and design teams are always innovating and integrating to meet the changing needs and preferences of their target consumers. This technique has captured the hearts and minds of many young people from around the world, prompting them to buy Pop Mart's blind boxes. Pop Mart's blind boxes contain a wide range of IP images to suit a variety of tastes, including Molly, Dimto, SKULLPANDA, and others. They all share the qualities of vibrant color and excellent style, which may catch people's attention. Furthermore, Pop Mart frequently collaborates with designers, artists, and well-known businesses and organizations to develop co-branded designs. Pop Mart product designers and artists, as well as well-known companies and organizations, contribute to the items' cultural and creative significance. By utilizing co-branding,

Pop Mart is better able to innovate its products and incorporate other elements and styles into its products.

The aesthetic and innovative features of a product have a favorable influence on consumers, leading to an increase in their inclination to make a purchase. In a previous study, Li et al. examined consumers' aesthetic experience in the realm of product design, employing consumer psychology as a framework [8]. This article illustrates that the aesthetic encounter of customers with product design has an impact on their perception and purchasing choices [8]. The aesthetic appeal and originality of a product's design, together with its level of innovation, directly influence its ability to attract consumers and drive sales [8].

3.3. Reasons on Dissemination of Digital Media

In the current era, digital media has become the main way for young people to get information. Pop Mart's rapid success in the overseas market can be attributed to its effective brand marketing and online publicity.

In order to better realize its development overseas, Pop Mart has entered major overseas platforms such as Instagram, TikTok, and other overseas social media. Pop Mart uses Instagram's visual format and female users' popularity to promote its brand, which attracts a significant number of international users. At the same time, Pop Mart also established an exclusive tag on TikTok. Because of this, Pop Mart on TikTok gained a certain degree of exposure. Big data will attract Pop Mart to those who often browse this kind of video, get up to 300 w traffic, and therefore attract a group of users interested in the desire to buy Pop Mart products. Pop Mart also sells its products directly through the e-commerce platform, which is used as a window to disseminate official information, keep in touch with users, increase brand awareness, and let more people pay attention to Pop Mart. In 2021, Pop Mart successfully entered and stayed on the Shopee platform, opening several official stores, such as the Thailand station, Malay station, and Philippine station, to broaden its influence and sell its products to more than 50 countries and regions.

A study on the application of digital media technology in brand communication by Li has proved that digital media technology provides richer and more diversified means for brand communication, enabling brands to interact and communicate with consumers more effectively [9]. This serves as theoretical and academic evidence that Pop Mart's success is contingent upon the effective dissemination of information on social media platforms.

4. Suggestion

4.1. Suggestions on Capturing the Psychology of the Consumer

The analysis of the first question suggests that Pop Mart must cater to consumer preferences for goods if it hopes to sustain its growth in the overseas market. The blind box customer target primarily consists of young individuals who are open to trying new things, possess a strong curiosity, and, for rare items, feel a spiritual need to express their uniqueness. Therefore, to satisfy their inner sense of satisfaction, they collect blind boxes.

In the development of overseas markets, Pop Mart is bound to cater to some of their aesthetic habits, focusing on combining local culture and products; for example, combining the local public's favorite clothing style, history, and culture into the local traditional pattern elements to design the clothes and decorations on the dolls. No matter the country, people will always have a strong sense of identity within their own local culture. For example, the British local hat culture has a long history and deep cultural heritage; adding British-style hats to Pop Mart's design can stir up a kind of recognition and nostalgia for the hat culture among the locals. Thus, it can be used to develop national

limited models and continue to adhere to the scarcity created by the brand, which is also sought by young people.

Simultaneously, Pop Mart should consider the intrinsic worth and distinctiveness of their brand, aligning it with the characteristics and mindset of today's youth, who seek personal expression. To cater to young consumers' inquisitiveness and inclination towards novelty, one can explore the integration of diverse cultural styles or the incorporation of original IP with traditional Chinese cultural connotations. A limited approach can accomplish this, broadening the brand's reach and satisfying the psychological needs of the consumer.

4.2. Suggestions on Product Appearance and Innovation

In order to maintain the brand's unique freshness, Pop Mart needs to utilize bundled IP for marketing. Previously, Pop Mart used a series of well-known brands' IP power, such as Disney, HeyTea, etc., to break through the sub-dimensional wall, increase brand exposure, and allow more people to recognize Pop Mart.

Pop Mart must enhance its understanding of consumer design preferences in order to develop innovative products that people are willing to purchase. To achieve this, Pop Mart can utilize big data to conduct market research. For instance, it can be used to identify overseas artists with unique styles and assess the popularity of their works among young individuals. Additionally, big data can be employed to comprehend consumer expectations for a product, thereby facilitating improved innovation and increasing the number of individuals who have a favorable inclination towards and are willing to purchase the product.

Furthermore, when conceptualizing the product's aesthetics, Pop Mart should prioritize attention to intricate particulars, seamlessly integrating understated elements of astonishment into the overall design. For example, they may employ advanced technology to ensure that the clothing and makeup of the Pop Mart dolls undergo color changes in accordance with varying temperatures. Utilizing the knowledge gained from the home market, Pop Mart may expand into many countries in the international market and establish their own unique style of innovation, known as "Guo Chao." This could lead more foreign consumers' increasing the interesting in Chinses culture and their purchase intention.

4.3. Suggestions on Dissemination of Digital Media

Using effective digital media can yield twice the results with only half the effort required. In response to the practice of using social media for publicity, Du Ran conducted a study on the empowerment of social media for brand communication, aiming to increase exposure and visibility [10].

Therefore, Pop Mart can try to expand its exposure overseas. According to the characteristics of the target audience, choose the most suitable overseas digital media platforms for the target audience based on their characteristics, not only on Instagram, TikTok, Facebook, Twitter, and YouTube, but also on social media with a large number of users.

Secondly, Pop Mart can produce high-quality short videos and upload them to overseas social media. For example, Pop Mart can imitate LEGO and create short but continuous animation films with the image of its own branded dolls as the animation image, which can attract more young people overseas to pay attention to Pop Mart.

Thirdly, Pop Mart can sign an overseas spokesperson for the brand or cooperate with famous overseas netizens to publicize its "grass" on the Internet, thus expanding its brand influence. Because Pop Mart is in the process of developing its overseas market, it is crucial to select spokespersons and netizens who have a significant social influence in foreign countries as well as a high level of

credibility. This will increase Pop Mart's popularity and encourage people in these countries to believe in and purchase their products.

5. Conclusion

In conclusion, this research contends that Pop Mart should investigate consumer psychology, product appearance design and innovation, and digital media advertising in order to boost its future international market development. As a result, this article makes some specific recommendations for how to address these issues. For starters, it should focus more on the demands and psychology of international consumers. Second, Pop Mart should focus on the appearance and design of its items to fulfill the aesthetic needs of consumers in foreign markets, as well as product innovation to attract more customers. Finally, in this new era, Pop Mart must make effective use of digital media to promote brand exposure, raise awareness, and capture consumer attention. However, this paper contains some errors.

The paper examines and investigates three facets of the brand's international expansion. The study is incomplete and lacks particular case studies due to limited data and information from the Pop Mart network in the overseas market. Nevertheless, this thesis addresses a deficiency in the existing literature regarding Pop Mart's efforts to expand its presence in the worldwide market. This study acts as a point of reference for multiple Chinese hip-toy companies, such as Pop Mart, as they venture into global markets. The analysis and research in this work are currently more proficient as a result of the study's restricted data and information. Nevertheless, in the future, scholars should scrutinize and explore these difficulties from a more comprehensive perspective. As international markets grow, there will be an increase in data and information on this subject. Consequently, it is imperative for academics to adopt a more objective approach in their studies.

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