

The Analysis of Pop Mart's Marketing Strategies based on SWOT Model

Jiayao Chen *

Melbourne University, Victoria, 3010, Australia

* Corresponding Author Email: jiyaochen@student.unimelb.edu.au

Abstract. With the rapid development of the global blind box economy, Pop Mart has become a leading Chinese brand in the trendy toy industry, shaping consumer culture. While previous research has highlighted its success, systematic analysis of its marketing strategies remains limited. This study aims to evaluate Pop Mart's marketing practices using a SWOT framework to better understand the drivers of its market dominance and the challenges it faces. Drawing on secondary sources, case studies, and relevant data analysis, Pop Mart's three key strengths are identified: diversified online and offline sales channels, continuous innovation through intellectual property acquisition, and effective global expansion. At the same time, weaknesses such as overreliance on scarcity marketing and a reliance on a few popular products pose risks to its long-term sustainability. The research also reveals that consumer enthusiasm for blind boxes, the promotional power of social media platforms, and the opportunities presented by algorithmic personalization have collectively boosted consumer engagement and loyalty. Conversely, threats such as the prevalence of counterfeit products and tightening regulations on the blind box economy are constraining the brand's growth. Based on these insights, the study proposes several strategic adjustments, including cultivating less popular intellectual property (IP), adopting fairer sales models, strengthening anti-counterfeiting measures, and the responsible use of algorithms and social media. In summary, this study provides a comprehensive interpretation of Pop Mart's marketing strategy and offers suggestions for it to maintain growth in a highly competitive and regulated global market.

Keywords: Pop Mart; Marketing strategies; SWOT model.

1. Introduction

Pop Mart, a Chinese brand, is a major industry in the global trendy blind box toy and collectibles industry. It specializes in creating limited-edition products with exceptional aesthetic appeal and a global reach. In recent years, Pop Mart's reach has broadened, and its business has expanded globally, including developing countries like the UK and the US, maintaining its position at the top of the trendy toy industry. Pop Mart's unique focus lies in its focus on collaborating with renowned artists to create exclusive, limited-edition products that resonate with art collectors and toy enthusiasts. The scarcity of its products has piqued the interest of a large fan base and driven product value. This strategy, in turn, fuels fan purchasing desire, making it one of the most influential brands globally. The essay will focus on understanding the key factors behind Pop Mart's marketing success and the strategies that have enabled it to maintain its market dominance. As consumer behavior evolves, particularly in the digital age, the importance of Pop Mart's marketing strategy has become increasingly prominent. This study will explore how Pop Mart aligns its marketing efforts with emerging consumer trends and market demands.

2. Pop Mart's Brand Introduction

Pop Mart was founded in 2010. It has evolved into one of the greatest influencing businesses in the trendy toy and blind box industry in the world today. With its unique designs, collaborations with famous artists and the introduction of the blind box mechanic, Pop Mart has grown rapidly. In the past years, with the rapid development of the internet, the company has expanded its business model from offline retail to a diversified online and offline hybrid operation model, and has attracted the attention of the international market. At present, Pop Mart works with thousands of stores and vending

machines in the country that their business is growing abroad, in the US and the UK. Pop Mart has been witnessing revenue growth year on year, due to its extraordinary performance in the market and its strategies. Pop Mart's competitive advantages are its diversified sales channels, innovative product portfolio and its successful global expansion. It combines physical flagship stores and pop-up stores and selling machines with digital selling channels such as Tmall, Taobao and Douyin (Chinese version of TikTok). This has helped to make the brand more accessible and visible, especially to the younger generation. In addition, the company has strong intellectual property (IP) acquisition capabilities that enable constant innovation of products. Some characters have become incredibly popular in recent years, such as Molly, Labubu and Skullpanda, which have gained a dedicated fanbase and generated billions of dollars in revenue. Pop Mart has also adopted the use of social media marketing and algorithmic marketing which has greatly succeeded in creating engagement and impulse buying from consumers. However, there are some major flaws within the brand. Many of its marketing tactics are product-and-scarce-centric, which has reduced consumer trust and resulted in long-term fatigue. Similarly, excessive dependence on the development of hit products is also an issue. Pop Mart also has a number of risks and problems that must be addressed and corrected. The prevalence of counterfeit products poses a serious threat to their brand image. Furthermore, China is increasing its regulation of the blind box economy, introducing more relevant policies that will, to a certain extent, restrict the industry's development.

3. The Exploration of Pop Mart's Marketing Strategy through SWOT Model

The analysis of SWOT Model aims to understand clearly the strengths, weaknesses, opportunities, and threats of Pop Mart's marketing strategy. To be specific, the analysis of strength shows the company's strong competitiveness that helps the company survive and stand out in a complex and diverse market. The analysis of weakness shows the internal risks. Opportunities show beneficial factors and influence that can foster the development of the company. Finally, threats show the adverse effects in the external environment, which help the company to realize and adjust strategies in time. Overall, by analyzing SWOT Model, the company can make full use of their own advantages and favorable conditions, thus avoiding internal and external risks to the greatest extent possible. In other words, the company should leverage its strengths and minimize its weaknesses. Consequently, they have own place in the market and promote larger-scale marketing.

3.1. The Strength of Pop Mart in Digital Marketing

3.1.1. Diverse sales channels: integration of online and offline

Considering that the new generation is Pop Mart's largest consumer group, influenced by emerging social media and online shopping methods, Pop Mart has expanded from offline stores to online platforms and mobile apps, broadening its market reach [1]. In offline channel, there are thousands of physical stores opened, providing extensive coverage across the country and even the world. Additionally, Pop Mart uses the locations in high-traffic areas, such as central shopping malls. Moreover, flagship stores and regional pop-up stores, as well as robot stores (vending machines) are opened, increasing exposure and attracting more potential customers as possible [2]. In terms of online marketing, in addition to the WeChat mini-program and mobile app, customers can also find official authentic products of Pop Mart on major online shopping platforms, such as Tmall and Taobao. Moreover, they also use some social media platforms, like TikTok to promote their brands, and customers can purchase the products through clicking the link under the videos. It adapts to people's shopping habits in the digital age. Undoubtedly, the company has combined online and offline strategies together which broaden its market reach.

3.1.2. Innovative products and attracting IPs

Pop Mart's strategy to maintain its market leadership is closely tied to its ability to acquire IPs for popular creative products [3]. The company has acquired and developed popular designer-driven

IPs such as Molly, which help them produce high-demand products. Moreover, they are constantly designing innovative new character products and collaborating with artists around the world. This creative process ensures that each new product release brings a unique experience, making the products attract art lovers and IP fans. According to the report, in 2024, Pop Mart's PDC business performed exceptionally well. One of the products, HIRONO, has surged 106.9% to RMB 730 million. "Peach Riot" continued to gain popularity in international markets, while "Twinkle Twinkle" has strong market growth [4].

3.1.3. Global expansion of the brand

Since 2018, Pop Mart has set foot on expanding overseas markets. Pop Mart has expanded to 22 countries, including developed countries such as Europe and the US, opening many stores [5]. The company continues to achieve global growth through market research, cultural integration, IP integration and other means, achieving cultural adaption and local market resonance. According to the report, they plan to open 105 new retail stores and 87 Roboshops overseas by 2025, bringing the total number of international stores to 475 [6]. Overall, the company has implemented development directions for increasing network density and brand coverage around the world, aiming to attract more customers, deepen direct sales channels, and establish a solid global market share.

3.2. The Weakness of the Brand in Marketing

3.2.1. Over-promoting limited quantities and hunger marketing

Without a doubt, the scarcity and uncertainty of a product will accelerate the anticipation for the product and the pleasure of obtaining it, increase purchase intention, expand brand influence, and promote repeat purchases. However, it also harms consumers to a certain extent and disappoints some new fans. To be specific, the scarcity and availability of "hidden" items drives up prices for rare items in the secondary market, while common styles plummet, dropping to less than half their value, even for some unopened items, which discourages consumer confidence. Furthermore, it degrades consumer experience, leading to growing disillusionment with the product and a decreased desire to purchase [7]. Above all, the novelty will gradually fade, and the market will gradually cool down.

3.2.2. Over-reliance on hot products

In recent years, Labubu, one of Pop Mart's products, has gained a lot of popularity. Moreover, it promotes Pop Mart's peak moment. According to the report, in the first half of 2025, the Labubu family's income was approximately RMB 4.81 billion, accounting for 34.7% of the total income [8]. Moreover, some IPs, like Molly and SKULLPANDA also enjoy great heat. However, since these products became popular in the past two years, Pop Mart has been committed to the development and the design of these products, investing a lot of resources, and producing many generations in succession. However, the products themselves have not made any breakthrough developments. For other less popular IPs, the investment is less or even non-existent. This is likely to cause the consumers to become aesthetically fatigued by the repeated appearance of the same IP, and then lack confidence in the brand, affecting the brand's sales in the market.

3.3. Pop Mart 's Development Opportunities

3.3.1. Fans' obsession with blind boxes

Many people, especially the young are curious and exploratory about uncertain products. They enjoy the feeling of anticipation [9]. Blind boxes are full of uncertainty, which satisfies their curiosity. Customers' excitement about blind boxes is greatly increased before opening the box, and their emotions reach a peak, thereby increasing their desire to buy. They are always looking forward to whether the next one will be what they want. Obviously, Blind boxes activate the anticipation system, thereby strengthening customer loyalty through repeated emotional reinforcement. Many fans share their experiences on forums and short video platforms, forming a community that normalizes repeat purchases, thereby reinforcing brand loyalty. The sense of belonging further stimulates their

continued consumption. Therefore, consumer psychology provides a valuable opportunity for Pop Mart's expansion as the market environment is conducive to its continued growth. By designing series of products that encourage customers to purchase the full set, Pop Mart has enhanced emotional engagement and sustained sales growth.

3.3.2. The support of social media platforms

The widespread development of social media platforms, such as Douyin (TikTok), both domestically and globally, has significantly supported Pop Mart a lot. The company can use these platforms to create official accounts and release brand advertisements, eliminating the high cost of traditional advertising, thus, expanding its reach and exposure, attracting many potential customers. Furthermore, content on social media, such as unboxing videos and interviews with celebrities, can attract fans' attention and strengthen brand storytelling. Currently, TikTok video shopping and livestream shopping also offer Pop Mart opportunities to boost engagement and impulse purchases, especially when influencers stimulate interaction and offer discounts [10]. For Pop Mart, carefully curated livestreams help convert curiosity into purchases.

3.3.3. The support of algorithms

Algorithmic support is a key mechanism for Pop Mart to strengthen its marketing and consumer interaction strategies. Algorithms on platforms like Douyin (TikTok) process user data, including browsing behavior, interaction history, and consumption preferences, to provide highly personalized content. Pop Mart uses this to increase the likelihood of impulse purchases, especially for blind box products, by combining product exposure with consumer preferences, thereby increasing conversion rates. In addition, the algorithm can adjust the frequency of exposure and optimize the timing of delivery to maximize attention and conversion efficiency. For Pop Mart, algorithmic support effectively reduces inefficient promotional links, while enhancing brand awareness, maintaining market competitiveness and ensuring sustainable growth.

3.4. The Main External Threats of Pop Mart in Marketing

3.4.1. The proliferation of counterfeit products

The proliferation of counterfeit products has severely damaged Pop Mart's marketing strategy. Chinese customs authorities have repeatedly seized large quantities of counterfeit goods imitating Pop Mart's signature Labubu series, including thousands of blind boxes, plush toys, and accessories bearing Pop Mart logos or designs. These counterfeits damage Pop Mart's brand image, undermine consumer trust, and diminish the uniqueness of its products. When counterfeit goods mimic the appearance of authentic products but exhibit quality issues, such as rough stitching or unsafe materials, consumers lose the ability to distinguish genuine goods over time and may lose confidence in the brand, even though they are not official products. The market for reselling is also affected. To be more specific, the resale price of real and limited-edition items may go down if there are a lot of counterfeits and they are hard to tell apart.

3.4.2. Regulatory system for the blind box economy

Strict regulatory interference in the Chinese blind box economy is becoming more and more an issue, which imposes severe restrictions on youth-targeted sales policies at Pop Mart. Regulators have discovered perils especially among the younger consumers who might be enticed to consume excessively because of the mystery of the box. To curb the misleading practices, regulators have introduced tougher product disclosure regulations where companies are required to make transparent products labeling and the likelihood of a doll becoming rare. Pricing processes are being restricted too, particularly artificial scarcity or unclaimed bundling. For example, a blind box seller cannot price too much on the basis of artificial scarcity or without the knowledge of bundling, which limits the marketing strategy based on the play of surprise and the sense of scarcity. In addition, alcohol sales to underage individuals are more tightly restricted to minimizing chances of addictive buying habits,

either through parental approval or capping the number of times to buy. Such regulatory actions directly put the impulse sales and youth oriented marketing of Pop Mart to test.

4. Suggestions

4.1. The Promotion of Some Less Popular IPs

To deal with Pop Mart's over-reliance on hot products like Labubu, the company should spend more resources cultivating some less popular IPs. By actively promoting new character series, working with global designers and trying new forms of cross-culture storytelling, Pop Mart can refresh consumer interest and reduce aesthetic fatigue. Furthermore, it may partner with less popular IPs in industries such as fashion or gaming to develop co-branded products to boost their appeal and use celebrities to promote it and boost their popularity further.

4.2. A Relatively Fair Sales Model

Pop Mart should make the information on production transparent and honest with buyers and have a mechanism for fair distribution such as a lottery or purchase limit per person per time. It will help to reduce consumer dissatisfaction, stabilize the resale market, and give the consumer relatively equal purchasing opportunities. Furthermore, Pop Mart is able to use the membership system so that members have priority access to limited-edition special products. This approach rewards loyal customers without alienating the regular customers and also ensures that the sales are not affected.

4.3. More Anti-counterfeiting Measures and Cooperation with Inspection Authorities

When facing the situation of the prevalence of counterfeit products in the market, the company should enhance digital anti-counterfeiting systems, for example, through the use of anti-counterfeiting labels or QR code product anti-counterfeiting. It should also work with customs authorities and e-commerce platforms to monitor and eliminate counterfeit products, protecting the credibility of the brands and fostering a positive market environment. Furthermore, educating consumers on how to identify genuine products through social media campaigns or influencers can help to increase trust and preserve the brand's premium image.

4.4. Strategic Integration of Transparency and Responsible Engagement

To deal with the ever-constricting rules, as well as maintaining the trust of the consumers, Pop Mart should combine transparency with responsible social media practice. Firstly, increased transparency here is not to change the nature of it as a blind box seller, but to comply with stricter rules for blind box sales, such as probability disclosure, transparent pricing, and limitations on sales to minors. Actually, these regulations should not be conceived of as restrictions but rather as opportunities to foster the image of consumer-friendliness. By creating the image of promoting blind box marketing ethically, Pop Mart is able to distinguish itself from its competitors. At the same time, brands should use social media and algorithmic tools responsibly. Instead of overemphasizing scarcity-driven impulse purchases on social media platforms or in any public setting, Pop Mart should use livestream shopping and influencer collaborations to emphasize the stories behind its products, cultural values, and brand authenticity, building strong emotional connections with customers. This approach transforms algorithmic promotion into a means of deepening emotional engagement rather than stimulating excessive consumption. In short, by combining increased transparency with responsible engagement, Pop Mart can strengthen its legality, enhance loyalty, and ensure sustainable growth in the global market.

5. Conclusion

The research analyzes the marketing approaches of Pop Mart and evaluates it using the SWOT Model. The analysis shows that Pop Mart successfully implemented diversified sales channels,

innovative product portfolio and global expansion in order to gain leading position in global blind box and trendy toy industry. Its strengths are in its integration of online and offline platforms, purchase of influential IPs, and its adaptation based on digital technological consumer habits. However, it identifies critical weaknesses against the brands, too. Over-reliance on predatory marketing and limited-edition promotions could hurt consumer confidence and interest; and over-reliance on a few popular IPs could lead to consumer fatigue and impact on the long-term vitality of the brand. Externally, the increasing power of fan culture, social media marketing, and algorithm-based personalization are opportunities, all of which can develop consumer loyalty and market expansion. However, threats like the counterfeit product and the restricted regulations on the blind box economy are the challenges to the development of the brand, which must be addressed and adapted. Therefore, to counter these challenges, the study has made a number of recommendations. First, develop less popular IPs and diversify the product portfolio. Second, implement more equitable models of sales and increase transparency to help consumers trust it. Third, strengthen anti-counterfeiting measures and actively cooperate with regulators to ensure credibility of the brand. Finally, responsible use of social media and algorithms, as well as a greater openness in sales, will change the strategies from impulse buying to creating real and lasting emotional ties with consumers. Summing up, Pop Mart is able to succeed due to the external and/or internal conditions. However, timely strategic adjustment in face of challenge and internal weakness will affect its capacity of vitality and sustainable development in an increasingly competitive and regulated market.

References

- [1] Jin, D., Ruan, Z., & Wen, H. (2022). Research on Pop Mart's marketing strategy and future development. *BCP Business & Management*, 34, 511–519.
- [2] Qiu, T. (2023). "Financial analysis and revenue forecasts of POP MART" (2020). Chulalongkorn University Theses and Dissertations (Chula ETD). 7187.
- [3] Yang, H. (2023). Products of Pop Mart in Beijing, China (Independent study submitted in partial fulfillment of the requirements for the master's degree of business administration, Graduate School of Business). Master Thesis. Siam University.
- [4] Pop Mart releases 2024 financials: Revenue surpasses 13 billion RMB, net profit reaches new peak. (2025, March). Nasdaq.com. <https://www.nasdaq.com/press-release/pop-mart-releases-2024-financials-revenue-surpasses-13-billion-rmb-net-profit-reaches>
- [5] Gao, J., & Chen, R. (2022). Understanding consumer behaviors of Generation Z under China's blind box economy: Case company Pop Mart. LAB University of Applied Sciences.
- [6] Li, J., & Hall, C. (2025, August 20). Pop Mart sees revenue hitting over \$4 bln this year, to launch mini Labubus. Reuters. <https://www.reuters.com/business/retail-consumer/pop-mart-sees-revenue-hitting-over-4-bln-this-year-launch-mini-labubus-2025-08-20/>
- [7] Zhan, H. (2024). Research on the impact of blind box on consumers and marketing strategies. *SHS Web of Conferences*, 207, 01011.
- [8] Reuters Staff. (2025, August 19). China's Pop Mart, maker of the Labubu doll, says profit soars nearly 400% in first half. Reuters. <https://www.reuters.com/world/china/chinas-pop-mart-maker-labubu-doll-says-profit-soars-nearly-400-first-half-2025-08-19/>
- [9] Lee, Y. H., & Qiu, C. (2009). When uncertainty brings pleasure: The role of prospective imageability and mental imagery. *Journal of Consumer Research*, 36(4), 624–633.
- [10] Luo, Z. (2024). The impact of short videos and live streaming on e-commerce consumers' purchasing decisions. *Advances in Economics, Management and Political Sciences*, 114, 18–26.