

# ***Research on the Marketing Strategy of POP MART in China under the New Media Environment***

**Xinyu Yu<sup>1,a,\*</sup>**

*<sup>1</sup>Straits College, Minjiang University, Fuzhou, Fujian, 350014, China*

*a. yuxinyu@stu.mju.edu.cn*

*\*corresponding author*

**Abstract:** As the demand for spiritual consumption continues to rise and more and more young people seek after pop toys, the size of China's pop toy market is constantly expanding. POP MART currently accounts for the largest proportion of China's pop toy market. By studying the marketing strategy of POP MART in a new media environment, this paper aims to understand the development status of the pop toy market in China. At the same time, the development of new media in China is becoming more mature. Few scholars have analyzed the marketing strategies of the pop toy market from a new media perspective. This paper first uses the 4P model to understand the business model and market positioning of POP MART. Then analyzes the marketing strategy of POP MART in the new media environment and the characteristics and behaviors of consumers in using new media, and analyzes the current problems and future development opportunities of POP MART by SWOT analysis. Finally, relevant advice and countermeasures will be provided to help POP MART expand its market and increase customer loyalty.

**Keywords:** POP MART, new media, marketing strategy, pop toys

## **1. Introduction**

### **1.1. Research Background**

China's pop toy market is still in the introduction period to the mature stage, and the market size is greatly increased. Affected by the epidemic, the growth rate of China's pop toy market has declined, but the pop toy industry surrounding IP-authorized goods such as film and television, animation, and games is in rapid development, and it is expected that the scale of China's pop toy market will maintain an expansion trend [1]. At the same time, China has become one of the countries with the most developed new media in the world. In today's highly competitive market environment, superior new media marketing strategies can help enterprises better achieve marketing goals and enhance brand awareness and impact. POP MART has the largest share of the Chinese pop toy market. It has grown rapidly over the past decade to become the leading company in China's pop toy industry. What are its core competencies? What is its model of operation? Meanwhile, new media has also grown rapidly in the past decade. How does POP MART communicate or market in this environment? As China's pop toy industry is still in the development stage, the industry has huge potential and many market gaps. The number of new entrants in the Chinese pop toy industry is expected to continue to increase in the short term. How should POP MART cope with the intense competition? By studying

the marketing mode of POP MART in the new media environment, it helps to understand the characteristics of new media and its influence on the decision-making of consumers and enterprises, find out the current development problems of POP MART, and provide a reference for the future development direction of China's pop toy market.

## 1.2. Literature Review

Rong proposed that with the advent of the consumption era and the upgrading of consumption, the public pursued more spiritual and emotional satisfaction in purchasing products and desired spiritual release and happiness through consumption [2]. POP MART's blind boxes allowed young people to pursue their individuality and find the same social circles. Now, young consumers have a strong need for companionship, collecting, and socializing, and their consumption motivation is not just to get new products. The sense of surprise brought by the blind box meets the needs of consumers. Wang and Huang believed that new media has changed the traditional consumption pattern, and consumers have gradually become the participants and leaders of marketing activities. They can obtain information independently and interact with enterprises through new media platforms to convey their information to enterprises and influence their marketing methods and strategies [3]. Therefore, POP MART focuses on appealing to consumers and uses new media platforms for marketing and communication with consumers. As a new marketing means, blind boxes have been widely distributed among young groups through full integration with new media and show great vitality in new consumption. The current pop toy market still lacks a strong leading IP. POP MART has emerged as a collective and dominant IP leader in an era of booming e-commerce and resonant online and offline consumption. It has built a complete supply chain system from development and design to production and sales, carrying art design attributes and IP genes, and has a huge derivative impact. Zeng and Cheng believe that the pop toy has higher production skills and artistic content and contains designers' emotional expression and concept delivery. POP MART also needs to have the time-tested value-leading ability, multi-dimensional emotional stickiness, and the ability to capture human emotional consensus to jump out of the attributes of pure fashion goods and become the representative of youth culture and the pioneer of international art brands [4]. From this point of view, although POP MART is a leading business, there are still many problems and a long way to go.

Most of the articles mainly study the marketing strategy of POP MART, focusing on the form of blind box sales, the impact of the blind box economy, and put forward many problems existing in the development of the blind box industry. Few scholars have analyzed and studied POP MART's marketing strategy from consumer characteristics, consumer psychology, and new media environment perspectives. More importantly, there is a lack of research combining new media characteristics with POP MART's market positioning and marketing strategies. The development of new media is an important factor affecting consumer and business decisions, and there is much to study.

## 1.3. Research Framework

This study will analyze POP MART's marketing strategy in China under the new media environment, understand consumers' psychology and preferences, and understand the factors that affect consumers' purchasing behavior under the new media environment. First of all, this paper will briefly introduce the business model of POP MART from four aspects: product, place, price, and promotion, and understand the market positioning of POP MART by studying the characteristics of consumers. Then, the new media features are combined with POP MART's marketing strategy to understand its core competitive advantage. Finally, based on the SWOT analysis methodology analyzes POP MART's internal strengths, weaknesses, and external opportunities and threats and helps POP MART to clarify

brand positioning in future markets, help the brand to develop smoothly, and propose strategies and goals for future development.

## **2. Case Description**

### **2.1. Brand Background**

Beijing Pop Mart Culture Creative Co., Ltd., founded in 2010, is China's leading cultural and entertainment company. Over the past decade, POP MART has built an integrated platform covering the whole industry chain of pop toys. And the company now focuses on attracting global artists, operating IPs, appealing to consumers, promoting pop toy culture, and incubating and investing in innovative businesses.

By the end of 2022, there were 329 offline direct stores and 2,067 robot stores in mainland China, with 26 million registered members. On March 29, POP MART released its 2022 financial report, with annual revenue of 4.62 billion yuan, an increase of 2.8%. The company expects full-year 2023 revenue growth of 30% to 40% year-over-year.

### **2.2. Business Model**

In terms of products, the majority of POP MART's products are small pop toys, which are sold mainly in the form of blind boxes in both ordinary and secret styles, attracting consumers to keep buying them.

In terms of promotion, there is a membership mechanism, rich IP resources, and cooperation with a large number of popular IP or brand crossover cooperation activities. POP MART also regularly carries out international pop culture exhibitions to promote trend culture.

POP MART is usually priced at 59, 69, 99 yuan, and it is for all 9 end prices. The price is moderate, belonging to the middle and high-end market pricing. Compared to some limited-edition pop toys, the prices are more friendly.

In terms of place, POP MART has its shopping app and works with other online shopping apps, such as China's Taobao, to ensure that users can search for and purchase POP MART products on most online platforms.

### **2.3. Market Positioning**

POP MART is mainly distributed in the commercial districts of first - and second-tier cities. Its users are Generation Z or women aged 18-35 with higher income or higher education [2]. These people pay more attention to "immediate satisfaction" in material and spiritual consumption and feel immediate happiness. Surrounded by the Internet, electronic devices, and other technological products, it is a major force in using new media. They are receptive to new things and multi-cultures, pay attention to the spiritual experience of consumption, pursue the expression of personality under different styles and trends, and are willing to pay for quality and love. They like to collect information online and check reviews before making a purchase decision and are easily influenced by opinion leaders. At the same time, they pay attention to the social consumption scene, are eager to attract peers, better maintain common topics among friends, love online expression, and are keen to share.

## **3. Analysis of Problem**

### **3.1. POP MART's New Media Marketing Strategy**

Based on Weibo and WeChat, POP MART has developed diversified online marketing across multiple media channels. POP MART has invested a lot of manpower and resources in social

networks and social media such as TikTok, Bilibili, Xiaohongshu, WeChat, and Weibo to help brands connect better with consumers.

POP MART mainly uses Weibo and WeChat to promote new products and post notices of related activities. As an old social media, Weibo has a huge user base, relatively perfect interaction and communication mechanisms, and a strong star effect. This can help POP MART carry out long-term marketing communication. When a brand's WeChat Official Account pushes messages, they can be received by every follower, direct targeting of users, and accurate marketing. At the same time, users can better understand the corporate culture through the brand's WeChat Official Account platform, participate in the brand's interactive activities, and spread the information exposure rate. POP MART has also partnered with KOL through TikTok, Bilibili, Xiaohongshu, and other platforms to increase its popularity and expand its promotion. Bilibili gathers a large number of Generation Z people, subcultures, and niche followers, while POP MART increases blind box exposure with opening box videos and uses KOL's influence to attract more consumers to make similar videos to help promote. TikTok has a large audience, and short videos and live streaming are mature, which can help POP MART promote trend culture. As a major sharing and promotion platform in China, Xiaohongshu has many female users, similar to the target customer group of POP MART, making it more attractive to young women.

At the same time, POP MART developed the Paqu App, created an exclusive interactive platform for fans of pop toys, and excavated the virtual value of pop toy IP. Through Paqu App, users can access up-to-date information, display and collect, communicate with and trade with peers, thereby expanding the influence of the company's products and enhancing consumer understanding and loyalty.

Through these new media channels, POP MART has given pop toys social attributes and gradually pushed pop toys from niche to the masses.

### 3.2. Consumer Characteristics and Behaviors

The media use behavior of POP MART players is cross-platform and diversified media use [5]. POP MART consumers are mainly 18-35 years old. Taking social media as their main field of activity, they are active in various online platforms, following, generating interest, comparing information, shopping, and sharing experiences are all completed on social media. These people usually obtain POP MART-related information through social media, including first-hand information released by official accounts and second-hand information shared by KOL or other consumers about their purchase experiences. Most consumers will search for strategies to extract blind boxes on various social platforms before actually purchasing to have a better chance of getting their favorite blind boxes. In getting relevant information and making actual purchases, these new media social platforms become a place for players to share, discuss and communicate. In the new media era, social information exchange is fast, rich, and diverse, and the ways and channels of communication are flexible and changeable. Consumers love online expression and sharing. These consumers with common interests come together through new social media platforms, which meets the social needs of POP MART's target consumers who are eager to engage with peers and make friends. New media provides a broad enough platform for the aggregation and sharing of subcultural groups, thus promoting the development of sharing culture [6]. By creating pop toy circles one after another, the players gain a sense of belonging and identity and also help promote trendy culture, attracting more young people to join the circles. Online communities transfer the activities and interactions of player groups online, breaking the time and space restrictions between players, giving player groups new forms of activities in the new media environment, and achieving the formation of player groups [5].

The realization of real-time communication and diversified communication in the new media era has shortened the distance between brands and customers, enabling consumers to engage in direct

conversations with brands, express their wishes, and propose suggestions, which in turn, largely influences brand decision-making. In the new media environment, the information is presented quantitatively, and the public no longer passively accepts the information provided by the media but freely chooses the information they want to obtain according to their own needs and interests. At the same time, consumers have become the creators and have the dominant power in trend culture.

### **3.3. Current Situation Analysis of POP MART (SWOT Analysis)**

#### **3.3.1. Strengthen**

In terms of market, POP MART has taken the lead in completing all the industrial chains of China's pop toy industry, forming a closed loop of the whole industrial chain. The comprehensive and extensive sales channels have laid a solid foundation for the development of POP MART, and it is difficult for other competitors to shake the leading position of POP MART. POP MART leverages its membership system, pop toy community, and multi-ended mini-program membership system to connect user data across multiple channels, providing fans with a consistent experience of membership rights and benefits and helping POP MART increase fan engagement and repeat purchases. POP MART has also cooperated with a number of well-known artists and brands to co-marketing with well-known animation and film IP at home and abroad, such as Harry Potter, SpongeBob SquarePants, Detective Conan, and Gundam series, etc., which can attract fans of these popular IPs and expand the original market. Many brand cooperation, IP authorization cooperation, and crossover cooperation have made POP MART successfully out of the circle and have always maintained a high heat. At the same time, the original IP fans continue to increase, and POP MART has strong IP strength.

#### **3.3.2. Weakness**

POP MART's explosive IP lacks the support of connotations and is just selling appearances. Unlike blind boxes, ACG (animation, comic, game) garage kits usually stimulate the consumer nerves of the young generation with fully humanized design and complete content accumulation, effectively prolonging the product life cycle [7]. POP MART's products lack story and cultural support, so it is hard to resonate with consumers, and it isn't easy to go far just by selling appearances. Ideas with stories and content are more likely to be deeply sought after by consumers [8]. Although the blind box has become a pop spot for young people's consumption, there are still some people who think that the blind box is a big gimmick and the product itself is low-practicality. On the other hand, POP MART debuted with a blind box, while other types of products received little exposure and did not sell well.

#### **3.3.3. Opportunities**

POP MART is targeting Gen Z and young women, two groups with huge market potential that still have a lot of upside. At the same time, with the continuous development of Internet technology, Generation Z, the main force behind the Web, is spending far more time using social media than other groups, and their demands for social value in their consumption have increased significantly [9]. POP MART's new media marketing strategy can better promote trend culture and attract such people so that this group of online poker players can actively promote POP MART and trend culture and expand their influence. As the reputation of POP MART continues to expand, there is an opportunity to attract more high-quality IP signings and licenses, achieving a positive push.



### 3.3.4. Threats

With the continuous development of China's pop toy market, more and more competitors are joining it. Blind boxes have become an important marketing model for various industries to win over young people and are gradually becoming popular. Competition in China's pop toy market will be more and more fierce. The pop toy market is fragmented, and the risk of losing low-loyalty users is high. Once the market dividend has faded, there is a risk of losing users. Some scholars believe blind boxes are purely a product of speculative cultural phenomena. Among the fast-moving trends, the blind box offers consumers only temporary pleasure but no substantial help and is easily replaced by other emerging pop toys [7]. At the same time, as the number of purchases increases, the probability of drawing repeated styles will also increase, which also means that consumers will get less and less positive feedback after the purchase. The consumption experience will become worse and worse, which will lead to the loss of many players in the later stage. Despite the large number of IPs available at POP MART, when new IPs are introduced too quickly and in too large numbers, the value of older IPs in the old player or used market will quickly decline, and consumer desire to purchase will also decline. Consumers perceive high uncertainty, potential loss, conflict, or complexity in the decision-making process, which may trigger negative emotions and reduce the likelihood of purchase [10].

## 4. Suggestion

### 4.1. Search for New Markets

Currently, POP MART is distributed in first and second-tier cities. However, with the rise in social and economic levels and the development of new media, people below the third-tier cities are also increasingly pursuing spiritual values, and their emotional appeal is constantly improving. According to statistics, the population of China's sinking market is now more than 1 billion, and in this huge consumer group, small-town youth are the main force behind consumption. Young people in small towns have gradually raised their requirements for quality of life as education levels have risen and consumption concepts have been upgraded. Their ability to learn and accept new things is no weaker than that of young people in big cities [11]. They have less pressure and more free time to do the things they love. China's pop toy market is mainly concentrated in first and second-tier cities, and the sinking market has a great space for development in the future. POP MART could target the small-town youth in a sinking market as a new target customer group. Based on POP MART's current influence in the pop toy market, it could have the opportunity to capture the sinking market quickly.

POP MART can also focus on the male market. The consumption demands of the male groups are gradually being upgraded from functional needs to emotional needs. The shift in male consumer demand is similar to POP MART's market positioning. POP MART's current products are mostly small and cute shapes, which are more in line with the female aesthetic, and the male demographic is not its main target customer. Men have high brand loyalty, even higher in new categories such as trendy shoes and games [12]. If we want to expand the market in the future, we cannot ignore this group with strong consumption potential. It is expected that in the next five years, the user portrait of blind box audiences will gradually shift in favor of men, and the penetration rate of the male group will also increase, which will further promote the sustainable development of the blind box industry [7].

### 4.2. Deepen the Intrinsic Meaning of Products

IP is not just a brand symbol but also an idea, concept, and emotion rooted in it. Its role is to enable users to have lasting resonances and generate relevant emotional experiences at the moment of acquisition, use, and subsequent ownership of the goods [4]. Although POP MART has achieved

success through the business model of blind box, blind box toys are essentially a business model based on the gambling psychology of human nature. They capture people's hearts in the short term by virtue of visual modeling and the instant gambling pleasure of opening, but this model is not sustainable in the long run and cannot guarantee user engagement. In contrast to Disney, it also owns many IPs and uses them to develop its brands. Disney has been developing continuously for nearly 100 years, influencing generations of people and its fans to have high loyalty. Disney's IP has a complete set and story background behind it, and consumers can feel that the images are alive and can always accompany them. Disney is more than a company; it represents a culture and values. Mature and successful IPs often make cultural consumers feel psychologically close and safe. Thus, IP-based media content has a lower cognitive threshold and higher emotional viscosity [13]. In the new media environment, IP stories can be spread through various forms and channels, which are convenient, fast, and widely disseminated. The new media environment is well-suited to shaping and disseminating diverse IP stories. POP MART could learn from Disney and choose one of its popular IP images, such as the Molly series, to improve the story background behind it and build a complete IP industry chain. IP images around family, love or friendship, and other story themes are used to carry out deep-rooted sentiment marketing and happiness marketing to mobilize consumers' emotions better. At the same time, it can be incorporated into local cultures, such as the recent revival of Chinese Hanfu culture and the current rise of ethnic hot-flushes. IP images add value to communication culture and can resonate with people more. The story and cultural value of IP can keep the vitality of IP forever and make its development more durable.

#### 4.3. Ensure the Freshness and Loyalty of Customers

POP MART products are updated quickly, which leads to the heat of old products being quickly squeezed by the heat of new products. Meanwhile, it has affected the prices of products in the second-hand market, resulting in less enthusiasm from customers to buy. POP MART should slow down product updates and spend more time on product quality and after-sales control. Ensure the value of the old products, introduce the personality of the products to the customer, and ensure the freshness of the customer. At the same time, the particularity of blind box gameplay has led to disappointment as they have not been able to get their favorite products, resulting in low brand loyalty. Customer satisfaction is one of the important factors driving customer loyalty. POP MART customers often encounter this problem, where they purchase many toys but often draw the same product, resulting in a disappointing shopping experience. As a result, it is suggested that POP MART could try some new rules, such as allowing consumers who buy 10 or more toys in a series can exchange for the toys they want from the same series but cannot choose the secret styles of the toy. This is less likely to disappoint customers and can improve customer loyalty.

#### 5. Conclusion

The study found that as economic development and people's living standards continue to rise, people increasingly focus on spiritual values. Meanwhile, with the continuous development of new media applications, consumers can actively access relevant information and interact with brands through new media social platforms, influencing enterprises' marketing methods and strategies. POP MART targets young people ages 18-35, who are a major force in online social networking and online shopping. New media influences consumer purchasing behavior and brand preferences to some extent. POP MART fully plays the role of new media, builds an interactive communication platform, and establishes good customer relationships. According to the analysis of this study, the competitive pressure on POP MART will increase in the future, and POP MART also suffers from issues such as a lack of connotation of IPs and easy loss of customers. As mentioned in this study, it is suggested

that POP MART could try to research some new markets, especially the sinking and male markets, which have great potential for future development in the pop toy market. POP MART can use its influence to fill both voids and expand the market quickly. At the same time, POP MART can improve and enrich the setting and story context of one or two popular IPs, adding cultural value and cultural connotations to the IP image, helping to evoke the emotional resonance of consumers better, and making IP development more sustainable. Finally, POP MART can also slow down the launch of new products or try to introduce new ways to maintain the freshness and enthusiasm of customers, attract customers to keep buying, and maintain customer loyalty. However, this study lacks the support of some primary data and mainly uses secondary data. In the future, this paper will improve this by obtaining primary data through questionnaires, interviews, etc.

## References

- [1] (2021).2020 China Blind Box Industry Development Status and Market Research and Analysis Report. *International Brand Observation* (08), 66-69.
- [2] Rong, H.J. (2022). Marketing Strategy Analysis of "Blind Box Economy" from the Perspective of Consumer Culture: A Case Study of POP MART. *Beauty and Times (Part 1)* (01), 52-55. doi:10.16129/j.cnki.mysds.2022.01.015.
- [3] Wang D.F., Huang S.J. (2018). Marketing Strategies of Enterprises Under New Media Environment. *Business and Management* (02), 136-138. doi:10.16517/j.cnki.cn12-1034/f.2018.02.040.
- [4] Zeng X., Cheng X. (2020). The Way of "Going to the Sea" of "China Disney": Brand Marketing, Competition Barriers and Reflection on Internationalization. *International Brand Observation* (34), 65-67.
- [5] Hu J.W. (2020). The Group of Pop Toy Players' Media Use and Identity (A Master's Degree Thesis, Graduate School of Chinese Academy of Social Sciences). <https://kns.cnki.net/kcms2/article/abstract?v=kaeLAJwDtk2i766qFHbtu9g24wUle-Mqo8exqS9RYnuTP8c93B6odQIvMgCbsrOHYp7lhLo33Z2v1zeOpsBYCbuQVD8A1HyCzRrUj1GY0qkL3lh9OUNdOSfEJ9mR7Jg-Hz94xN6ervE=&uniplatform=NZKPT&language=CHS>
- [6] Cai Q., Huang Y.Y. (2011). New Media Communication and the Development of Audience Participation Culture. *The Journalist* (08), 28-33. doi:10.16057/j.cnki.31-1171/g2.2011.08.009.
- [7] Wan Q., Liu J. (2022). A Brief Analysis of the Development Prospect of China's Blind Box Industry -- Taking POP MART As An Example. *Modern Business* (06), 22-24. doi:10.14097/j.cnki.5392/2022.06.057.
- [8] Chen C., Jiang N., Zhao Y.(2021). Research on the Development of Pop Toy Art and Domestic IP Operation. *Modern Marketing (Next Issue)*(02), 78-79. doi:10.19932/j.cnki.22-1256/F.2021.02.078.
- [9] Qi H.L., Liu Y.H. (2020). Marketing Strategy Analysis Based on the Consumer Psychology of Generation Z: A Case Study of Blind Box Consumption. *International Brand Observation* (25), 30-33.
- [10] Yan X., Wu J.F. (2021). The Impact of Blind Box Customer Experience on Consumers' Repeated Purchase Intention. *China Circulation Economy* (07), 85-95. doi:10.14089/j.cnki.cn11-3664/f.2021.07.009.
- [11] Li GD (2019). Small Town Youth and Sinking Market. *Chinese Business* (11), 38-39.
- [12] Yang B.W. (2022). Men Also Love to Buy. *Data* (07), 14-23.
- [13] Chang J. (2017). IP Strategies for Telling Chinese Stories Well. *Chinese Literary Criticism* (08), 8-14. doi:10.19324/j.cnki.zgwypl.2017.08.003.