



The Marketing Dilemmas and Strategic Breakthroughs of Trendy Toy IP: Challenges of Creative Bottlenecks and Audience Change - a Case Study of Pop Mart

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Abstract. With the vigorous development of the trendy toy market, while it has significantly attracted new consumers, it also faces the dilemma of losing old customers. How to address the challenges of creative bottlenecks and audience change in the trendy toy industry has become a major problem. Based on the case analysis of Pop Mart's notable market performance in the Thai market in the first half of 2024, while markets in Japan, South Korea, Europe, and the United States were less impacted, and Pop Mart's appeal is less than that of Disney and Pokémon in mature markets, this study uses process-tracing and small-N comparative methods to analyze why Pop Mart is less attractive than other IPs with rich cultural connotations in mature markets. Innovatively, the study constructs a three-dimensional breakthrough model of "creativity-audience-strategy" through creative reconstruction, audience segmentation, and interactive mechanism upgrading. This expands the theoretical boundaries of IP marketing under the background of Generation Z, providing a new perspective for academic research; it also offers path suggestions for trendy toy brands in IP renewal, user segmentation, and interactive content design, actively promoting the industry's transformation from a "product-oriented" to a new IP ecosystem of "user co-creation and emotional connection."

Keywords: Trendy Toy IP, Pop Mart, Creative Bottlenecks, Audience Change, Cultural Connotations

1 Introduction

1.1 Research Background

In recent years, the trendy toy market has flourished, with advantages in IP, supply chains, and consumption potential forming a fundamental driver of China's rapid rise in this sector. While it has been highly effective in attracting new consumers, it simultaneously faces the dilemma of losing existing customers. Academic research has focused on the relationship between trendy toys and Generation Z subcultures, consumption logic, and other related areas [1]. For example, existing research has revealed how new consumer culture influences Generation Z [2]. However, studies on

the creative bottlenecks and audience change issues in trendy toy IP marketing remain scarce, with systematic research still being relatively limited.

1.2 Research Questions

This study aims to explore the marketing dilemmas and strategic solutions of trendy toy IPs, focusing on the following core questions:

What marketing dilemmas does trendy toy IP marketing face?

From the dimensions of product design, brand communication, and user interaction, what strategies can trendy toy enterprises adopt to break through the creative bottlenecks in IP marketing?

In response to audience change, how can marketing strategies be refined to enhance both retention and engagement amid audience shifts?

1.3 Research Significance

This study deeply analyzes the phenomena of creative bottlenecks and audience change, clarifies their impact mechanisms on the marketing of trendy toy enterprises, and explores a new theoretical framework for trendy toy IP marketing. The results can provide practical strategic references for enterprises to address creative and audience-related issues, as well as optimize product design and promotion.

2 Literature Review

In view of the research by scholar Wang Bin, the new consumer culture emerges against the backdrop of consumption upgrading among Chinese residents, exerting a significant impact on the consumption behaviors and values of Generation Z [3]. This literature conducts a study focusing on the connotation of new consumer culture, its influence mechanism on Generation Z, existing risks, and coping strategies.

From the theoretical perspective and methodology, the study employs qualitative research methods, carried out through in-depth interviews and online ethnographic observation.

Regarding the influence mechanism, the research reveals that new consumer culture, through platform mechanisms, transforms the dissemination mode of consumption symbols, prompting Generation Z to form a "player-type" consumption attitude. It also transmits emotional values through key opinion consumers (KOCs), making the consumption cognition of Generation Z gamified and triggering radical consumption behaviors among them.

In response to the risks brought about by the new consumption culture, research points out that there are problems such as high internal competition in entrepreneurship due to new tracks and new blind spots in regulation caused by new fields.

In terms of coping strategies, it is proposed to create a clean consumption environment through measures such as establishing rules, fostering beliefs, and building connections, guiding Generation Z to break free from consumerism and enhance their public awareness.

Existing studies have conducted a relatively comprehensive exploration of the relationship between new consumer culture and Generation Z, clarifying the characteristics and influence mechanisms of new consumer culture, and laying a

foundation for follow-up research. However, certain limitations still exist. In terms of research perspective, some studies have deviated from the focus and failed to accurately target Generation Z. In terms of research depth, there is a lack of investigation into the differences in the influence of new consumer culture on Generation Z across different regions and socioeconomic backgrounds.

Scholar Su Xiaohua's research explores the Pop Toy industry with IP as its core competitiveness. Pop Mart has built a full-chain IP strategy through new quality productivity (digital design, data operations, flexible supply chains, etc.), achieving breakthroughs from local to global markets. Its experience provides a model for the technology-culture synergy in the industry.

The IP strategy has evolved from single IP licensing to matrix expansion and finally to global ecological construction, progressively consolidating its competitive advantage. In its early days, it initiated commercialization through exclusive licensing, and now enhances global influence through diversified business expansions. The following analysis is conducted from the perspectives of technology, globalization strategies, cultural value, and social responsibility.

Technologically, the empowerment pathways include 3D modeling to shorten the design cycle, flexible supply chains to improve efficiency, and data-driven precision marketing. The Trend Toy industry accelerates IP incubation through digital technologies while optimizing operations and marketing effects through supply chain and user data.

Globalization strategies focus on localized store design and differentiated e-commerce operations, promoting brand overseas expansion through dual tracks. Pop Mart creates themed stores with unique characteristics in core overseas markets and implements refined operational strategies for different regional platforms.

Cultural value output involves integrating intangible cultural heritage, aerospace, and other elements to create distinctive IPs, facilitating the overseas dissemination of Chinese culture. For example, series like "MEGA SPACE MOLLY" combine traditional culture with modern technology and introduce them to international markets.

Social responsibility practices include investing in rural aesthetic education projects and promoting eco-friendly production to strengthen brand social recognition. It supports education through public welfare initiatives and practices sustainable development concepts through carbon-neutral products and degradable materials. In 2023, Pop Mart launched the industry's first carbon-neutral pop toys "DIMOO Beaver Figurine," reducing carbon emissions across multiple stages and achieving life-cycle carbon neutrality. On Earth Day 2025, it released the world's first figurine made of 55% recycled materials, sourced from high-quality frame seals and certified by GRS. These initiatives not only shape a socially responsible brand image, enhancing consumer favorability and reputation, but also align with environmental consumption trends, attracting green consumers, expanding market share, and strengthening the brand's market competitiveness.

This study reveals Pop Mart's integrated value chain of technology, culture and commerce, providing a replicable growth model for the pop toy industry. However, its limitations lie in the lack of comparative cases of small and medium-sized enterprises (SMEs) and the absence of discussions on the impact of emerging technologies such as AIGC. In an era of rapid technological iteration, emerging technologies are

profoundly transforming the design, production, user interaction, and market landscape of the pop toy industry. For example, AIGC can enable personalized customization and virtual pop toy creation. Exploring its impacts would allow for a more comprehensive assessment of the industry's future growth potential and transformation directions, providing forward-looking references for enterprises to adapt to technological changes. Future research could expand to multi-business formats and cross-technical fields, further deepening discussions from the perspectives of user co-creation and cultural identity.

3 Case Restoration: The IP Marketing Logic and Dilemmas of Pop Mart

In Southeast Asia, Pop Mart achieved rapid expansion by utilizing celebrity endorsements and implementing localization strategies. In Thailand, due to the personal preference of celebrity Lisa, her fans followed suit, causing the LABUBU series products to become a rapid surge in popularity. According to relevant financial reports, the Southeast Asian market accounted for 41.1% of Pop Mart's overseas revenue in 2024, with a growth rate as high as 478.3%.

However, Pop Mart's business performance at its store in Parco Mall, Shibuya, Tokyo, has shown underwhelming results, with sparse foot traffic. In contrast, the neighboring Pokémon licensed store is always bustling with customers, often forming long queues. Similar operational challenges have also emerged in some European stores, presenting a stark contrast to the booming scene in Southeast Asia.

The difficulties encountered by Pop Mart in the Japanese market are particularly representative of its overseas expansion challenges. As a country renowned for its gashapon (capsule toy) culture, Japanese consumers have long been immersed in an environment of high-density, highly creative trendy toys. Pop Mart's flagship IPs such as LABUBU and MOLLY have been criticized by industry insiders and consumers for "excessively mimicking Japanese and Korean trends in style, potentially lacking a distinctive brand identity." This has put them at a distinct disadvantage in competition with Japanese domestic iconic IPs like Pokémon and Hello Kitty. A Tokyo-based consumer explicitly stated, "These trendy toy images lack narrative support—they are merely decorative in appearance, devoid of inner soul."

Even in Southeast Asia, the fastest-growing region for Pop Mart's overseas business, potential risks have begun to surface. Market data from the first half of 2024 shows that the member repurchase rate in this region declined to 43.9%, a significant decline from the 58% repurchase rate in 2019.

4 Case Analysis: Three Key Issues in the Marketing Dilemma of Trendy Toy IPs

4.1 Insufficient IP Competitiveness in Mature Markets

The surge in Southeast Asia is largely due to consumers treating the products as novelties—local consumers have not yet experienced the widespread engagement of

blind box consumption, while mature markets place higher demands on IP connotations and product quality.

At the Pop Mart store in Shibuya Parco, the lack of foot traffic stands in stark contrast to the Pokémon licensed store nearby, where customers wait over ten minutes to check out. This may be because, in developed countries with well-established IP industries, Pop Mart's promotion of new, little-known IPs struggles to stimulate consumer purchasing interest [4].

This is primarily due to the more intense competition in mature markets. For example, Japan's gashapon culture has a long history and is highly developed, with consumers having higher standards and more choices for such products. In Europe, America, Japan, and South Korea, the competition in products like trading cards is extremely fierce, and market saturation is high. Winning the favor of consumers in these regions is a significant challenge, especially given that Pop Mart's IPs themselves lack distinct and vivid characteristics.

Pop Mart's management once proposed the vision of "building a Chinese Disney," but Disney has constructed its massive IP cultural ecosystem through film content and theme parks. Its numerous IPs all have vivid and captivating stories, with their core competitiveness lying in the century-old accumulation of an IP story universe. Pokémon originated in the 1990s, starting as a manga creation and gradually evolving into animations, trading cards, and games. In contrast, among Pop Mart's current seven IPs with annual revenues exceeding 100 million yuan, none have cross-media narrative capabilities [5].

The IP itself appears thin due to the lack of stories, and the sustainability of its lifecycle has also been widely questioned. Although Disneyland has also launched new IPs in recent years and gained everyone's love, it lacks the longevity required for sustained market impact, the initial appeal is overly straightforward and transient to maintain long-term market popularity and consumer loyalty.

Perhaps recognizing this key issue, Pop Mart has begun to attempt to increase the storytelling of its IP through various means in recent years, such as holding themed art exhibitions, developing user-generated content games, opening theme parks, and launching IP-related videos.

These initiatives are of positive significance for Pop Mart to deepen the connotation of its IP. However, it should also be emphasized that significant results can only be achieved through continuous innovation, active in-depth interaction and co-creation with fans, and considerable time for accumulation and precipitation.

If Pop Mart wants to maintain its market competitiveness, it must strive to create top-notch IP, carefully accumulate rich storytelling connotations, and effectively enhance the influence of its IP [6]. In this process, it can focus on highlighting national trend elements, combining traditional Chinese cultural elements with modern fashion design concepts to form design elements with Chinese cultural characteristics and a sense of style. For example, the "Ne Zha" co-branded best-selling products during the 2025 Spring Festival formed a unique competitive edge from other brands.

4.2 Challenges of Audience Stratification and Demand Balance among Generation Z

Generation Z is currently the primary consumer group of Pop Mart, but there are distinct stratifications within this demographic, including differences in aesthetic

standards, consumption frequency, and value identification. Meanwhile, some of Pop Mart's early users may see changes in their demand for trendy toys due to age growth and shifting interests. New users, on the other hand, have different preferences and needs. Balancing new and old users while meeting their diverse demands has become one of Pop Mart's challenges [7]. Failing to accurately grasp the demand differences between new and old users may lead to products failing to reach the target audience precisely, affecting sales performance.

Additionally, Pop Mart aims to attract young core consumers through personalized, niche IPs and limited-edition products while expanding its product line and marketing efforts to reach a broader mass audience. This dual positioning of "catering to youth while pursuing mass appeal" leads to potential internal tensions. Meeting young consumers' pursuit of personalization and uniqueness may sacrifice some mass market demands, while catering to the mass market may disappoint young consumers seeking individuality. This makes it difficult to form a clear competitive edge across different market segments, impacting the stability and expansion of the audience base. In essence, Pop Mart is attempting to strike a balance between "community-based consumption" and "mass communication" while reconstructing the age coordinates of its audience profile, a path that harbors deep-seated conflicts between brand tone and user needs.

From the perspective of core consumer groups, young trendy toy enthusiasts (especially Generation Z) are highly sensitive to the emotional value of IP, and their consumption behavior is often accompanied by strong attributes of identity markers and community belonging [8]. Personalized and niche IP designs, such as Hirono Ono's "emotional blind boxes" and SKULLPANDA's dark aesthetics are well-aligned with this group's preference for unconventional aesthetics. The hunger marketing strategy of limited products, such as the hidden item mechanism of the MEGA series further strengthens core users' enthusiasm for collecting and their sense of community belonging. However, when the brand attempts to attract a broader customer base by expanding its product line, such as launching infantilized plush dolls or popular building block toys, the brand's perceived identity may be weakened, original core users may even develop a resistance to "popularization equals mediocrity." For example, although Pop Mart's vinyl plush dolls launched in 2023 performed well in sales, some senior players complained on social platforms that they "lacked artistic sense," reflecting the potential conflict between niche aesthetics and the mass market.

On the other hand, the mass consumer market's perception of trendy toys still remains at the level of "fashionable toys," paying more attention to product cost-effectiveness, functionality, and emotional universality. To reach this group, Pop Mart needs to weaken the community attributes of its IP and strengthen its attributes as a mass consumer product, such as lowering the consumption threshold through cross-border collaborations (e.g., with UNIQLO and Holiland) or developing derivative products with "IP and practical functions" (e.g., co-branded headphones with Huawei). However, this strategy may lead to the "devaluation of uniqueness" in the eyes of young core users—when MOLLY evolves from a limited-edition collectible doll to a readily available fast-moving consumer product element, its value as a community symbol will be weakened, or even seen as a "betrayal of niche spirit." This dilemma is particularly evident during the brand's overseas expansion: in emerging markets such as Southeast Asia, the acceptance of trendy toys among mass

consumers still needs to be cultivated, requiring localization improvements such as simplified designs and lower unit prices to open up the market, which may conflict with the expectations of core users in European and American markets for "high-end artistic trendy toys."

4.3 Conflict between Youth-oriented and Mass-market Strategies

The deeper contradiction lies in the fundamental difference between the "youth-oriented" DNA of the pop toy industry and the "mass-market" logic. Youth orientation means continuously capturing subcultural trends and rapidly iterating aesthetic symbols, while massification requires stable brand recognition and broad value consensus. Pop Mart attempts to resolve this contradiction through a "dual-track strategy"—for example, using the high-end MEGA series to maintain core users while expanding into incremental markets with mass-market lines like Disney co-branded products. However, dual-line operations may lead to fragmented allocation of resources, making it difficult to establish absolute dominance in either market segment. Data shows that in 2024, the revenue contribution of Pop Mart's action figures shrank from nearly 80% in 2023 to just over 50%, while revenue from plush products increased by more than 10 times, reflecting the potential costs of this balancing act.

In the future, Pop Mart may need a clearer market audience stratification strategy: deepening "IP artization" and "user community building" within core circles, maintaining niche tonality through limited editions and artist collaborations; while focusing on "IP sceneization" and "functional practicality" in the mass market to reach general users with low-threshold products. Meanwhile, leveraging digital tools, such as blockchain for limited-edition traceability and metaverse spaces for virtual collection scenarios could satisfy core users' pursuit of "uniqueness" while expanding consumption scenarios in the mass market through technological empowerment, potentially serving as a key path to reconcile the contradiction between "youth" and "massification" and address audience renewal challenges.

5 Theoretical Refinement: The Three-Dimensional Breakthrough Model of "Creativity-Audience-Strategy" for Trendy Toy IP Marketing C-F-I Model (Creativity – Fragmentation – Interaction)

5.1 Creative Reconstruction

At the creative level, enterprises should establish cross-border collaboration mechanisms by actively partnering with non-trendy toy IPs such as anime and traditional culture—for example, the 2025 Spring Festival co-branding with Ne Zha 2 to achieve creative collision and integration. Meanwhile, enterprises should strongly incentivize emerging designers to engage in creation and encourage user co-creation to stimulate fresh creative vitality.

5.2 Audience Segmentation and Response

For audience management, enterprises should accurately identify user lifecycle stages:

guide new users and reactivate existing users. Enterprises need to develop differentiated operational strategies to provide products and services tailored to the needs of different user types, such as high-end collectors, trendy toy enthusiasts, and entry-level trial users [9].

5.3 Interactive Mechanism Upgrading

In terms of interaction mechanisms, enterprises should use immersive experiences and customized content to ignite emotional resonance among users. Enterprises should also expand the UGC (User Generated Content) mechanism to enable users to deeply participate in creation and sharing, strengthening their sense of participation and presence in the trendy toy ecosystem, and comprehensively enhancing the marketing effectiveness of trendy toy IPs [10].

6 Conclusions

This study on trendy toy IP marketing fills the theoretical gap in existing research regarding IP creative bottlenecks and audience renewal interaction mechanisms. By innovatively constructing the "C-F-I Three-Dimensional Model," it expands the theoretical boundaries of IP marketing in the context of Generation Z, providing a new perspective for academic research.

In practice, the study offers path recommendations for IP renewal, user segmentation, and interactive content design to trendy toy brands like Pop Mart, actively promoting the industry's shift from a "product-oriented" to a new IP ecosystem of "user co-creation and emotional connection," and providing theoretical and methodological support for brands.

Future research could analyze user psychology and consumption chains through empirical questionnaires and interviews, and model these analyses. For example, it could compare the communication differences of trendy toy IPs across cultural contexts such as Japan, South Korea, and China, focus on research and data related to audience renewal, further enrich research outcomes, and provide more robust theoretical support for industry development.

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