Exploring Pop Mart Marketing Mechanics and Related Effects

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Abstract. With the improvement of living standards, people's consumption concept has changed significantly. Especially young people in today's society have begun to pursue spiritual consumption while continuing to pursue better material consumption. More and more young people are interested in all types of art toys due to the market's booming growth in China. In recent years, the POP MART blind box economy has spawned a new turning point, opening up a new model of art toy entertainment for new retail. It is popular among young people owing to its special shopping experience. Through the information retrieval method, this paper studied the POP MART blind box marketing mechanism and its impact on consumers [1]. It also puts forward reasonable suggestions on the possible problems in the psychology of consumers as well as the overall marketing mechanism. On this account, the development of the POP MART blind box economy can be promoted better.

Keywords: POP MART, Blind Box, Marketing, Psychology of Consumers.

1. Introduction

The internet and the economy's fast growth have propelled the advancement of cultural industries. The cultural and creative IP industry has seen growth, the quadratic element group is growing, the scale of the art toy industry is further expanding, and the blind box industry is developing briskly [2]. As a type of art toy, the blind box is favoured by countless young people with its cute appearance and affordable prices [3]. A blind box is a product in which different items are placed in a box that is not clearly marked on its package. Consumers have no idea about what is inside until they open the box. Blind box marketing is arising as a form of sales [4]. It is not only an emerging art toy but also a happening social currency. People can meet new friends and form social circles through the blind box. With the first rise of the art toy market, the industry in China is expanding, having a great potential for growth undoubtedly.

As a well–known company in the art toy blind box industry, POP MART has quickly taken over the market by using blind box–derived marketing methods. Since the launching of the POP MART in 2017, the annual sales of blind boxes have been increasing while blind box consumption is getting more popular [3]. In addition, POP MART is always committed to bringing more foreign art toy brands to the domestic market through different forms of exhibitions. Specifically, POP MART has successfully held six international trendy toy exhibitions in Beijing and Shanghai so far, to which more than 100,000 visitors have attended [5]. POP MART particularly focuses on expanding its market of art and allowing more outstanding Chinese designers to broaden channels to showcase their original art. Undoubtedly, it adds momentum to the development of China s art toy culture. "The POP MART has shown a rapid development as a result of the blind box economy" [6]. However, it should be aware of the positive and the negative effects of the measures which are taken on its marketing mechanism and on consumers. Currently, the POP MART blind box market is still in a fast development stage [7]. The recommendations in this paper will help POP MART to have a better development in its future marketing mechanism.

By searching the relevant journals, theses and data statistics, the basic information and profit situation of the POP MART was introduced in this paper first. Then, the purchasing psychology of consumers and the overall marketing model were analyzed. Based on it, relevant suggestions are proposed. The purpose of the suggestions is to help and tell the consumers how to avoid the massive blind and meaningless consumption of blind boxes. At the same time, the analysis and suggestions

on the relevant positive and negative influencing factors will also help POP MART to achieve higher levels of sales, making the blind box market more standardized.

2. Case Description

The POP MART is an IP-integrated operation whose business focuses on product production and development, IP operation incubation and chain retail. This brand started in the year 2010; the founder of the POP MART company is Wang Ning, who served as the chief executive officer, store manager and clerical role alone. The POP MART is an IP-integrated operation whose business focuses on product production and development, IP operation incubation and chain retail. The POP MART underwent a revolution in 2015 to become more profitable after the POP team made a realization of the enthusiasm of their customers to collect IP toys and unearthed the image of Molly, and built it into its own unique super IP. The POP MART deduced a selling strategy that integrated the use of a blind box that saw a wide variety of products being wrapped in a package without the consent of the customer, the mechanism of the blind box relies on choosing the series rather than trusting in the specific style of sell. "The Blind box sparks an uncertain arousal for consumers to make a purchase decision" [8]. The popularity of the POP MART was much attributed to the molly blind box [9]. It also opened an extensive way to create explosive IP with these popular IP products like The Monsters [10]. Accordingly, the popularity of the POP MART company was accelerated.

On December 11, 2020, POP MART initiated its public offering at 38.5HK$ per share, with the objective of raising 674 million dollars [11]. At the close of trading, POP MART's share price had doubled to 77.1HK$, establishing a new record for the highest IPO debut for transactions worth more than 500$ in Hong Kong. This rise in the share realized a 99.22% rise that increased the percentage to 199.22% in their new share. POP MART secured its first place in the top Chinese designer toy market ten years after its launch in Beijing [12]. The company has realized a compound annual growth rate of 22.8%, which has motivated other companies to embrace economic growth. The POP MART has dominated a 75% market share, benefiting its competitors, who have profited from the deal. "The POP MART has the ability the ability even to realize a more profitable marketing with the discount cash flow model" [13].

3. Marketing Analysis

In order to market the POP MART products both locally and globally, there is a need to explore the design marketing model. It serves to advertise the company in ease of accessibility and flexibility terms that target the whole population rather than a discrimination approach that is likely to target the potential customers and regular consumers of the products. With the changing trends in terms of technology, the consideration of technology as a tool to enhance marketing plays a fundamental role in the marketing process [14]. The marketing model employed in the POP MART products involved the use of online and offline promotions whose aim was to lure an extensive consumer attraction that would market their products.

3.1. Online Promotion

The POP MART online promotion was largely supported by the fact that those who purchased repeat items from the blind box would often trade with one another. This resulted in the formation of a social group for customers to communicate and swap items. Consequently, it gave the blind box the power to link people with similar interests and subsequently attain social status. Therefore, it can be said that the blind box has the ability to join its consumers in a social setting [8].

A substantial portion of the population has internet access, and they gather in virtual groups in an organized manner or are active on assorted social networks. The amount of Blind box players is huge, comprising thousands of experienced Tibetan Babies players and those who have recently joined the game. Both groups of players pay close attention to all matters related to Blind box, thus eventually

sharing and interacting with one another on the same topic. Furthermore, new communication content related to the theme is generated and subsequently leads to multiple secondary topics, which in turn causes the number of groups sharing to grow and thus impacts the content of the Blind box, for example, causing POP MART to become more comprehensive [15].

Furthermore, POP MART has improved and created a social application, Ba Qu, in addition to the IP advantage [16]. In the APP, IP imaging, product launch and recommendation, as well as story display, are included in the same package. Furthermore, the APP has created a community platform for second-hand blind box exchange, and it brings about a sharing zone as well as intensifying the social aspect of Blind boxes. "The underlying factor of social media is more about sociology and psychology than technology" [17]. By shifting its online shopping to its APP, Bawamat enabled consumers to place orders with just one click, thus elevating the consumption and social habits of young users. The overall effect is that the sale market of POP MART content is likely to increase as a result of online promotion.

The use of online promotion as a market strategy for POP MART, however, comes with both advantages and disadvantages. Some of the advantages include: enhancing the affordability of the product, global reach, brand development, and generating a high profit, amongst many other positive impacts. Some of the negative impacts incurred as a result of online marketing include risks of internet fraudulence, facilitating room for global competition, and inaccessibility of the internet by people living in remote areas or less developed countries, among other negative impacts.

3.2. Offline Promotion

The second marketing strategy involves offline promotion. This kind of marketing involves the setting up of retail stores that offer the sale for the POP MART. Establishing retail store objectives considers the importance of constructing a brand identity and keeping customers. In comparison to retail stores, robotic stores require less initial capital and upkeep, as well as allow for a wider reach.

Similarly, the use of offline has both merits and demerits in the process of promoting the sale of the POP MART. The advantage side of offline marketing includes Cost-effectiveness; unlike online advertisements that require many funds to facilitate, offline promotion may involve the use of printing brochures with POP MART advertisements, and this is a cost-effective strategy. Secondly, offline promotion transmits information only to the target audience, unlike online marketing, which exposes the advertisement to the general audience, thus resulting in negative feedback and responses from the audience who are not interested in the product. However, the target audience can be a channel to market the product to the rest of the audience. Thirdly, offline marketing establishes a rapport and a relationship between the clients and the employee, thus creating a conducive environment for bargaining or further inquiry by the customer concerning a particular POP MART package.

The demerits of offline marketing are: Firstly, it offers limited accessibility by the audience who cannot access the business premises due to proximity and transport costs. Secondly, it is prone to a high marketing cost where the cost of maintenance of the business premise becomes part of the expenditure.

3.3. Branding Product

In order to effectively enhance customer attraction of the POP MART, it awards branding names to the blind box, such as the Harry Potter character, which comes with other favourite characters inside, such as Hermione, Ron Malfoy, Snape and many more. These characters, which sound interesting to a good number of customers, act as an epicenter of attraction, and this boosts the purchasing power for the POP MART products. The ability of brand names to attract customers towards embracing the purchase of the POP MART is a positive impact on the marketing side, and its consequences result in greater profitability of the products; plus, it offers a more competitive ability in the market and thus outshines its competitors. The POP MART has a significant reliance on IP, and the consequent surge in examining the specialized market demonstrates a correlative reliance of the POP MART on IP.

3.4. Limitations

Amongst the limitations of the POP MART branding is that it incurs a huge development cost since a huge sum is spent on advertising and publicity, which may affect the capitation for the production of the POP MART products. Secondly, changing the perception of a particular brand is hard. The purchasing power of POP MART products is linked to the customer's perception towards a particular brand, and for instance, if a favourite brand is modified, then it is likely to affect the purchasing ability of the POP MART contents since it will depreciate on a repeated sale outcome.

3.5. Young Consumers

The popularity of the POP MART could increase when the product, consumer and market factors are taken into account. Psychological mechanisms of consumption are a major factor. Young people, in particular, are particularly interested in new experiences. The Blind box offers a high level of unpredictability, which appeals to a large group of buyers. It often seems that young people are likely to buy the same type of product in order to gain recognition. The result is that "the more consumers buy, the more visible the POP MART becomes," which is beneficial for the company's finances.

4. Consumer Psychology

To trace the customer attraction to a particular POP MART product, it is important to take into consideration the conceptual models that can best describe the attention of the consumer to the POP MART products. The models take into account the uncertainty due to the opaque packaging of the Blind box, as well as the functional value and the purchase intention. Beginning with the questionable condition of the package, there is some undisclosed visual quality and information about the product that cannot be readily seen by consumers. They find it hard to assess if the tailored product's design fits them and are skeptical about its dependability, which has caused a negative effect on the product's practical value. The utility of a product in terms of practicality, utility, and physical ability is referred to as its functional value. The original intention of consumers to make purchase decisions is supported by the functional value. The purchase intention narrows to the expectation of the consumers when purchasing a particular POP MART product. The three models are closely related because the purchase decision of a customer greatly relies on the positive emotions inculcated in the customer as soon as he learns about the Blind box. Furthermore, viewing aesthetically pleasing images can form an imaginative landscape, thus evoking feelings of anticipation and exhilarationPositive emotions play a crucial role in inspiring customer satisfaction and purchasing power. Generally, the Blind box's unpredictable nature invokes an emotional response in consumers' judgement and decision-making, which leads to them giving more value to POP MART products and, consequently, increasing their purchase potential.

Human beings have varied reasons that drive them to embrace a certain culture at particular stages of life and to understand this implication on the consumption of POP MART. Studying the implications of Abraham Maslow's hierarchy of needs model, which progresses from Physiological needs to Safety needs, Belonging needs, Esteem needs, and esteem needs and culminates in Self-actualization is of great importance. Consumers of POP MART must satisfy their varied needs in order to contend with the products they purchase. The baseline of it starts with the satisfaction of the physiological need that inculcates a positive mentality to a particular product, followed by the Safety needs that drive a person to want a particular resource that is the product of purchase. The belonging need plays an imperative role, especially for young adults who want to feel a connection with their peers and will therefore make a purchase decision that seeks to place them in the same category as their peers. The esteem need maintains the status quo of a consumer and recognition as he utilizes the purchased product. The esteem needs to create a good relationship between the consumers of POP MART who are utilizing the same product. "The Blind box has proven to be the channel for socialization" [6]. The last stage of the model comprises the Self-actualization stage, which seeks to

improve the status quo of a consumer that is by seeking to move into a higher dimension of thinking and decision-making in the purchasing of products.

5. Recommendation

There are still many things that POP MART should do in order to expand its business to other areas. As a collection business, the product of POP MART lacks real value, and it may affect its appreciation rate with time compared with other products, such as wine; in order to boost its growth, POP MART must possess the ability to lead in terms of value, the capacity to evoke emotion, and the capability to capture the human feeling. This will help POP MART to improve from its pure trend of commodity attributes.

The POP MART offers a jurisdiction sale of their products that sees it only focusing on one set of products that mainly consists of fashioned toys that are relatively single. In order to further strengthen its marketing capability, POP MART should consider incorporating stories into each series of characters to create additional value for the collection. To meet the standards of an organization such as Disney, POP MART should not rely solely on the single IP 'Molly' but should create other similar IPs to demonstrate its potential [18].

The POP MART should define a clear purpose to guide both product design and marketing [19]. For example, the guide should answer the questions, such as "Why does the POP MART exist?" "What is the core benefit relevant for the consumer s life?" and "What impact does it create beyond 'simple fun' for individuals, community, society and the environment?" [20]. The objectives of the company should aim at setting a realistic ground for its marketing operation while monitoring the general marketing process so as to identify the areas of weakness so as to provide an intervention that seeks to improve its business operation. The POP MART should also focus on setting relevant grounds from the feedback it gets from its consumers, and by this, the end user response can be used to develop a mechanism that seeks to address the areas of weakness with the aim of improving its purchase ability. "There is a need to regulate the Blind box market In order to improve some things" [21].

6. Conclusion

In conclusion, we analyzed the marketing strategy that consists of offline and online promotion and the implication they have in promoting the marketing of POP MART. A further study described how customer attraction could be enhanced by understanding how consumer psychology works and extensively the different human needs that must be satisfied based on Abraham Maslow's hierarchy of needs, and all this gave a blueprint of how this affects the marketing of the POP MART. In addition, for POP MART to aim for its future development, there is a need to embrace the product value and the link between the competitors. For POP MART to expand its business, there is a need to embrace innovativeness that will see its idea shifting from the traditional pattern to an advanced pattern that will enhance the personification of its products and arouse more customers to embrace their products. Furthermore, there is a need for POP MART to export its IP to show its potential to the world.

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