

# *Analysis of Marketing Strategy and Consumer Psychology of Blind Box in China's Market*

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**Abstract:** With the explosion of blind box industry in the 21st century, it has attracted numerous loyal users. The 'marketer', who is behind the scenes, has made great contributions. In this article, the goal is to analyze the marketing strategy of blind box industry from two angles of marketers and consumers, and combine the psychological reasoning of consumers in this industry. For marketing practitioners to understand marketing strategies, and at the same time provide psychological analysis and suggestions for blind box consumers. This paper mainly introduces the blind box in detail. This paper may provide some implication to corporate managers, consumers, investors, policy makers. analyzes the marketing strategy of the blind box industry and analyzes the blind box consumers from the psychological point of view. At the same time, the social problems reflected by the present situation of blind box industry are discussed.

**Keywords:** China's market, blind box, marketing, consumer psychology, consumption alienation

## 1. Introduction

### 1.1. Current Background of Popular Blind Box

In recent years, the word "blind box" is familiar around, and the blind box economy is hot. Usually, the blind box industry refers to the blind box industry, such as the listed company "POP MART" and the outstanding industry leaders "Finding Unicorn", "Toy City", "52TOYS" and so on.

In today's society, blind box is also appearing in front of the public as a multi-industry marketing strategy. For example, the food and beverage, beauty and skin care, clothing and shoes and even aviation services that everyone usually comes into contact with can be called all over the public life. "Spend some time" sending flowers in a week, the take-away merchants' tangled package, the series of videos of "blind box unpacking of sneakers" displayed on the short video platform, and the Christmas countdown gift box of beauty brands, etc. have confirmed the status and popularity of blind box economy [1].

### 1.2. Origin of Blind Box

The blind box was first derived from the Japanese blessing bag to the twisted egg. In order to deal with unsalable goods, merchants put them in opaque bags, and stimulate consumers' curiosity by

shaping the unknowns of products. Often, the total value of goods in blessing bags often exceeds the purchase price of consumers. The original purpose of merchants is to promote consumption and clear inventory, which is also the commercial basis of blind box marketing. With the rise of the second element in Japan, "egg twister" containing various hand-made dolls also appeared. In the 1990s, this kind of "blind box" concept began to appear in the form of collecting cards in China, especially among students. It is not difficult to see that in the history of blind box development, all focus on consumer psychology.

### **1.3. Market Status of China's Popular Blind Box Industry**

Intra-bank data show that the market size of blind box for tide play in China expanded from 2.5 billion yuan in 2019-2021 to nearly 10 billion yuan in 2021, with an average compound annual growth rate of nearly 75%. According to the data of "Enterprise Check", in the past ten years, 79 tide-playing-related products in China have been financed, with 141 times of financing, and the total disclosed financing amount exceeds 10 billion [2]. Among them, the above-mentioned blind box leader 'POP MART' has raised nearly ten times in ten years [3]. It can be seen that the blind box industry has a great momentum of development, but it is difficult for emerging enterprises to enter the market, and the status of the leader cannot be shaken, so it is an oligopoly market.

### **1.4. Brief Introduction of Popular Blind Box Product**

Since 2019, there has been a wave of blind box in China, which has spread all over Weibo, friends circle and other media. During that time, friends' VLOG videos of blind boxes can be seen everywhere in the circle of friends, so what is the blind box of tidal play? Compared with hand-made blind box, the rule of blind box game is to put smamodel difference of blind box is that blind box can be mass-produced and has certain artistic value. The ll toys with different shapes in the same series into boxes with the same shape. So that each box in a group is different and contains toys with all shapes. This is one end. Consumers can freely choose single purchase or end-to-end purchase. In addition, in addition to the basic money included in each end, the manufacturer will set up another 'hidden money', and the winning probability is about one percent, which can be called surprise+purchase restriction. The blind box is different from the above-mentioned egg-twisting in that the blind box can be freely chosen by consumers, so that consumers have more sense of participation and experience more fun from it.

## **2. Marketing Strategy Analysis of Popular Blind Box**

### **2.1. Attraction of Product Design Towards Consumers**

The popularity of a product is inseparable from an excellent marketing team, but the most basic thing is the product itself. Behind the blind box explosion is closely related to its product design. People who are not trendy to play blind box often don't understand the popular phenomenon in this industry. Just one ornament has no practical use, and the price is not low. Why is it sought after by so many people? One of the most important reasons is the emotional design of blind box products [4]. The birth of a product is a communication between designers and users, an artistic link, and an aesthetic resonance and cultural resonance between designers and users. Blind box products are temperature-sensitive, and their emotional design can not only meet the user's demand for product appearance, but also meet the user's emotional and experience needs. In modern society, people's consumption view is not only in material pursuit, but also in spiritual satisfaction. The design of blind box's sense of experience coincides with consumers' desire and meets consumers' spiritual needs. The design of products is generally cocoa-loving or silly and interesting characters. This will

arouse consumers' initial desire to buy [5]. We have to mention the packaging of the blind box. The designer of the packaging has filled in the painting of blind box marketing. The packaging of the product is extremely important for the first impression of the product. Some products may be extremely brilliant in themselves, but the packaging can't attract people's attention, and consumers often don't spend more energy searching for relevant information, resulting in the loss of consumers or the reduction of conversion rate. The packaging design of the blind box caught the attention of consumers. Its packaging often has great visual impact, with exaggerated flower characters as product names. It is a box printed with all hand-made products of the whole series. Users can clearly see the trendy products they may get from blind boxes through the outer packaging, providing consumers with a simple and clear information chain. Moreover, the product itself of blind box tide play is consistent with its packaging example, even better. In the big environment where the modern packaging is inconsistent with the real thing, when consumers unpack the box, they will often feel pleasantly surprised by the products themselves, and thus they love the blind box more. At the same time, the image of blind box products is usually produced and adapted in cooperation with popular IP, such as well-known animation, national brand or IP created by Chaowan Blind Box Company. As today's society is busy, many of them have no emotional foundation with consumers at the beginning of their creation, but many people don't have more time and energy to know the stories behind them, so some blind box companies have created their own extremely successful IP. For example, POP MART's 'Molly' series was created and launched by POP MART Company to cater to the market. A large number of consumers buy blind boxes because they love their IP, which also adds a love to consumers' feelings about the appearance of blind boxes. The design of blind box products is exquisite in color, material and quality, which makes it exude its unique charm. They are often full of creativity, but at the same time they have a sense of beauty. Make users feel novel and willing to spend for the blind box.

## 2.2. Contribution of Marketing in Making Popular Blind Box Widespread and Famous

With the rapid development of society, people are not attracted by the traditional marketing mode. Blind-box products didn't appear in recent years, but in recent years, they quickly became popular, which is closely related to the marketing strategy that conforms to the background of the times. As for the marketing of blind box, the author takes POP MART Company as an example and divides it into three aspects for analysis. They are advertising, public relations and geographical location.

**Advertisement marketing of blind box.** The blind box industry has made great efforts in the topic. In 2017, the statistics of Tmall Double Eleven Shopping Festival show that the sales volume of the whole tide play category is less than 2 million, which is just a niche hobby. For the first time, most of the people met with Chaowan Blind Box by media, such as Weibo, friends circle, Tik Tok, bilibili, etc. It can be seen that the blind box industry has made great efforts in digital marketing. For example, 'POP MART' company started the official accounts of various online platforms. In order to better reach consumers, especially in the epidemic era, the online time of various media has reached a new high. POP MART took this opportunity to invest a lot of manpower and material resources, and at the same time launched the 'Blind Box Freedom' activity in cooperation with Tmall in Weibo, attracting consumers' attention with the contrast that more than 1,000 models are not enough to play blind boxes, gaining a big wave of traffic and a large number of 'onlookers'. POP MART also invited popular stars as the brand's 'new product unveiling officer', and effectively shaped the brand's personality and label through the image of stars [6]. When people have a lot of exposure, people can cooperate with big brands that consumers trust, gain the trust of consumers, make up for the defect of less offline contact, and give full play to the star's utility, which can't be called wonderful topic marketing. Since then, POP MART has led the blind box industry to complete the transformation from niche to mass [7].

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**Public relationship marketing of blind box.** No matter the product or brand, the indispensable point in the market is good public relations, so it can be accepted by the public. Take POP MART Company, which is also the industry leader, as an example. When the epidemic came, POP MART combined public welfare with marketing to establish positive contact with users. Around its corporate mission of "delivering beauty", POP MART has carried out a series of activities to spread positive energy to the society. When the epidemic first broke out, POP MART donated 10 million yuan to Wuhan, a severely affected area, for epidemic prevention and control. This makes POP MART Company a hot enterprise. In addition, POP MART joined forces with a group of trendy artists to create public welfare posters, and drew various epidemic prevention tips with the IP image of brand trendy. Close to the public life and provide warm power for the public. At the same time, United Newspaper drew public welfare posters with the theme of heroic occupations under the epidemic, and combined with its popular IP 'Molly' to pay tribute to the retrograde people under the epidemic. At the same time, it also conveyed the brand culture to the public and carried out brand publicity.

**Affluence of sales channels of pop mart** and As mentioned above, POP MART Company's excellent digital marketing leader, and its online distribution channels are also extremely rich. Consumers can purchase from any related content links. Under the official accounts of multiple platforms, such as Tik Tok and Xiaohongshu, consumers can enter their supermarkets to make self-service purchases. WeChat has even launched a small box extractor program, so consumers can experience the pleasure of choosing blind boxes without leaving home. Moreover, the online shopping mall is directly faced by the manufacturers, and the manufacturers deliver the goods themselves, so that they can contact the consumers more directly. All-day online customer service can answer questions for online consumers at any time, which shows that POP MART attaches great importance to the consumer experience. In recent years, due to the popularity of blind box play and the circulation of blind box play in the second-hand market, a large number of blind box "scalpers" have emerged on the Internet. It is mainly active on Taobao, Tik Tok or free fish platforms, and it is self-contained. In the live broadcast rooms of various platforms, the live broadcast of the blind box is nothing more than a visual impact on consumers. They usually break the market balance by monopolizing explosions and selling unpopular and unsalable products at high prices or low prices. Often, it is difficult for mass consumers to 'grab' the explosive sales of Chaowan Blind Box Company, and in the information released by Chaowan Blind Box Cattle on various platforms, products sold at high prices abound. Cattle also exist in offline stores. Offline physical stores are the main places for consumers to contact blind boxes, and many consumers choose to buy products in physical stores. With the rise of blind boxes, resellers regard popular or special blind boxes as targets, and spend a lot of time choosing blind boxes, becoming professional "scalpers". Usually, in physical stores where "scalpers" appear, the probability that consumers can find popular or special blind boxes in the store will become very low. In the long run, consumers are reluctant to buy blind boxes in physical stores again. "Cattle" violates the rules to select blind boxes, and the staff in the store are negligent in management, which greatly reduces consumers' satisfaction with physical stores. Besides the scalper problem, the offline distribution channel of POP MART Company is also worth mentioning. POP MART's physical sales are divided into offline stores and robot stores, almost all of which are located in shopping malls with huge traffic. Among them, robot stores are unique, saving labor costs and complicated decoration costs, and occupying a small area in the commercial circle. It also gives consumers enough free choice space and provides convenience for modern 'social phobia patients'. In terms of offline retail stores, in 2021, the company opened 106 new stores in Chinese mainland, increasing from 187 at the end of 2020 to 288 in 2021 (data from Dali Finance V). Today, there are already more than 300 stores [8].

Besides, in recent years, POP MART companies have also opened up overseas markets, and recently in August 2022, they added Australian stores.

### 3. Blind Box and Consumers

#### 3.1. Consumer Image of Blind Box

stores. According to the survey data, in 2020, 31.5% of Chinese netizens heard about blind boxes slightly, 29.3% said they knew about blind boxes better, 16.3% said they knew about blind boxes well, and 22.9% said they didn't know about blind boxes. The core consumers of blind boxes are women in first-tier cities, among which white-collar workers and students account for a high proportion. More than 70% of consumers are aged between 18 and 34 [9]. Because they are more receptive to new things, they will pay for their own interests.

#### 3.2. Consumer Psychology Accounted for in Blind Box Industry

**Short enjoying feelings -- Experience economy.** What consumers pursue is no longer the most basic material consumption, but the deep spiritual pursuit [10]., which is Maslow's hierarchy of needs theory. When the lack of demand is met, consumers will pursue higher growth needs, such as self-realization and self-esteem. Blind box makes consumers happy in self-realization. If they keep buying, they will always be happy. That's why they keep buying blind boxes [11].

**Reasonable single goods pricing -- anchoring effect.** The pricing of the blind box is generally accepted by the public, and consumers' anchoring of the price makes them think that the price is within a reasonable range. If the hidden money can be opened, the income will be far greater than the cost, and the higher expenditure caused by the accumulation of many little things will not be considered. Psychologically, the purchase cost of consumers is greatly reduced, which leads to the purchase.

**Loss avoidance psychology caused by sunk cost.** If consumers can't open the dolls they want, you will keep buying them. Especially when consumers invest time and money in the front, which makes them feel sad about what they have invested. As the name implies, people are risk-averse, but in essence, people just hate losses, and they hate risks because risks can lead to losses. So strong loss aversion makes people invest more and more until they get what they want, which makes consumers' previous investment worthwhile.

**Investment psychology -- cost-reversal effect.** Cost-reversal effect, in other words, people are more willing to take risks in the face of the losses that have already occurred. Everyone has the investment mentality of taking out the blind box of hidden money, and the demand is far greater than the supply, so it causes a high premium for hidden money, which is the same as the gambler's mentality. They often overestimate the probability of that little thing happening, hoping that 'luck' will befall them, but the general result of 'giving it a go' is 'drawing water with a sieve'.

**Comparison psychology and conformity psychology.** Playing blind box has become a social bridge and an emotional connection for a large number of consumers. Online blind box communication group and offline blind box communication activities make them form a new social circle, namely blind box circle [12]. In this way, players can exchange and sell blind boxes. The blind box has also become a symbol of its circle members' social status. For blind box consumers, blind box is not only a kind of fun or hand-made for viewing, but also a functional medium for their communication.

#### 4. Suggestion

What is happiness? In Fromm's view, happiness is the highest purpose of all choices. It is full of self-sufficiency only for itself, and consumption is only an important means to achieve happiness. However, consumption alienation puts the cart before the horse, and consumption becomes the end itself. The richer people's material life, the poorer their spiritual life [13]. Even though this is also called "happiness", this kind of happiness is empty and pale, and the satisfaction of perceptual and physiological desires does not represent the real meaning of human existence. Fromm pointed out that people have two lifestyles, one is a lifestyle that emphasizes survival, and the other is a lifestyle that emphasizes possession. The reversal of these two modes is mainly reflected in the transformation of human-centered social life into material-centered social life. The so-called "survival-oriented" means people's life style of pursuing love from the heart and being integrated with the world. It has a sense of independence and freedom, and people feel happy and happy from the heart. Just as Goethe, a poet, appreciates a flower, he doesn't want to pick it, but only hopes that it will continue to bloom. However, in modern society, most people are more inclined to take possession of life style. The word "possession" actually came into being with the appearance of private property. It refers to taking things as one's own as much as possible and using them creatively to show oneself. People not only take possession of things, but also take possession of people in turn, unconsciously turning themselves into goods ready to be sold, seeking happiness from their sales. Personal happiness is more of a function to improve the consumption level [14], which is specifically shown by the marketing workers' awareness of the importance of things. For example, most people buy more things even if they have no use value by taking time out of reading and exercising, almost without considering their own taste. When they see Dove's advertisement, they 'buy' its exquisite packaging and 'eat' its trademark. That's all. Maybe, they don't know how to appreciate it, just like people who collect many antiques, but they don't know how to appreciate it. Therefore, "consumption is just such a tower wheel, and everyone uses who comes first and who comes later to judge their position". However, contrary to expectations, the sources of real happiness-leisure time and social relations-are beginning to dry up on the road to wealth. Samuelson said that the greater the possessiveness of consumption, the less happiness you have.

Undeniably, in this era of information technology changing with each passing day, our lifestyle and consumption purpose are all dependent on the compilation of codes [15], and consumption exists under the cover of codes. As the purpose of consumption to meet people's basic living needs gradually weakens, consumption bears the significance of social membership construction, that is to say, people determine who they are through consumption, rather than expressing who they are. So, how to specifically identify social identity? Therefore, people choose to indulge in the practical value of symbol consumption, and the more they can represent the consumption of successful people, even if they don't have these characteristics, they should try their best to include themselves in it [16], proving that they belong to this class, because the concentration of codes reflects the social status itself. These consumers, who have obtained false identities, establish their own consumption purpose symbolization in the code operation rules. From the sociological point of view, the consumption of all people's material and emotional products is just the setting of various symbols of social identity. TV media also vigorously promotes prestige economy, emphasizing the symbolic significance of symbols. Nowadays, it is a common phenomenon that most families own a car. Those who don't own it will feel frustrated in self-esteem, and those who own it will keep up with the joneses. People are constantly pursuing the metonymic pleasure of self-realization in the "wonderland" of goods created by capital, that is, buying goods to satisfy their inner emptiness.

## 5. Conclusion

All in all, the rise of the blind box industry is a very exciting event in the history of marketing. The rise of the blind box industry is a very exciting event in the history of marketing. But for consumers, for society, it reflects a phenomenon that is worth worrying about. In today's China, where the consumer society is approaching, it is also of great theoretical and practical significance to study and reflect on the Western Marxist critical theory of consumer alienation.

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