

Brand Strategy and the Effective Marketing Position of the Blind Box Industry: A Case Study of Pop Mart

ABSTRACT

Aims: This study examines POP MART's rapid growth in China's blind box sector. By integrating the insights and strategies from a systematic review, the industry can successfully interact with customers, create loyalty, and produce unforgettable experiences.

Study design: A qualitative approach is used in this research, using secondary data, content analysis, social media, and other news-related articles relating to the success of the blind box industry

Methodology: This research investigates and describes the design elements, brand and marketing strategies, and consumer psychology of successful blind box firms. This study systematically examines POP MART's unique circumstances using the blind box business model.

Conclusion: This research will aid other companies that want to enter or grow their blind box market or adopt a similar business approach. This study applied the POP MART and blind box brand case studies, specifically the theoretical and applied marketing implications..

Keywords: Brand Marketing, Brand Strategy, Blind Box, POP MART, Consumer Behavior

1. INTRODUCTION

Blind Box Figures, also called mystery boxes, blind bags, or random box figures, are becoming famous nowadays; these are placed in sealed packaging, and there are no clues or idea of what is inside those boxes. Mvondo & Hussain (2023) explain the origin of this concept in the early 1990s in Japan, where figures, small toys, or cards were sold in bling packaging, thus giving customers a surprised feel every time they buy one. This concept has spread globally, especially in China (Zhang, 2021; Zhang, 2023a; Zhang, 2023b). Pop culture can collaborate from these blind boxes by purchasing different designs from animals, random arts, popular movie and TV characters, anime, video game characters, etc (Yu, 2022). The art of randomness fascinates people and surrounds the mystery of the customers, making them buy more and try to get the characters they like (Zhang, 2023a; Zhang, 2023b). As the consumer spends a lot trying to get the figure they want, it creates excitement and disappointment simultaneously because you don't know the figure you will get and will collect more and more as it becomes a collectible figure (Yan & Wu, 2021).

With the recent popularity in China, these blind boxes reached 13.91 billion yuan to a projected 30.02 billion by the end of 2024 based on the market size. Pop Mart has become a key player in the blind box figure market, especially targeting the Generation Z market (Gao & Chen, 2022; Wu, 2023). The Pop Mart blind box figure collection has garnered huge and

devoted fans worldwide due to its vast selection and collaborations with famous intellectual property (IP) and visually appealing designs (Lou, 2022). The impact of the increasing demands and popularity of the blind box culture in China and the world makes a basis for a scholarly study of a new subculture, marketing strategies, and consumer behavior (Chen, 2014).

Currently, China's Pop Mart is the largest blind box figure brand, creating a fandom culture and becoming a lifestyle hobby/collection symbol for different generations (Zhang, 2023a; Zhang, 2023b). Its marketing strategy targeted the modern youth (Mi, 2022). The idea of the Pop Mart consists of the latest trends with a touch of unique and attractive designs (Yu, 2022). Pop Mart's business approach is selecting the most famous pop culture intellectual property rights and then developing a random blind box set of figures (Qi, 2022; Qi & Jing, 2022). Some famous characters and icons like BTS, All Disney characters like Mickey Mouse, Marvel, Star Wars, Warner Bros., DC, and more made them attract different fanbases and pop culture lovers worldwide (Liu, 2022). Going beyond, Pop Mart collaborated with famous content creators and designers to create their line of figures like the famous online content creator Tuzki (Zhang, 2023a; Zhang, 2023b; Zhao & Xu, 2021).

The fundamental factor and strategic goal of Pop Mart's success are the random blind box figures that motivate and give the desire for the consumer to get their wanted character/s or to collect all with the feeling of surprise (Yan & Wu, 2021). The main product line of Pop Mart provides a wide range of various minifigures from different IPs to attract a wide range of varying fanbase consumers to complete the whole set of figures (Qi & Jing, 2022). Strategically making the collection and collectors to buy more, Pop Mart added a mystery figure or chase figure that has a limited number released within the initial case of figures; it is like 1 out of 72, which means if one case consists of 6 figures (box), then you need to buy more cases to be lucky enough to get the mystery figure. This puts the figures in high demand and drives more anticipation, and consumers will spend more just trying to get the mystery limited figure (Zhang et al., 2022). The primary strategy of Pop Mart is focusing on the strong desire of the consumers, especially the collectors, to complete the figures (Yang et al., 2022). As per the study by Liu (2022), this represents the collector's achievements by collecting and getting rare or chased figures. The scarcity of the limited or chase figures helps increase the price to a crazy amount by the secondary market (Wu & Tian, 2022).

With the help of social media marketing, Pop Mart can target Gen Z more and other consumers (Gao & Chen, 2022; Qi & Jing, 2022). Heavy online marketing promotions and other campaigns motivate consumers and fans to buy more figures and the latest items (Zhao & Xu, 2021; Chen, 2014). Pop Mart made themselves a need by becoming part of the consumer's lifestyle by placing it around your bags, in cars, or anywhere you want to place or set as part of the fashion. Pop Mart even held some pop-up stores with famous influencers and celebrities either promoting or just sharing their collections, making their fans eager to buy the figures that these people own, which makes them a chase type of brand (Lou, 2022; Qi, 2022; Mi, 2022).

This paper focuses on Pop Mart's marketing and branding method and how its brand dramatically rose to the top of China's blind box business (Zhang, 2021; Wu, 2023). This study focuses on creating hype, increasing brand loyalty, including lifestyle, leveraging pop culture intellectual properties, and finding the position of the blind box craze (Mvondo & Hussain, 2023). This study will not tackle manufacturing, environmental concerns, supply chain, or other legal aspects. A qualitative approach is used in this research, using secondary data, content analysis, social media, and other news-related articles. The objectives of the study are:

1. Investigate how Pop Mart brand strategy correctly selects and partners with various pop culture intellectual property.
2. Examine how Pop Mart strategically manages its online marketing and social media platforms and how it builds a fandom.
3. Understanding the concept of the blind box industry and the mysterious effect on consumers' experience on how they got hooked up on Pop Mart's blind box or random experience compared with the traditional visible figures.

This study's implications concern marketing practices and how Pop Mart is able to utilize its brand based on consumer demands, entertainment, pop culture, and the retail environment in China and the world. It also discusses how the young generation approaches this fandom and clarifies the significance of the strategic approach and phenomena.

2. LITERATURE REVIEW

2.1 THE CONCEPT OF BLIND BOX

Pop culture has significantly increased in the current era. This broke the traditional way of collecting figures for children. As with the growth of anti-stress and hobby collecting concepts that target Generation Z and other generations, consumption has changed, and the ordinary figure collecting gradually altered into a lifestyle and become part of daily needs. Based on Pop culture is designed to entertain, enthusiast, and become a hobby for generational consumers.

The context of the blind box is to sell random figures that nobody knows which character the consumer will get. It consists of fun, mystery, satisfaction, disappointment, or surprise. This style has become quite popular, particularly in pop culture, animation, games, movies, TV, etc. The packaging of this blind box comes in concealed boxes, and the figure inside is still wrapped with covered plastic, and there is no chance for the consumer to know even if they tried their best to peak. They can only find out once they open the box. Randomness is the primary function that initiates consumer behavior and motivation for business strategy.

2.2 PSYCHOLOGICAL EFFECT OF THE MYSTERY BOX

The lottery or gambling style technique is what the blind box business approaches as it creates a psychological effect on consumers. The randomness of the figures makes consumers eagerly buy the products to get what they want. It can be based on purchasing specific figure/s or the chase figure. It attracts the consumer's extrinsic and intrinsic emotions as it acts as a challenge. Uncertainty and risk create positive feelings for the consumer to buy more.

The feeling of uncertainty significantly impacts a physiological thrill (Ruan et al., 2018). The motivating factor of positivity of the unknown or feeling good and achievements increases the stimulation effect on people (Lee & Qiu, 2009). Based on the study of Ketelaar et al. 2018, doubtfulness positively impacts expensive or luxury items. It creates pleasurable and satisfying emotions for consumers, leading them to joy and happiness (Lee & Qiu, 2009). The mystery surrounding every object can motivate the consumers to expect and anticipate the result, similar to the teaser products based on promotions or movie teasers for excitement rather than showing everything (Wilson et al., 2005).

Uncertainty brings mystery to human psychology. It motivates humans to think more based on risk or other factors, and once the uncertainty has been solved, it will provide a specific resolution, either a good or bad result (Hsee & Ruan, 2016). In the study of Ketelaar et al. (2018), if the customers have been teased more with vague or incomplete information, it likely motivates them to have a positive approach to the product. Thus, this supports the study of Shen et al. (2019) that if there are continuous mysteries, then it will positively affect the people and have more advantages than simply opening without the surround of mystery.

Additionally, the marketing strategy of the limited edition or chase items leads to a "FOMO" Fear of Missing out, which is crucial for businesses as it can increase their sales as this strategy molds the consumer that you need it while supplies last or you as the consumer is part of the exclusive or limited people who got the item. This leads to the improvement of brand image and customer loyalty because of the value that the customers are receiving. It gives consumers an attractiveness compared to products not sold in a limited quantity and removes the idea of being exclusive or having a limited supply.

2.3 THE IDEOLOGY OF FEAR OF MISSING OUT

The idea of Fear of Missing out, also known as FOMO, is where people's fear of things that they can miss out what is currently in, hot or pop in the market, and that leads them to have the urge to be part of this culture (Kang et al., 2019). It also gives people the feeling of getting their needs and wants instead of things that go beyond their values, goals, and perspectives because of the consumer's demand (Eide et al., 2018). FOMO is part of consumer behavior, which makes people want to be part of current events or what is happening in society. The feeling of being trendy, cool, or in, and if you miss out on this thing, then people might consider you as a person who is disengaged with the culture (Kang et al., 2019). Separation anxiety is the most significant factor for people who feel they are left out of what's in and new and would likely do things that will make them part of the activity or even the brand of the product (Spiller & Belogolova, 2016; Kang et al., 2019).

Fear of missing out on context is the main factor in consumer behavior that motivates purchase (Hodkinson, 2016). The Internet and social media are the most significant contributors to FOMO ideology (Hodkinson, 2016). Brand engagement is defined by Brakus et al. (2009) as a consumer's ongoing interest in a specific product category over an extended period, shaped by their inherent needs, values, and interests.

Pop Mart's blind box business model is not as new as other brands such as Lego's Minifigures, Hot Toys Cosb, Funko's Mystery Minis, and more. With the different brands competing in this market, they differentiate in design, limitability, exclusiveness, and collaboration with different IPs. Thus, they attract and engage with their target consumer and build their fandom.

2.4 THE BLIND BOX PACKAGING DESIGN

The style of blind box packaging is a practical marketing approach that is utilized across various sectors, such as toys and collectibles. The main objective is to spark customers' curiosity and excitement. Products are placed inside non-transparent boxes with silver or white plastic wrapped around the figure inside the box to hide the figures. Curiosity is the main reason consumers want to buy these mystery boxes; they don't know what's inside, which sparks surprise and intrigue. The surprise factor creates the thrill, desire, and experiences of the unknown, making it an appealing strategy for consumers and businesses. Eye-catching imagery, bold colors, and innovative branding are essential factors that engage consumers and encourage them to buy (Salem, 2018). Packaging serves a dual purpose:

besides safeguarding the products, it also acts as an ornamental aspect and an essential tool for the product (Nancarrow et al., 1998; Krishna et al., 2017). Often, it is considered a subtle communicator. Attractive packaging significantly impacts the product and the business as it gives the product representation and how it attracts the consumer to purchase (Chen, 2014; Alhamdi, 2020). According to Filaretova et al. (2017), packaging plays a significant role in marketing and sales by creating a connection between authenticity and product selection. Some companies employ Limited Edition Packaging (LEP) to make people feel a sense of scarcity when promoting a product (Dörnyei, 2020). Consequently, packaging is essential in corporate strategy, as it impacts customers' perspectives because it shows the company's approach and attracts consumers (Rundh, 2005).

2.5 DESIGN, RARITY, AND COLLECTION

The figure's design is any product's most critical and selling point. This highlights the face of the business as it attracts customers based on their perspective of its attractiveness and appeal. Collaboration with different IPs, celebrities, brands, etc., is also an additional element of the designs. The uniqueness of partnering with other brands adds more touch and appeal for the consumers as it touches a wide variety of demographics, combining two fandoms or more. It will help to draw more attention to broader demographics. Rarity is also a crucial key point for selling a blind item, as it increases consumer value and demand. The more challenging it is to find the item, the higher the sales and excitement because it motivates the consumer to keep buying until they get what they want, or it can be based on luck. Furthermore, adding the limited editions or limited-time offers made the consumers more active in buying the products as it gave the sense of time limitation for collecting the figures, giving the consumers urgency and priority in which they needed to buy. This will encourage the consumer to act fast before it runs out, or else they need to purchase double on the aftermarket.

Additionally, combining the challenge to find the figures from one store to another. This leads to consumers experiencing the FOMO. Overall, it could be the state of collection, for some consumers prefer to buy the items by set, especially those in terms of completist; these people like to collect all the characters as if they missed one; it doesn't create meaning for their collection as they stand and created as a group. This also creates friendship and connection with fellow collectors, creating a culture of trading and showcasing the collection, especially in the digital and social media age.

2.6 BLIND BOX BRAND IDENTITY AND STRATEGY

A brand should establish its position in the market and create a good product that satisfies the consumer to gain its reputation and trustworthiness to bring out value from a consumer perspective (Wang et al. 2015). The intangible concepts of consumers' beliefs, attitudes, perceptions, and impressions are the main factors that create the brand identity (Fombrun & Shanley, 1990; Boyd et al., 2009). A brand that provides good quality and reliable products establishes a brand image and a positive reputation in the industry.

The brand has established its identity and created a positive appeal in its target market. They need to understand the culture, psychographic features, and demographics to develop the products that suit them. Consumers such as fanbase, collectors, and others are here for the thrill of opening a blind box. Creating a mystery feeling, teasing the consumer about what's inside, and the randomness that challenges what figures they might get will lead to high curiosity and make consumers spend on the product. Additionally, the factor of social media's unboxing videos and pictures and sharing them with everyone where other potential customers might find it interesting and may start to gain interaction. The blind box strategy

will motivate the consumers to have a repeat customer experience due to the product's mystery, quality, design, and truthfulness based on the pictures and description of what the consumer will receive.

Social media marketing, partnering with influencers, collaborating with different IPs, offering limited edition items, working hand-in-hand with their retail partners, and creating a community promoting the products are essential for a steady stronghold on the blind box industry. Creating devoted consumers willing to spend and repeat the process can increase the business's reputation and increase market recognition that will tap different customers beyond the business's target market.

Collaborating with celebrities also helps boost the brand's sales. The famous K-pop Blackpink recently promoted the Labubu craze, which Blackpink posted about their Pop Mart Labubu collection on social media. Then, their fans started to follow and collect the figures, thus leading to a worldwide scarcity of products (Barger, S., 2024). Platforms like Instagram, TikTok, Facebook, and YouTube help generate the brands' views and reputation based on unboxing and reviews. All of these are based on the experience of the consumer, celebrities, or influencers. Based on the studies of Martín & Fernández (2022) and Kar & Dwivedi (2020), these are called User Generated Content based on digital strategy in which the consumer reviews and shares their opinion online, thus creating user behavior towards their audience. As social media has become the primary medium for everyone, this can be a good way for digital marketing strategies to develop interactions with consumers and supply advertising elements by being either a paid partnership or becoming a sponsor to review the product (Ribeiro-Navarrete et al., 2021). Influencers and regular consumers use social media to showcase their collections, unbox reviews, share their excitement, and generate interest among their followers. Garnering likes and views helps to promote the brand as consumers interact with comments and suggestions. This attracts non-collectors and other potential consumers and makes them interested in the product.

2.7 BLIND BOX COMMUNITY

Collections usually create a sense of community for fellow collectors and new consumers. Community engagement may take different forms, such as store conversations, online forums, social media comments and engagement, conventions or events, etc. Thus, in this experience, consumers can share their stories, opinions, and discussions about their favorites and collections.

Participation in a brand community gives regular interaction with other consumers who actively share their stories about the brand and help one another enhance their brand experiences (Laroche et al., 2012). Cultivating a shared community helps to identify and promote a deeper connection to the brand among its members; this engagement creates the stage for making such a community identity. Being part of community activities fosters the development of interpersonal relationships. These relationships lead to reciprocal expectations and a sense of collective responsibility, which can be found in direct, face-to-face, or online interactions (Laroche et al., 2012). To support the brand community, like in online forums, its members willingly assume their specific roles, such as community managers. Through this relational interaction, consumers can have a sense of identity within the community (Alwash et al., 2021). Thus, community identity plays a crucial role in engaging experiences towards the brand identity.

3. MATERIALS AND METHOD

3.1 METHOD USED

The research methodology of this project is instrumental case studies. We look at a specific case of POP MART, a Chinese toy company known for using blind box business models to achieve more thorough research objectives. The case study results show much about the practical applications of blind box business models, including their impact on consumer behavior, marketing strategies, and exclusivity across industries. This study reviews POP MART to understand scenarios better and gain vital knowledge to enhance the grasp of blind box business models. The conclusions of this instrumental case study will be more widely applicable and relevant. This study will provide insights beyond the details of this situation and extend our understanding of blind box models in different contexts..

3.2 RESEARCH STRATEGY

The research methodology of instrumental case studies is a systematic and exhaustive approach that relies primarily on collecting and analyzing secondary data from cases inside the blind box business model. This methodology will enable a thorough analysis of multiple dimensions of blind box phenomena, including customer behavior, marketing strategies, and intra-industry changes. Careful selection of case studies will continue to play an essential role in the effectiveness of this research methodology. Extensive consideration will be given to identifying a wide range of exemplary examples inside the blind box business model that pertain to a particular sector. The examples should demonstrate unique features that might shed light on different aspects of blind box economics. This research aims to understand how blind boxes function fully in various situations.

Furthermore, the process of data collecting will entail the methodical collection of secondary data from various sources, including public records, industry publications, university research, and market assessments. Secondary data sources can provide important insights into customer motivations, experiences, and the tactics and issues companies encounter when putting blind box models into practice (Delic & Delfabbro, 2022). The study will also examine secondary data from surveys and sales and marketing reports for the chosen cases. Quantitative data will simplify assessing sales trends, consumer behavior, and the efficacy of blind box marketing tactics. A comprehensive understanding of the blind box business model will be built by leveraging existing data sources.

In addition, evaluating the obtained secondary data requires a thorough review across multiple cases. We will compare the results of various cases to identify commonalities, inconsistencies, and unique perspectives. To determine the critical factors affecting the effectiveness and possible obstacles of a blind box business model, the current study aims to analyze the operating dynamics of the model across multiple sectors. Following the blind box paradigm, the proposed technique will look at other aspects of consumer behavior, marketing strategies, and brand engagement (Delic & Delfabbro, 2022). This study identifies essential variables and factors that influence the consumer decision-making process. We will also explore the importance of social media and influencer partnerships in shaping consumer behavior. We will also investigate the impact of limited edition and collaboration on customer engagement.

Moreover, the research methodology includes a comprehensive investigation into the importance of community participation in blind-box business models (Delic & Delfabbro, 2022). This study analyzes how brands shape camaraderie among customers through online forums, active engagement of social media platforms, and organizing special events, as indicated by the collected secondary data. The analysis aims to identify the impact of community participation on brand loyalty and ongoing success. This research plan will comprehensively evaluate the limitations and constraints of a multi-case study approach that relies heavily on secondary data sources (Santa-Maria et al., 2021). While this methodology

will allow for a thorough investigation of blind boxes in different contexts, it will acknowledge that challenges regarding the comparability and generalizability of the data may also be encountered. To address these challenges, the study will adopt a rigorous case selection process focused on identifying cases in which characteristics and variables are shared, increasing the generalizability of the survey results to a broader context.

3.3 SELECTION AND MOTIVATION

Selecting the business operators is an important decision to provide a thorough understanding of the blind box business model, its influence, and its various implementations across different industries. POP MART, a Chinese toy manufacturer listed on the Hong Kong Stock Exchange, was selected as the focus review brand for this study. The selection of POP MART, as well as many compelling grounds, supports the survey subject.

Mainly, POP MART is emerging as an essential and pioneering presence in the blind box business model. Through its creative strategy of selling hidden mystery boxes, POP MART has significantly changed how it buys and collects valuable designer toys (Sun et al., 2023). This strategy has brought about a massive change in the attitudes and expectations of consumers in China, other countries, and the toy sector. The brand's remarkable success has given young and wealthy consumers in China a stylish respect for toy purchases. The designer toys market has created an interesting phenomenon that requires careful consideration to understand the culture entirely.

Furthermore, POP MART's distinctive business approach, particularly its application of the blind box style, has drawn a lot of notice and appreciation. The blind box technique's application has fostered customer interaction, enticed repeat business, and created a devoted collector community. In today's market, it is essential to comprehend the intricacy of this specific model and how it affects consumer attitudes, marketing tactics, and product monopolies (Thorisdottir & Johannsdottir, 2020). We can gain a comprehensive picture by carefully examining POP MART's tactics, offering insights outside the toy sector. Numerous businesses and industries can benefit from this essential knowledge.

In addition, POP MART's global presence and efforts to enter Western markets provide exciting and challenging opportunities. While several financial analysts remain skeptical about its potential for success in Western markets, POP MART maintains a firm commitment to this pursuit and emphasizes the uniqueness of its products. This case study provides a unique opportunity to understand the adaptation and success of brands with deeply rooted concepts in their culture in several global marketplaces. Due to its significant attention and regulatory review, the brand's appeal goes beyond the limits of the Chinese market (Thorisdottir & Johannsdottir, 2020).

PopMart's immense popularity has spurred the spread of several surprise box toy companies in China that are trying to emulate their business models. As a result, this phenomenon has prompted regulatory intervention and action. The statement above establishes a strong and relevant framework for examining the legislative and ethical dimensions of blind box business models in today's market.

3.4 BACKGROUND OF THE CASE

The idea of blind boxes was first introduced by POP MART, a publicly traded company on the Hong Kong Stock Exchange that is well known for its popular line of toys in China (Langley, 2022). Selling mystery boxes filled with various collector 'designer' toys, the new business idea is attractive to Chinese buyers. Generally, POP MART is known to have

created a market for increased purchases of design toys and toys among young and wealthy Chinese consumers. The company's creative approach to marketing and distribution, which has also achieved great success outside of China, is symbolized by the blind box style.

By offering branded toys in blind boxes, POP MART has succeeded in satisfying consumers' cravings for mystery. By 2023, approximately half of POP MART's total sales are expected to come from in-store transactions, with the remaining 50% coming from online sources (Langley, 2022). The collectors engage in marketing activities through the company's social media marketing toy trading app. Venture capitalists are ready to invest in producing and marketing these toys due to their high demand and resale value.

Launched in 2010 by Wang's Ning, POP MART has grown from a modest start to a scale that covers 288 stores and 1800 machines sold across China. The company's blind box concept has been so successful that it was listed on the Hong Kong Stock Exchange by 2020 with a market capitalization of \$7 billion (Jknotts, 2022). The company's revenue growth has slowed, but it has continued to expand into international markets.

Because POP MART's products are frequently characterized as "addictive" in the Chinese media, regulatory attention is growing. In China, mystery box sales are currently restricted to those aged eight, and older children can only buy them with permission from their parents. Mystery box items have been proposed for the upper limit in Singapore (Jknotts, 2022). The success of POP MART has prompted the establishment of several blind box toy companies around China despite the difficulties brought on by government regulation. The blind box business model used by POP MART has transformed the toy industry and become a cultural phenomenon, offering fascinating insights into the influence of advertising, scarcity, and customer mood in China.

4. RESULT AND DISCUSSION

4.1 MARKETING APPROACH OF THE BLIND BOX INDUSTRY IN CHINA

Pop Mart revolutionized marketing efforts by introducing a blind box business model in the toy industry in China. This technique built the Chinese market's curiosity and anticipation by opening mystery boxes with unique plush toys and accessories for young collectors. The research proves that this company not only changed the toy industry but also significantly influenced the habits of young and wealthy Chinese consumers. Its success was attributed to its "blind boxes" technique as part of its marketing strategies (Sun et al., 2023).

Its rapid expansion worldwide, not only in China, shows the effectiveness of its "blind box" marketing strategy, with over 288 outlets and 1800 toy vending machines across China (Jknotts, 2022). With its financial success, Pop Mart was listed on the Hong Kong Stock Exchange in 2020 with a market capitalization of \$7 Billion (Langley, 2022). This allows Pop Mart to attract more Chinese consumers and increase its sales.

The blind box offering, with its uncertainty and pleasure, has increased its customer engagement and sales and fostered dedicated followers from collectors (Sun et al., 2023) who patronize the products. Due to the Chinese consumers' substantial involvement in the blind box subculture, the brand is becoming more well-known worldwide. It has opened its door to expand in Western countries to share the "blind box culture" with opportunities and challenges. Concerns from the regulatory body, such as the addictive behavior of consumers, especially among children, have become potential ethical issues in marketing.

Social media has been used as a marketing tool since the early 2000s, and Pop Mart has given importance to it. The company has utilized multiple channels such as Weibo, WeChat, and Douyin "TikTok" to post dynamic and interactive content to attract its audiences, specifically "unboxing" videos from collectors and influencers who have significant followers on their pages. This strategy allows consumers to develop trust with the brand. Furthermore, reviews, forums, and blog posts are also essential in strengthening its brand reputation and quality as they foster a devoted community in the blind box era (Langley, 2022).

4.2 INTELLECTUAL PROPERTY SELECTION OF POP MART

Pop Mart's success in the toy industry can be primarily attributed to its careful intellectual property selection and handling. The study's findings demonstrate how deliberate and well-considered the company's IP selection process is. Notably, the company's ability to carefully choose intellectual property that is highly pertinent to its target market. Selecting the correct IP is more than just a strategic fit; it resonates deeply with the buyer's experience, especially with sales and collector enthusiasts.

Pop Mart's IP partnership varies; it does not limit its collaboration with well-known artists and brands but includes established businesses and emerging creatives. Thus, the company may satisfy the demands of a broad spectrum of clients with different preferences and passions. This strategy allows the company to reach more customers and increase its market share in the toy industry (Sun et al., 2023).

Collaboration with different IP companies is not only limited to product selection but a well-thought marketing plan is conducted to hype the excitement and anticipation of its target consumers in every blind box. Creating exclusive or limited-edition products allows a sense of urgency among buyers. This increases revenue and strengthens brand loyalty in a saturated collectibles industry. It is also noted that intrinsic motivation is vital to tap into to compete in the toy business.

To penetrate the worldwide market, the company collaborates with local artists and designers with local IPs. This allows Pop Mart to support local companies that foster connections with the local market. The capacity of the company to strike a balance between regional and international alliances is what makes it successful (Langley, 2022)

4.3 BRAND STRATEGY COLLABORATION

Pop Mart uses a multifaceted strategy to boost its brand, which includes experimental social media strategies and cooperation on intellectual property matters. The findings in this research show how the business strategically uses these two elements to interact with its audience and enhance its reputation. As per the study of Alavinasab et al., 2017, brand image significantly impacts a product as it shows the originality and quality of the brand itself.

Strategic IP collaborations are vital to Pop Mart's marketing strategies, and they must carefully select their partners. The data indicates that Pop Mart meticulously picks intellectual property to align with customer preferences. The blind boxes evoke potent connections with consumers due to intentional coupling (Sun et al., 2023). As a result, customers are more likely to patronize the brands that showcase their favorite characters.

Working with local Chinese artists allows Pop Mart to reach a broader demographic in international and regional areas; this strategy is called the "two-pronged" approach (Langley, 2022). This allows artists to showcase and promote local art scenes worldwide. This

comprehensive approach to IP corporations helps Pop Mart's brand positioning by ensuring that its products are more than just commodities but rather experiences ingrained in IP tradition. Through collaborations with local and international partners and meticulous IP selection, the company develops its value proposition that appeals to consumers worldwide.

4.4 BLIND BOX MARKET APPEAL AND ATTRIBUTES

Positive customer experience has been crucial to business success. The blind box experience heightens the psychological state of each consumer, as there is an element of "surprise" on each box, which leads to a positive customer experience. This experience became novel for Pop Mart, as they don't only sell the actual product but also the experience that goes with it.

The element of surprise draws Pop Mart consumers to continuously patronize its product as it awakens a human psychological state that is unfathomable. Each unboxing opportunity lets consumers find the desire to keep on purchasing the product as the thrill of discovery is imminent. Moreover, sharing this excitement with the community, interacting with different consumers with the same interests, and learning more about the blind box products create a feeling of belongingness that leads to brand loyalty and repeat purchases. Thus, Pop Mart has continuously posted interactive content from influencers and collectors, fueling the product hype that eventually taps into new markets.

The characteristics of Pop-Mart products are attributed to the forward-thinking strategies that have made it a mark in the toy and collectibles industries. Five attributes of the Pop Mart is noted in this study:

- a. It is a collectible culture. With the changes in consumer behavior, collectors around the globe, specifically the Chinese market, have appreciated Pop Mart's strategies. The company not only sells adorable toys, but it also sells experiences that can be shared with the community through social media.
- b. Its cultural phenomenon. Pop Mart has changed the cultural aspect of the consumers. From a mere collection of toys, it became an artistic expression (Qi, 2022) due to its uniqueness. The excitement has ventured out to clothing and home furnishing, and the company has expanded globally.
- c. Its diverse and engaging consumer base. Pop Mart consumers are not only limited to collectors and toy enthusiasts; they have expanded to regular consumers who are fond of blind box strategies across ages.
- d. It's market expansion and globalization. As the company's popularity grows, its ambition to expand globally has intensified. In fact, the company has announced its desire to be listed on the Hong Kong Stock Exchange in 2020.

The government is well aware of Pop Mart's popularity. However, its ethics and regulations are scrutinized as most consumers are minors (Gao & Chen, 2022). Its addicting characteristics have encouraged the company to set age restrictions and parental consent to facilitate minors in purchasing the product.

5. CONCLUSION AND IMPLICATIONS

The initial success of Pop Mart in using the blind box strategies has changed the way it captures the attention of its target consumers through product engagement. Furthermore, the strategic partnership with local and global companies using "intellectual property" has shaped a stronger emotional bond with consumers and creates brand loyalty among them (Sun et al., 2023). The evolution of social media has helped Pop Mart reach its audience further by collaborating with influencers to create more excitement with the blind box experience and become a cultural event. It was proven through this study that the blind box concept has not only re-engineered the toy industry but also utilized innovative marketing strategies that captivate the worldwide market.

In light of the previous research, this study has placed significant importance on Pop Mart in the Chinese market. It also noted that the blind box concept with the element of surprise has increased customer engagement and brand loyalty (Sun et al., 2023) as it re-kindles consumers' inner child. In addition, having the right partners through intellectual property "IP" has opened opportunities to both Pop Mart and its community partners worldwide. Notably, social media such as Weibo, WeChat, or Douyin "TikTok" have played a significant role in the success of Pop Mart, connecting influencers and consumers to engage with their blind boxes.

In summary, this research aimed to explore the blind box strategy in China and to understand how it influences Chinese consumer behavior and marketing strategy effectiveness. The result of these studies can provide an analysis for future studies that will shed light on practical and creative marketing, such as social media and intellectual property "IP" partnerships. Furthermore, Pop Mart's marketing strategy shows that customers are more engaging due to the element of surprise of each box and tend to be loyal to the brand.

This study is not free from any limitations. First, the study is purely dependent on secondary data, which limits its comparison with existing research. Second, its ethical and legal issues were mentioned in this study, but future researchers should dive deeper into the addiction of minors to Pop Mart. Finally, future research should consider exploring consumer behavior related to Pop-Mart apparel and home furnishing as this sector is thriving early. This study provides a strong foundation for further investigation on how it can affect the marketing field further and explore the possibility of improving its ethical, legal, and social issues.

COMPETING INTERESTS DISCLAIMER:

Authors have declared that they have no known competing financial interests OR non-financial interests OR personal relationships that could have appeared to influence the work reported in this paper.

Disclaimer (Artificial intelligence)

Author(s) hereby declare that NO generative AI technologies such as Large Language Models (ChatGPT, COPILOT, etc.) and text-to-image generators have been used during the writing or editing of this manuscript.

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