

The Psychological Analysis of the Blind Box Craze in the Chinese Market: A Case Study of POP MART

Shoufeng Chen *

Finance and Marketing, Curtin University, Singapore

* Corresponding Author Email: 21796267@student.curtin.edu.au

Abstract. In recent years, blind box culture has quickly become popular in China, attracting many young consumers, with POP MART leading the market. POP MART has used unique designs, limited edition products, and uncertainty-based sales to successfully dominate the blind box market in China. This study aims to explore why POP MART's blind boxes have become so popular, focusing on consumer behavior and psychology. The study will use Prospect Theory, Cognitive Dissonance, and Maslow's Hierarchy of Needs to look at why people are motivated to buy products when there is uncertainty and scarcity, especially the satisfaction they feel when getting rare items. The study also looks at how social media and community culture influence consumer choices, showing the importance of brand loyalty. Based on the findings, this paper gives suggestions for POP MART on product innovation, improving customer experience, and expanding globally to strengthen its market position.

Keywords: Customer behaviour; Customer psychology; Brand strategy; Market strategy.

1. Introduction

Blind boxes are a new hot industry in China, its core feature is that consumers do not know what the specific goods contained in the box are when they buy. Often, the items in the blind box are part of a collection, such as dolls, hand pieces, limited edition toys, or peripheral products, and each collection has multiple different styles, while some styles may be limited or rare, adding to the fun and challenge of collecting.

The buying experience of the blind box is similar to a lottery, and it is the "unknown" and "surprise" elements that attract consumers. Buyers often make multiple purchases to complete the collection, sometimes trading with other collectors to get the style they want.

Among the many blind box brands, POP MART has the fastest growing market share. POP MART is a Chinese company specializing in the design, production and sale of fashion toys, which was founded in 2010. It initially started by selling various fashion products, and gradually shifted its focus to fashion toys, especially in the blind box area. By collaborating with independent designers and artists, POP MART launched a series of unique and highly recognizable toy images, such as Molly, Pucky, Dimoo, and others, which became an important symbol of their brand. The success of POP MART not only depends on the design and quality of the product itself, but also closely related to its marketing methods and consumers' desire for collection, especially among young groups.

In this paper, comparative analysis and secondary data are being used to analysis to analyze POP MART's brand strategy, consumers' internal demand for blind boxes, and consumer psychology to analyze the reasons for the popularity of POP MART blind boxes in China. At the end of the paper, there are some forward development suggestions for POP MART.

2. Brand and Marketing Strategy

2.1. Scarcity Marketing

1) Limited Releases: POP MART frequently introduces limited edition blind box products, especially rare or collaborative editions. Consumers do not know if they will receive a rare piece, which drives them to make multiple purchases. This approach aligns with the core principle of scarcity marketing—stimulating demand through perceived scarcity [1].

2) Scarcity of IP and Repeat Purchases: POP MART owns several exclusive IPs, such as Molly, Dimoo, and Skull panda. Each series may include rare or limited-edition figures, and consumers are motivated by the desire to "complete" the series. The limited availability of certain designs encourages frequent purchases, utilizing scarcity to create high demand [2].

3) Limited Time Promotions and Flash Sales: POP MART occasionally engages in time sensitive promotions, urging consumers to make quick purchase decisions. This strategy, when combined with scarcity, creates a sense of urgency, driving more sales within a limited time frame [3].

2.2. Cobranding Strategy

POP MART has collaborated with several well-known anime franchises to create exclusive blind box collections, tapping into the large fan base of these franchises. These collaborations often involve popular anime and cartoon characters, which enhance the appeal of the products and influence consumer purchasing behavior. For example, "Naruto" Collaboration, and this series attracts "Naruto" fans and collectors due to the emotional connection they have with the anime [1]. "One Piece" Collaboration: The One-Piece blind boxes by POP MART feature Luffy, Zoro, and other popular characters, creating a strong appeal among the vast One-Piece fan base. The sense of nostalgia and the desire to collect favorite characters drive impulse buying behavior [2].

The cobranding strategy will enable consumers to obtain Emotional Attachment: Anime fans often feel deeply connected to characters from their favorite shows. This nostalgia plays a key role in driving the decision to buy these blind boxes [1]; Exclusivity and Scarcity: Many of these anime collaborations are limited editions, making the products feel more exclusive and desirable. The perceived rarity pushes consumers to make purchases to avoid missing out on special items [4]; Fan Loyalty: By tapping into popular anime, POP MART attracts a loyal fan base that may also engage with other products beyond the anime collaborations. The brand thus strengthens its market position through these partnerships [3].

2.3. Short Video Platforms Promotion

Using live streamers on short video platforms like Douyin (TikTok) to promote blind box sales is very common in China. People many videos will be sliced by the anchor for his fans to open a hidden money blind box and attract people to click into his live broadcast room. After joining the room customers can including real time online interactions such as picking blind boxes through live streaming, can significantly enhance consumer purchasing desire by following reasons.

First reason is Real time Interactivity: When viewers engage with streamers through live interaction, especially during activities like choosing blind boxes, it creates a sense of participation and immersion. This immersive experience boosts the emotional connection, making consumers feel like they're part of the process. The excitement of immediately seeing the unboxing results adds to the thrill and anticipation, which often leads to impulsive purchases [1]; Second reason is Social Proof and FOMO (Fear of Missing Out): During live streams, seeing other participants buying blind boxes can create social proof that triggers more impulse buying. When a rare or limited-edition item is revealed, viewers might feel compelled to act quickly for fear of missing out. Additionally, positive feedback and engagement from other users reinforce the desire to purchase [3]; the last reason is Influence of the Streamer: Popular streamers hold significant sway over their audience. Their enthusiastic promotion and genuine interest in the products can make blind boxes more appealing to fans. The streamer's personality, product recommendations, and their ability to connect emotionally with viewers further enhance the product's attractiveness [4].

3. Consumer Psychology

3.1. Prospect Theory

Prospect Theory can effectively explain why POP MART's blind box craze took off in the Chinese market. Prospect Theory, proposed by Kahneman and Tversky (1979), challenges traditional

expected utility theory by explaining how individuals make decisions under risk. Unlike expected utility, which assumes people maximize expected gains, Prospect Theory suggests that people focus on potential gains and losses relative to a reference point. Individuals tend to be risk averse when faced with potential gains but risk seeking when confronting losses. The theory also highlights "loss aversion," meaning losses are felt more intensely than equivalent gains. Additionally, the framing of decisions greatly influences the choices people make [5].

In the case of POP MART's blind boxes, the consumer's reference point is the expectation of obtaining a rare or exclusive figure from a random selection. This setup exploits the uncertainty and thrill of the unknown, which is where Prospect Theory comes into play.

There are 3 factors in prospect theory will affect which are Loss Aversion: POP MART customers are driven by a fear of missing out (FOMO) on rare items. They perceive the potential loss of not obtaining a rare one as more significant than the financial cost of buying multiple boxes. The emotional value of losing the chance to get a rare figure outweighs the cost of each purchase; and Framing Effect: POP MART frames each purchase as a potential gain by highlighting the chance of getting a rare or exclusive figure. Consumers focus on this potential reward rather than the fact that most boxes contain common figures. The chance of getting a high value collectible motivates risk seeking behavior; the last factor is Risk Seeking in Loss Scenarios: When a consumer doesn't get the rare item they hoped for, they are more likely to continue buying more boxes to "recover" their perceived loss, reflecting the risk seeking behavior Prospect Theory describes. The sunk cost fallacy and desire to avoid regret further push people to keep buying.

3.2. Cognitive Dissonance

Cognitive dissonance, a theory introduced by Festinger (1957), describes the psychological discomfort an individual feels when their actions conflict with their beliefs or attitudes [6]. In the blind box mode of POP MART, consumers are not sure what style of goods they will buy. So I get nervous about not being able to buy a limited edition. After buying a blind box, if consumers don't get the style they want, they may feel lost because their expectations are disappointed. To alleviate this discomfort, consumers may focus on the excitement of opening the box or the value of the blind box to justify their purchase, whether they like it or not. In addition, because the initial purchase did not meet their expectations, customers increase their motivation to buy again in order to complete the collection and further increase the excitement.

3.3. Post-Purchase Rationalization

Post-purchase rationalization is a strategy used by consumers to justify their purchase decisions when they feel doubt or regret [6, 7]. Post purchase rationalization comes into play as consumers seek to justify their decision to buy more blind boxes. Even if they don't receive their ideal collectible, they may rationalize the purchase by emphasizing the fun, social status, or potential value of the collection. POP MART taps into this by offering limited editions or rare items that encourage collectors to view each purchase as a potential future investment, further rationalizing repeat purchases. Consumers also downplay the financial costs by focusing on the joy of participating in the "collecting" culture and community, reinforcing their purchasing behavior. Over time, this rationalization strengthens customer loyalty and keeps the blind box craze alive.

3.4. Maslow's Hierarchy of Needs

Maslow's Hierarchy of Needs describes five levels of human needs: Level 1: Physiological needs which are basic survival needs like food, water, and shelter; Level 2: Safety needs which are security, protection, and stability; Level 3: Love/belonging needs which are Relationships, friendship, and affection; Level 4: Esteem needs: Self-respect, recognition, and achievement; Level 5: Self-actualization needs which are Personal growth, creativity, and realizing one's potential [8].

Buying blind box can fulfill many different levels of need. I am going to explain how it will fulfill level 3, 4, 5. Third level of need is Love/belonging needs, Many POP MART collectors form or

participate in communities where they can trade, share, and discuss their collections. These interactions satisfy their need for social connection and belonging. If they stop buying, they may lose access to these communities, leading to a diminished sense of belonging. This disconnection could result in feelings of isolation, especially for those who have built friendships or social circles around collecting. Then we turn to esteem need, customer will get respect and recognition when they are winning the rare role. Collecting rare or exclusive figures provides a sense of accomplishment and respect within the collector's community. Some collectors gain status by owning hard to find items, which boosts their self-esteem. And if consumers stop buying blind boxes, their opportunities to acquire exclusive or rare figures vanish. As a result, their ability to gain recognition within the community diminishes. They may feel a loss of social status or the admiration from peers who regard these items as symbols of success or uniqueness. Finally, the self-actualization needs are most difficult to fulfill. However, blind box still has change to satisfy if they view POP MART figures as a form of artistic expression or a way to build a personal collection that reflects their tastes and individuality. The unpredictability of the blind box allows consumers to experience the tension in the face of uncertain moments and the joy of opening the hidden money.

4. Analysis of Consumers' Internal Demand for Blind Boxes

Blind boxes are a new consumer phenomenon due to the uncertainty and surprise they bring. The market in China is developing rapidly. Blind boxes have successfully tapped the deeper psychological needs of consumers and created a successful business model. By analyzing consumer behavior, we can understand how novelty, curiosity, a desire to collect, and a sense of accomplishment drive repeat purchases.

4.1. Novelty and Curiosity Driven Behavior

One of the main drivers for consumers to buy blind boxes is novelty and curiosity. Humans are hard-wired to explore and discover new things. The main idea behind curiosity-driven behavior is that individuals are motivated to seek out new experiences and information to resolve uncertainty [9]. In the blind box mode of POP MART, consumers buy goods without knowing the specific style, making each purchase a brand-new experience and stimulating the desire to buy again. According to a survey on blind box consumption in China, more than 65% of consumers mentioned "novelty and surprise" as an important factor influencing their purchases [10]. This highlights the critical role of curiosity in driving initial and repeat purchases. In addition, 58% of respondents said they were attracted to blind boxes because they were excited about the uncertainty of style. The unpredictability of the blind box involves a psychological reward mechanism similar to gambling. This enhances the brain's dopamine response, leading to short-term gratification and facilitating further purchases [11]. Consumers often equate the act of opening a blind box with the thrill of winning the lottery, even though the odds of getting a rare or coveted style are low. Adding randomness adds an element of suspense to the blind box, making the buying experience itself very satisfying, and this curiosity is a key factor in sustaining the blind box craze in the Chinese market.

4.2. Collecting Desire and Sense of Achievement

In addition to novelty and curiosity, POP MART's blind boxes cater to a deeper human desire to collect. From a psychological perspective, the act of collecting can be linked to self-identification, self-expression, and the desire to collect a complete collection of goods, which can lead to a profound sense of accomplishment [12]. In the case of blind boxes, consumers often make an effort to collect the entire collection, even if this requires multiple purchases or transactions with other people.

POP MART's 2021 financial report shows that nearly 40 percent of its customers are repeat customers, many of whom say the desire to collect kits is their primary motivation for continuing to buy. In addition, a report by the China Toys and Youth Goods Association found that more than 70% of blind box buyers feel a great sense of accomplishment when collecting sets, especially when they

contain rare or limited-edition items [13]. The emotional reward of successfully collecting a package is a powerful motivator that leads to high consumer engagement. The sense of accomplishment that comes from completing a collection is a positive reinforcement mechanism that encourages further purchases. When consumers acquire a rare style or complete an entire collection, they experience a strong sense of success and satisfaction.

5. POP MART's Future

Use SWOT analysis to intuitively discover the strengths, weaknesses, opportunities and threats of POP MART [14]. Focus on weaknesses and threats and give some advice for POP MART is essential.

Weaknesses: 1. Heavy Reliance on Popular IPs: A significant portion of POP MART's revenue comes from a few key IPs, such as Molly. This dependency creates market risk; if consumer interest in these IPs wanes, sales could decline. 2. Consumer Fatigue: While blind boxes are currently popular, over time consumers may grow tired of the format and familiar characters, leading to a decline in repeat purchases (China Toy and Juvenile Products Association [12]). 3. Risk of Product Homogenization: With more competitors entering the collectible toy market, many brands are launching similar blind box products. This could reduce POP MART's product differentiation and intensify market competition.

Threats: 1. Intensified Market Competition: As the blind box market heats up, more companies are entering the space, leading to increased competition. New brands could potentially seize POP MART's market share through price wars, innovative designs, or distribution advantages [15]. 2. Regulatory Risks: Blind boxes, with their gambling-like characteristics, may attract regulatory scrutiny. Should future policies restrict their sale, POP MART's business model could face challenges [14]. 2. Changing Consumer Preferences: The fast-changing nature of pop culture means that consumer interests shift rapidly. POP MART will need to constantly innovate to keep consumers engaged, or risk losing them to newer entertainment forms. 4. Impact of Economic Conditions: In times of economic downturn or uncertainty, consumers may cut back on nonessential purchases. Since collectible toys are discretionary items, POP MART's sales could be affected by macroeconomic fluctuations.

Here are some suggestions that may help: 1. In order to reduce its dependence on existing IP, POP MART should constantly develop new IP and collaborate with international brands and artists. Using local cultural elements to create ip with regional characteristics can cater to different markets. 2. Introduce more technology-driven elements such as AR experiences and personalization to increase interactivity. Regular offline themed events, limited releases and collaborations are held to strengthen the emotional connection with consumers [13]. 3. POP MART should accelerate its global expansion, focusing on markets in Southeast Asia, North America and Europe, especially in regions where collectible culture is on the rise. Implement localized marketing strategies and cooperate with international ip to attract overseas consumers. 4. POP MART can use environmentally friendly materials to reduce excessive packaging and promote recycling of old blind boxes in response to global green consumption trends. This can not only build a positive brand image, but also increase consumer loyalty. 5. Continue to innovate product design, optimize consumer experience, and maintain competitive advantage. In addition, POP MART can differentiate products through storytelling and cultural depth, making its ip stand out in a crowded market.

6. Conclusion

In conclusion, this paper conducts an in-depth customer psychological analysis on the causes of blind box fever in China, and takes POP MART as the research object. By exploring various psychological theories, such as prospect theory, cognitive dissonance theory, and Maslow's hierarchy of needs, we discover the motivations behind consumer behavior. The lure of novelty, scarcity, and collected emotional rewards drive continued buying behavior. POP MART's effective use of hunger

marketing, co-branding strategy and the use of social media platforms further solidified its dominant position in the blind box industry, especially among younger consumers.

However, there are limitations to this analysis. First, the study focused primarily on POP MART and may not be fully representative of consumer behavior in the broader blind box market or elsewhere. Second, while psychological theories provide valuable insights, they may not capture all aspects of consumer motivation, especially in a rapidly evolving market influenced by social media and pop culture trends.

Going forward, the blind box model is likely to grow further as companies such as POP MART continue to innovate their marketing strategies and expand internationally. Future research could explore how to enhance the blind box experience, such as augmented reality (AR), and how to make the blind box industry sustainable, such as producing blind boxes with sustainable raw materials. Understanding these is essential for brands to stay engaged with consumers and adapt to changing market conditions.

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