

Understanding the Speculative Bubble in the Pop Mart Blind Box Economies

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Abstract. This study investigates the dual nature of Pop Mart's blind box economy as both a cultural consumption phenomenon and a speculative financial-like market. Drawing on a mixed-method approach, we analyze 300 transaction records from Xianyu (January–March 2024) alongside 1,200 user-generated posts from Weibo, Xiaohongshu, and e-commerce platforms. The findings reveal that scarcity-driven “hidden editions” and IP collaborations significantly elevate resale premiums, with some items reaching prices up to 39 times their original value. These speculative dynamics, characterized by herd behavior, near-miss effects, and loss aversion, have transformed blind boxes from mere collectibles into hybrid cultural-financial products exhibiting bubble-like features, including rapid price appreciation and heightened volatility. The study contributes to behavioral economic theory by linking psychological motivations with speculative pricing mechanisms, offering insights for brands, regulators, and consumers in navigating the opportunities and risks of this emerging market. The research situates blind box consumption within more general arguments on the cultural goods financialization debate, tracing how affective investment and speculative purpose co-exist to construct consumer behaviors within burgeoning markets.

Keywords: Pop Mart; Blind box economy; Speculative bubble.

1. Introduction

The blind box economy is the recent global cultural and economic phenomenon of Internet-centric promotion of blind consumption as collectible as well as speculative trade. With giants of industry, Pop Mart managed mystery-centric sales and design driven by IPs. More than entertainment, the format of blind box is an interesting hedonic consumption, consumption-driven on identities, and economic speculation as part of research on behavior and economics [1] [2] [3]. Its cultural product as much as speculative product at the same time is the final playground of emotional consumption as investment-like behavior, more than anywhere else with relatively light regulation.

Unlocked mystery shipments with anonymous characters, blind boxes create hopes and surprises with variable schedules of reinforcing behaviors like those employed in gambling [1][2]. With IPO crossovers and designer toys fad every once in a while, such characteristics have catalyzed exponential expansions for markets. From Winds, until 2023, the blind box market of China had grown beyond RMB 30 billion in size, with Generation Z consumers responsible for close to 40% of all sales [2] [4]. With high cultural capital as well as high spending power, the age group consumes blind boxes as much entertainment as it is a symbol of self-expression. Online social media like Weibo as well as Xiaohongshu facilitate the behavior through converting private consumption into social performance with positive feedback loops with emphases on repeat purchase, social identity, as well as emotional investment [3].

One of the industry-defining elements of recent years is the emergence of active secondary markets like Xianyu, whose effect is to turn blind box consumption into tiered economy. Exotic “hidden editions” end up selling at multiples of their retail quite routinely by those on the hunt for arbitrage [3][5]. Some of those have originally retailed as low as at ¥59 but have ended up selling for as high as at ¥2,000 with premiums of more than 30 times being applied. Spiking volatility of 20%–30% over hours and anecdotal sign of bulk hoarding and speculative resale activity serve only to stress volatility of the marketplace. These pressure groupings propel markets away of intrinsic value and create bubble-like behaviors wherein hopes of resale as opposed to product functionality establish terms of

exchange. Through such mechanism, blind box markets capture those qualities more characteristically attributed to speculative bubbles like rapid appreciation of the marketplace, intensified volatility, and herd-like participation.

Existing studies largely focus on psychological mechanisms and marketing strategies, exploring how uncertainty, reward anticipation, and social interaction shape consumer motivations, often employing frameworks such as the SICAS model and perceived value theory [6][7][8]. Empirical work highlights how rare “hidden editions” stimulate both collection-driven and speculative purchasing behaviors [1][3]. However, quantitative analyses of speculative pricing remain scarce, and few studies distinguish between collectors and speculators in shaping resale dynamics [3][5]. Moreover, behavioral economic concepts such as loss aversion, near-miss effects, and herd behavior have yet to be fully integrated into econometric models of secondary market pricing [9]. These gaps limit our understanding of how speculative motivations escalate market risk and contribute to bubble formation.

This study therefore seeks to address these limitations by answering two key research questions:

RQ1: What are the primary consumer motivations (e.g., collecting, gambling, social interaction) in the context of Pop Mart blind box purchases?

RQ2: How does the secondary market contribute to speculative behavior and potential bubble formation in the blind box economy?

To explore these questions, this research employs a mixed-method design, combining quantitative analysis of 300 transaction records from Xianyu (January–March 2024) with qualitative thematic analysis of 1,200 user-generated posts from Weibo, Xiaohongshu, and e-commerce platforms [10] [11] [12]. This integrated approach enables triangulation of findings, enhancing both the validity and depth of the analysis. The study contributes to behavioral economic theory by linking psychological drivers with speculative pricing mechanisms, establishes a methodological framework for analyzing hybrid cultural-financial products, and offers practical insights for brands (e.g., managing resale-driven brand perceptions), regulators (e.g., monitoring speculative bubbles in cultural markets), and consumers (e.g., understanding risks associated with speculative participation).

2. Literature Review

2.1. Blind Box Consumption: Hedonic and Identity-Driven Motivations

Consumption through blind box is an extremely intricate mixture of hedonic pleasure, cultural ritual, and construction of identity. There is extensive scholarship revealing behavior of “surprise + uncertainty” of variable reinforcers like those in gambling scenarios being re-enacted and emotional binding on consumption action being intensified [1] [2]. The unpredictability sharpens payoff anticipation such that consumers keep on buying blind boxes with expectations of completing a set or acquiring scarce “hidden editions.” It is reminiscent of results of behavioral economics, where intermittent action reinforcement is maintained in spite of lean chances of positive outcomes.

For Generation Z Chinese consumers—who already account for close to 40% of blind box sales—the buy is an entertainment buy as much as it is a statement of self-expression and signaling [4]. These consumers have strong “interest-driven” spending behaviors and pay premiums on those products aligned with their aesthetic sensibilities, fandom membership, or cultural sensitivities [2] [4]. Blind boxes themselves are signaling goods as much as consumables because consumers can use them as signaling devices for identities such as taste, cultural capital, or subcultural membership. Weibo and Xiaohongshu facilitate these dynamics through social performance by converting consumption into an emotionally performative activity: uploading unboxings through tutorials, showcasing complete sets, and engaging with online fan clubs give birth to positive feedback loops escalating emotional investment and repeat spending [3].

2.2. Psychological Frameworks for Understanding Consumer Behavior

There have been numerous paradigms of psychology applied by researchers in blind box consumption. The Stimulus–Interpretation–Choice–Action–Satisfaction model of SICAS is common in studying the choice-making process [6][13]. Product beauty, packaging, and IP story serve as sensory and emotional arousal in these situations, rationalized on cognitive grounds by consumers as indicators of value or cultural fit and thus purchased. Success in having procured the product with feelings of satisfaction and social approval cement such behavior with repeat purchases as consequence.

Theory of perceived value is yet another construct under which blind-box appeal can be theorized [8]. The construct explains economic value (like future premiums of resale) as symbolic value (like cultural affiliations, affiliations with subculture) and social value (like recognition with peers, sense of community) as key drivers. Hedonic pleasure of ownership and cultural value of certain IPs dominate monetary cost much more for most consumers as well as, more specifically, collectors. These paradigms stress that consumption through blind-box very often isn't transactional at all—it is at the confluence of emotional, cultural, as well as economic spaces. However, research available is much too questionnaire- or qualitative-bent and lacks quantitative behavior modelling through which relative impact of these drivers can be estimated across diverse consumer segments.

2.3. Speculative Dynamics and the Secondary Market

Secondary markets headlined by sites such as Xianyu have completely redefined blind box consumption. Where once it was a cultural Collectible, it is today a binary economy of primary brand-driven and secondary consumer/speculator marketplace. Empirical research finds scarce "secret editions" can be sold at multiples—which may reach 30—their retail value, co-operation versions with popular IPs selling at premiums of 70–90% more on top [3][5]. The speculative dynamic is identical with art and sneaker markets, with scarcity, cultural capital, and social signaling driving costs above intrinsic product value [14].

Speculators run these markets aggressively through hoarding, price manipulation through product launches, and strategic product launches as means of inducing shortages. These activities increase short-term volatility and skew consumer access to product, inducing inefficiencies in markets. The secondary markets promise brands on the bright side, product awareness and cultural capital, on the dark side, alienating primary consumers with higher product expenditures and exploitation feelings. But most of the research is non-discriminatory with collectors regarding being driven by cultural and emotional value, as distinguished from speculators being more driven by monetary gain, with more research having existed on the manner each of these segments embUESes construction of prices as much as stability of markets.

2.4. Bubble-Like Characteristics in Blind Box Economies

Recent studies increasingly identify bubble-like characteristics in blind box markets. These include rapid, non-linear price appreciation, heightened volatility (20–30% swings within weeks), and decoupling of resale prices from intrinsic product value [3][5]. Behavioral economics provides mechanisms for these patterns: loss aversion compels consumers to continue purchasing to avoid missing rare items, while near-miss effects reinforce repetitive buying despite low success probabilities [9]. Social herd behavior, amplified by social media discourse, accelerates speculative buying and encourages mimetic consumption, where individuals purchase not for personal satisfaction but to follow perceived community trends.

Some scholars draw parallels between blind box speculation and bubbles in other cultural-financial markets, such as art and collectible sneakers, where pricing is driven by expectations rather than utility. This reframing highlights blind boxes as hybrid cultural-financial products vulnerable to the same speculative forces as traditional investment assets. However, most existing work remains conceptual, lacking econometric analyses that quantify speculative premiums or model the lifecycle of such bubbles.

3. Analysis & Findings

3.1. Industry Context and Pop Mart's Market Position

The blind box economy has transitioned from a niche collectible hobby into a mainstream cultural and commercial phenomenon, deeply embedded in China's broader creative economy. According to industry reports, the overall Chinese blind box market exceeded RMB 30 billion in 2023 and is projected to maintain double-digit growth over the next five years [2][4]. From iFinD, within this context, Pop Mart has secured a dominant position, achieving RMB 6.30 billion in revenue in 2023, representing a 36.46% year-over-year growth, with a net profit attributable to shareholders of RMB 1.08 billion, reflecting an impressive 127.55% year-over-year increase. This success is driven by a multi-channel retail strategy integrating offline flagship stores, pop-up exhibitions, and strong e-commerce platforms. Furthermore, Pop Mart's dual approach—developing original intellectual properties (IPs) such as Molly, Dimoo, and SKULLPANDA, alongside collaborations with Disney, Sanrio, and Harry Potter—has strengthened its cultural capital and deepened emotional connections with its consumers. Such integration of cultural creativity and commercial scalability demonstrates how cultural products can evolve into highly profitable business models, yet it also shows that Pop Mart's long-term growth depends not only on expanding scale but also on maintaining creativity and innovation. Without sustained creative vitality, the brand risks losing its cultural distinctiveness in an increasingly competitive and maturing market.

3.2. Pop Mart's Closed-Loop Consumption Cycle

Pop Mart's structure is highly integrated closed-loop structure with value maximization across product lifespan. The loop starts with mystery-driven sales through gamble-like variable reinforcement of emotional expectations and repeat-purchase craving [1][2]. The unwrapped desirable product keeps their possessors for private consumption or collecting, whereas non-targeted character replicas are sold off through secondary markets like Xianyu. Here, scarcity- and high-visibility collaboration-driven "hidden editions" trade at 30–40 times their retail-price premiums, indicating the intersection of cultural desirability with speculative value [3][5].

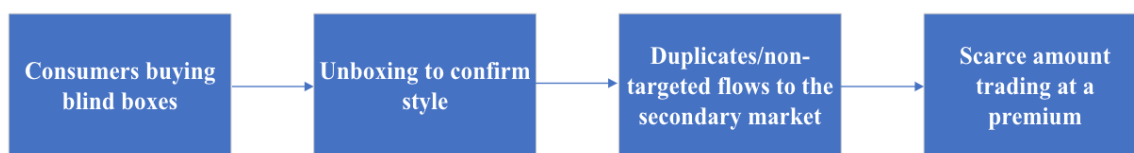


Fig 1. POP Mart Business Closure.

As can be noted in Figure 1, the Pop Mart business model is closed-loop strategy with three interconnected stages: (1) primary marketplace sales with variable reinforcement-driven blind-box sales; (2) routing and unwrapping, where desirable avatars hold as personal assets while duplicates/or non-targeted avatars pay back into secondary sites; and (3) secondary marketplace trade, where rare copies/or co-ops exchange at substantial premiums. The loopback effect fosters auto-reinforcing cycle: the secondary marketplace grows and hype underwrites primary marketplace demand with repeat buys and extended product lives. But the cycle injects speculative dynamics within in Pop Mart's very DNA, obfuscating the distinction between cultural consumption and financial speculation. Secondly, secondary marketplace speculative mechanics don't only gratify consumer fervor—they redefine primary marketplace strategy, informing product roll-outs, cost strategy, as well as IP co-op priorities. The dichotomy is testimony of Pop Mart's dilemma of balancing commercial viability with long-term consumer credulity as well as cultural legitimacy.

3.3. Secondary Market Dynamics and Speculative Trend

From Winds, as of 2023, China's blind box market surpassed RMB 30 billion, with Pop Mart accounting for the largest portion [2] [4]. According to transaction-level data gathered from Xianyu (n = 300, January–March 2024), hidden editions—representing around 12% of transactions—carry

average resale premiums of 200–250%, with some originally RMB 59 items selling up to RMB 2,350 (a 39-times increase) [5]. Moreover, IP collaboration editions contribute premiums of 70–90%, highlighting brand partnerships' essential role in facilitating secondary market valuations. These results show that the secondary market not only creates avenues for trading duplicates and non-target figures but also fundamentally changes the value structure of blind boxes, with scarcity and cultural capital emerging as the main drivers of pricing.

The data also manifests short-term price movements of 20–30% over weeks, frequently associated with high-frequency traders collaboratively hoarding and batch-reselling. These actions strongly resemble speculative activities found in other cultural collectible markets like sneakers and art [3][14][5], leading to alternating sequences of irrational price increases and corrections. These expectation-driven price dynamics further decouple resale prices from the products' intrinsic use value, entrenching blind boxes as perceived speculative financial-like products.

Current literature also highlights that the speculative liveliness of secondary markets has a twofold effect on consumers and brands alike: on one hand, price premiums and hype born of scarcity create brand visibility, cultural cache, and social media buzz; on the other, speculative holding and manipulation decrease availability to regular consumers, creating notions of over-commercialization and destroying long-term consumer confidence [3] [14]. Therefore, even as secondary markets powerfully add to the cultural and commercial value of Pop Mart, they also speed up the financialization and speculativeness of the blind box market. Not only do these dynamics represent consumer passion, but they actively transform primary market strategies, including the timing of product releases, pricing, and IP collaboration priorities. This duality presents a challenge to Pop Mart and the wider blind box market to balance commercial growth with cultural authenticity and consumer trust in the long term.

3.4. Future Prospects: Growth Drivers and Emerging Challenges

From Winds, Pop Mart's outlook is healthy long-term on the foundation of Gen Z demand, worldwide opportunity creation, and omnichannel expansion. 2024 top-line is predicted at RMB 13.04 billion as net income is predicted at RMB 3.13 billion. Speculative secondary trade is, nevertheless, bad news for the long-term, while pressure on gambling-like mechanism through regulatory intervention is gaining momentum. Over-dependency on IP partnerships might, moreover, blur the brand image of Pop Mart. Accordingly, while the long-term outlook of the company remains healthy, sustainability is conditional on balancing the equilibrium of product innovation as well as cultural relevance with ethical responsibility, under which commercialization is never at the cost of consumer trust as well as cultural relevance.

3.5. Strategic Recommendations for Sustainable Growth

On the way to long-term viability, Pop Mart would need to adopt multifaceted strategy. First, enhance product distribution transparency through announcement of drop rates of scarce-to-find editions and discouragement of hoarding as part of rebuilding credibility. Second, diversify sources of income through rollout of subscription-based "collector plans" as part of shifting away from sales once and for all and towards long-term devotion. Third, co-operate with regulators on development of ethical blind box sales and secondary trade standards. Fourth, construct cultural narrative and community through event-driven experiences and focus on concerted content. Finally, set up certified resale sites as part of efforts at stabilizing secondary marketplace prices and protecting consumer interests. Taking on these initiatives would solidify marketplace leadership of Pop Mart while branding it as cultural curator and responsible innovator of global creative economy.

4. Conclusion

Here, I explored Pop Mart's blind-box economy as cultural-economy hybrid entity and illuminated its complex hedonic consumption dynamics, signaling of identities, and speculative trade. Through

synthesis of transactional-unit secondary marketplace data with thematic user-content analysis, we have revealed the progression of blind boxes as specialty collectables into financialized cultural assets in whose end-price determination resale expectations increasingly play as much of a part as consumption demand by consumers. Their co-existence as cultural artifacts as much as speculative assets simultaneously created an internally self-perpetuating cycle of markets sustaining consumer interaction as much as revealing markets' vulnerabilities.

My study narratives of scarcity, cultural capital, as well as social approval being primary motivators of Gen Z consumers, whose perception of blind box acquisition is within individuality as well as popular culture. But the exceedingly fast development of secondary markets left entirely bare the latter ecosystem, enabling speculative activity like colluding hoarding, quotation manipulation, as well as high-speed resale. These have generated bubble-like phenomenon like furious quotation acceleration, higher volatility, as well as dissociation of resale quotation as well as intrinsic value. These indicate also the battle of the cultural brand of Pop Mart versus financially motivated behavior of the consumer base, predictive of deteriorating core consumers' trust. These findings have practical implications for brands, regulators, and consumers. Rivals such as Pop Mart must walk the thin wire of extracting speculative euphoria gains while being relevant culturally. Laying out efforts such as increased product allocation translucency, verified resale sites, and more regulator collaboration can forestall over-financialization possibilities. Regulators, the blind box economy is an educational cautionary case on why unregulated cultural markets can create speculative bubbles with social and economic consequences. Lastly, the research situates blind box consumption within more general arguments on the cultural goods financialization debate, tracing how affective investment and speculative purpose co-exist to construct consumer behaviors within burgeoning markets. With worldwide blind box economies ongoing upward ascend, future work must continue measuring speculative premiums, simulate bubble life cycles, and measure ultimate cultural-financial hybridity impacts. Doing so can attract researchers and practitioners towards collaboratively working towards more sustainable, equitable, and culturally relevant marketplace for collectibles.

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