



Tiny Luxury in Troubled Times: A Study of the Lipstick Effect in POP MART's Popular Toy IPs

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Abstract. This paper explores how the Lipstick Effect manifests in China's trendy toy market through the case of POP MART and its emotionally driven character IPs. It addresses two core questions: why do young consumers continue to purchase non-essential collectibles during periods of economic stress? And what psychological and cultural mechanisms sustain this behavior? These questions are vital for understanding shifts in post-pandemic consumer psychology and the evolution of symbolic consumption among Gen Z in China. Using a qualitative case study approach, the research draws upon consumer behavior theory, emotional branding literature, and publicly available industry data. It focuses on the appeal of leading POP MART IPs—such as Labubu and Skullpanda—analyzing their emotional, aesthetic, and cultural dimensions. Findings indicate that these collectibles serve not merely as toys but as emotional substitutes and tools for identity expression. Much like cosmetics in traditional Lipstick Effect models, trendy toys provide affordable relief, symbolic self-affirmation, and a tangible connection to personal values. The narrative depth embedded in each IP amplifies brand loyalty and emotional resonance. Broader factors such as economic anxiety, rising youth unemployment, and digital-native identity formation all contribute to the popularity of symbolic micro-luxuries. This study expands the theoretical boundaries of the Lipstick Effect and offers actionable insights for cultural brands seeking to build deeper emotional connections with younger, uncertainty-shaped consumers.

Keywords: Lipstick Effect, POP MART, Consumer Psychology, Symbolic Consumption, Gen Z

1 Introduction

In recent years, China's trendy toy market has seen striking growth, much of it driven by the widespread appeal of blind boxes and collectible figurines. For Gen Z, these are no longer just toys. They've taken on the role of emotional markers—small, curated objects that speak to personal sentiment and identity. POP MART, a frontrunner in this space, illustrates this shift through IPs such as Labubu, Molly, Skullpanda, and Dimoo. These characters have become commonplace in shopping centers, digital storefronts, and—perhaps more importantly—in the emotional vocabularies of their fans. Each

figure conveys its own visual rhythm, and a certain emotional resonance, lending symbolic depth that goes far beyond aesthetics.

This consumer trend has not emerged in a vacuum. It coincides with—and is arguably shaped by—ongoing economic and social uncertainty. In the years following COVID-19, a combination of rising youth unemployment, prolonged financial stress, and a pervasive sense of emotional exhaustion has led many urban young people to recalibrate their priorities. Material ambition, once widely valorized, is increasingly replaced by a subtler instinct: emotional self-preservation.

Within this evolving mindset, symbolic products—especially those that are emotionally meaningful yet financially accessible—have come to serve as tools for regulation and recovery. Trendy toys, then, are not mere indulgences. In many cases, they operate as compact mechanisms for release, moments of visual calm in a world that feels overstimulated.

Social media intensifies this effect. Platforms like Xiaohongshu and Weibo don't just promote these IPs—they reframe them. A character like Labubu doesn't remain a static product; it becomes a symbolic projection of individuality, a soft form of resistance, or a curated escape hatch from reality.

This behavioral shift aligns closely with what is commonly referred to as the Lipstick Effect [1]. During periods of financial strain, consumers tend to gravitate toward small, emotionally rewarding purchases. Though the term originally applied to cosmetics, its logic now extends to designer toys. Even amid economic headwinds, POP MART's continued growth suggests that its figurines serve not only as commodities, but as emotional placeholders. As the Financial Times notes, a "grinning doll in a sealed box" such as Labubu may now fulfill the same psychological role that lipstick once did during past recessions [2].

Scholars have long examined the Lipstick Effect in the context of beauty, fashion, and luxury goods. However, much of the existing literature remains centered on Western markets and gendered consumption patterns, often overlooking newer forms of culturally driven symbolic goods such as collectible designer toys. There is still limited empirical research exploring how emotional consumption operates within youth-driven cultural economies in China, especially under the pressures of digital life, precarious work, and evolving identity norms. This paper aims to address that gap.

This paper investigates how the Lipstick Effect manifests in China's trendy toy sector, focusing on POP MART's most popular IPs. Drawing from consumer psychology and case study analysis, the research explores:

- (1) Why do consumers keep purchasing non-essential collectibles amid uncertainty?
- (2) What psychological mechanisms underpin the appeal of specific POP MART characters?
- (3) How do these behaviors reflect broader changes in youth culture and emotional needs?

Theoretically, the study extends the Lipstick Effect beyond cosmetics into cultural consumption, particularly emotionally resonant IP products. It contributes to understanding how symbolic micro-luxuries function in precarious economies.

Practically, the findings offer insights for cultural policymakers and brand strategists. They highlight the value of emotionally driven design, story-based IP

development, and scarcity marketing in building deeper connections with younger consumers—especially those shaped by post-pandemic uncertainty and digital-native identity formation.

2 Theoretical Framework

2.1 The Lipstick Effect: Definition and Development

Psychologically speaking, people tend to rely on small, gratifying purchases during periods of instability, as they help address various emotional needs. As Verywell Mind points out, such behaviors offer “a sense of control, pleasure, and reassurance,” particularly when one’s environment feels uncertain or unsettled. In the case of collectible toys, this soothing effect is often stronger—shaped by the randomness of blind boxes, the scarcity of certain editions, and the emotional or story-driven attachments that fans develop toward specific characters.

Hill et al. found that women under financial strain showed increased interest in products enhancing attractiveness, interpreting such purchases as subconscious strategies for preserving status or appeal in competitive environments[3]. Although the Lipstick Effect was originally associated with beauty items, it now extends to a broader range of emotionally gratifying but non-essential goods—such as fragrances, desserts, and, more recently, collectible toys.

Against the backdrop of China’s recent economic conditions, this behavioral trend has regained prominence. In 2022, China’s GDP growth slowed to around 3.0%, one of the lowest in decades. Though it rebounded slightly to nearly 5% in early 2023, challenges persisted—especially within the property sector and overall domestic demand [4].

Meanwhile, youth unemployment surged to a record 21.3% by June 2023. The government’s later decision to halt the release of these statistics revealed not only data sensitivity but also a broader anxiety about underlying economic distress [5].

Faced with these pressures, many consumers have shifted toward small, emotionally meaningful purchases—items that offer comfort or symbolic control. This shift continues to reinforce the Lipstick Effect’s psychological foundation in today’s Chinese marketplace.

2.2 Psychological Consumption in Times of Uncertainty

Psychologically, small, pleasurable purchases during instability fulfill multiple emotional roles. According to Verywell Mind, these behaviors provide “a sense of control, pleasure, and reassurance,” especially when life feels unstable[6]. In collectible consumption, this effect is intensified by factors like randomness (blind boxes), limited availability, and emotional or narrative connections to specific characters.

This overlaps with symbolic consumption theory, which asserts that people consume not just for utility, but for meaning—identity, values, lifestyle, or belonging. POP MART’s products align closely with this, enabling consumers to project identity and aspiration through character affiliation. Kastanakis and Balabanis call this “bandwagon

luxury consumption,” where symbolic items reflect uniqueness, identity, and group belonging[7].

2.3 Emotional Value in IP-Based Cultural Goods

Research on IP-driven cultural goods highlights the role of emotional attachment in consumer choices. Zhang and Wang showed that blind box purchases are deeply influenced by character design and emotional narratives, reinforcing the idea that emotional resonance significantly shapes buying behavior, especially among younger urban consumers[8]. As Bianchini notes, IP storytelling enhances emotional branding by embedding cultural and personal meaning in product design, thereby boosting loyalty and symbolic relevance[9].

These emotional responses are also culturally nuanced. For example, Labubu is associated with a bittersweet or “sorrow-cute” aesthetic that resonates with post-00s Chinese youth emotional sensibilities.

Despite growing research on emotional consumption and symbolic goods, current literature often concentrates on beauty or fashion, leaving trendy toys relatively underexplored. Moreover, few studies systematically examine the Lipstick Effect outside Western contexts. This paper aims to bridge that gap.

Overall, existing studies highlight emotional consumption as a coping mechanism and emphasize symbolic value in consumer goods. However, much of the literature remains Western-centric and lacks empirical focus on emerging cultural industries like China’s trendy toy sector. This leaves an opportunity to further investigate how localized IPs interact with global consumer psychology.

3 POP MART and Its IPs: Brand Identity and Consumer Profile

Established in 2010, POP MART has become China’s premier trendy toy brand, known for designer toys and collectible figures. It operates a multichannel retail network—brick-and-mortar stores, vending machines, online platforms—and is expanding globally through licensing. Its success largely stems from its diverse, emotionally resonant IPs such as Labubu, Molly, Skullpanda, and Dimoo, each with unique visual and psychological identities.

Labubu embodies a mischievous yet melancholic spirit, resonating with Gen Z’s dual traits of rebellion and vulnerability. Molly reflects nostalgic innocence, Skullpanda conveys edgy, fashion-forward aesthetics, while Dimoo explores themes of loneliness, imagination, and escapism. These figures are not just decorative—they mirror the inner states and values of young Chinese consumers.

According to Ketong Chen, POP MART’s primary audience is aged 18–29, comprising about 58% of buyers, with females accounting for 75%[10]. Most customers are students or white-collar workers earning between RMB 8,000–20,000 monthly, placing them in the mid-tier consumption range, capable of repeated small indulgences[11].

Consumer behavior data highlights a high repurchase rate: in 2019, the official figure was 58%, and 68.5% of consumers purchased more than once a year, according to the company's IPO filing[12]. While this suggests strong brand loyalty and product stickiness consistent with the Lipstick Effect, the reliance on 2019 data indicates a gap. Updated figures post-pandemic would better capture shifts in consumer behavior and offer a clearer view of current emotional and economic motivations.

POP MART's consumer base is centered in major cities like Beijing, Shanghai, Guangzhou, and Shenzhen, though it has expanded rapidly into lower-tier cities. This trend illustrates the democratization of emotional luxury, where symbolic self-reward is no longer limited to metropolitan elites.

Through emotional storytelling and omnichannel reach, POP MART has positioned its products as not just collectibles, but therapeutic and identity-affirming experiences.

4 Analysis on the Problems

4.1 Emotional Substitution: Toys as Psychological Anchors

Trendy toys, in particular those with a story attached to them, do not merely please the eye; they quench certain psychological needs. When crises strike, people seek out small habits or rituals that return to them a part of the control that has been taken away. Some listen to music from their hometown. Some re-watch their favorite cartoons from their youth. Others open a blind box, waiting for the figure to appear in their hands. The element of randomness, the touch of the ritual, the surprise of the unknown—all of this regenerates a sense of control in a world that has suddenly become unpredictable.

And it doesn't necessarily need to be a conscious decision. The customers may not be able to explain why they buy the same figure again and again, but they find in it a kind of rhythm, a ritual that provides them with a stabilising effect. Labubu and Dimoo are not simply collecting items; they are symbols of companions for a generation that confronts not only economic distress, but also the disintegration of social spaces.

Unlike a piece of dessert or a tube of lipstick, which are consumed as soon as they are enjoyed, a trendy toy doesn't fade away. An animal remains – sitting on a desk, lingering on a shelf in the living room, or by the bedside. Physical presence means emotional presence. Every glance is a reminder of another small victory.

This type of consumption also connects with what Govers and Schoormans refer to as the “symbolic dimension” of product design. They argue that design features—like texture, shape, and color—carry psychological meanings far deeper than their physical function [13]. Skullpanda, for instance, with its expressive detail and tactile finish, offers both aesthetic delight and a layer of emotional reassurance.

4.2 Self-Expression and Identity Building

Choosing a POP MART character is rarely a random act. More often, it's an emotional decision reflecting aspects of the consumer's self—sometimes who they are, other times who they'd like to become. Dimoo's dreamlike melancholy resonates with those who feel deeply but quietly; Skullpanda's bold, edgy design might appeal to individuals who embrace nonconformity or rebellion.

They can't exist alone. Today's collectors will share a dump – whether it's an exuberant Red Note post or a lazy trade in an online group. Through these interactions, young consumers aren't just expressing themselves; they're creating their own mini-communities. Expressing “who I am” through “who we are”.

And the emotional connection itself deepens over time. As POP MART IPs mature across a collection and collaboration after collection, fans mature with them. This character evolution mirrors consumers' own emotional journeys in a two-way evolution. Admiration often leads to attachment.

Thomson and Malaviya provide further clarity here: brand symbols are not characteristics in a design but aids by which people construct personal and social identity stories [14]. Richly developed POP MART IPs provide fans with an emotionally relevant framework – a mirror for how they feel, think, and relate.

5 Discussion

5.1 Emotional Shifts and Cultural Repositioning

Trendy toys are more than just a fleeting cultural moment—they mark a deeper shift in how a new generation prioritizes emotional value. While high-end items like designer handbags still symbolize status for some, many Gen Z consumers find them emotionally distant or culturally irrelevant. Increasingly, it's not the cost that matters, but how personally meaningful the item feels.

In this context, characters such as Labubu or Skullpanda are not perceived as conventional luxuries, but rather as emotional touchpoints. They represent fragments of nostalgia, aesthetic harmony, or intimate sentiment. For many young buyers, a figurine that resonates with their inner world carries more weight than a costly item that offers little emotional connection.

This redefinition of luxury is echoed in Kastanakis and Balabanis's framework on “bandwagon luxury consumption” [15]. They emphasize that younger consumers often favor symbolic, emotionally loaded goods over traditionally exclusive ones. What matters isn't prestige but connection—what the object says, and to whom.

5.2 The Role of Digital Spaces in Emotional Economy

Understanding POP MART's success means looking beyond the product—it's also about where and how people experience it. Social platforms like Weibo, Xiaohongshu, and Bilibili don't just distribute content; they intensify emotional engagement. A figurine, once unboxed, continues to live digitally—through posts, hashtags, reactions, and comments.

Once online, that one figurine is more than an object. It's a moving piece of narrative. As it hops from post to post, it picks up new layers of meaning and feeling. Every interaction – a caption, a comment, a photo – adds to the role play, and enhances the relationship between consumer and character.

It's not about the cute little object anymore, it's about the feeling that resonates online because of it.

Seen through this lens, the Lipstick Effect extends beyond physical purchase. It becomes a way to preserve emotional rhythm in a saturated, fast-moving world—sustained through each unboxing video, each image posted, each character shared.

5.3 Emerging Implications for IP and Brand Strategy

For any brand looking to engage with young people in a deeper way, here is one thing that has become clear: Emotional relevance wins. You can create a beautiful design to pique interest, but it is the emotional story around a product that will stick with people. Characters such as those from POP MART are not just cute and marketable—they are actively participating in an emotional storyline.

In the not-so-distant future, successful IP development will require more than just gimmicks. What gets people back is not just the promise of newness, but the potential for resonance. We need to stop thinking of IP as a logo to market around, and start thinking of it as a character to help build a deeper, longer-term relationship with.

6 Conclusion

6.1 Summary of Key Findings

This study started with a simple question: why do young Chinese consumers—many facing job stress or economic instability—still buy things they don't need, like designer toys? It's not just irrational spending. Something else is going on.

By using the Lipstick Effect as a conceptual lens and looking closely at POP MART's world of emotionally charged characters, we tried to get at what these purchases really mean. And the findings? They're layered.

First, these toys have become something of an emotional crutch. Not in a negative way, necessarily—but in the sense that they anchor people. A familiar figure on a shelf, a tiny object with a story, can soothe like a ritual. Especially when everything else feels unpredictable.

Then there's the emotional charge carried by characters like Labubu or Skullpanda. They're more than stylized toys. They're vessels, in a way—carrying longing, melancholy, rebellion, or nostalgia. These aren't just passive designs; they reflect real feelings.

Lastly—and this is key—what we call “luxury” is shifting. It's no longer only about price or exclusivity. A cheap item that makes someone feel seen? That matters more now. So maybe the Lipstick Effect isn't about lipstick anymore. Maybe it's about anything small that feels like it gets you.

6.2 Policy-Oriented Suggestions

Cultural policymakers should recognize emotionally resonant IPs as not just business opportunities, but as contributors to youth emotional health and cultural expression. Support should go beyond financial backing—offering platforms for narrative innovation and cross-cultural IP creation.

By integrating emotionally aware storytelling into IP development, cities and cultural institutions can support creative ecosystems that connect with Gen Z's shifting emotional needs.

6.3 Practical Implications for Brands

For brands facing consumers who are already so emotionally charged, the implications are starting to be obvious: emotions are no longer an afterthought.

Consumers, especially the young, are not interested in buying pretty things. They want to buy things that are more complex: things that are charged with emotion, context within a culture, and personal significance. A POP MART figurine is not just something to collect, but part of how a subject externalizes his or her state of feeling or maintains continuity of feeling over time.

The implications for good IP design and branding are that they must evolve in kind. A visually pleasing product may draw you in, but only emotion will keep you there. Characters cannot have merely superficial integrity – they must have depth of narrative, psychology, and cultural relevance. Creating for emotion is not a nicety. It is a necessity. This might include things like limited-edition releases, themed packaging, or inviting people to take part in the story. These are all good things – but only if they are authentic and if the company has a long-term vision. IPs that connect with consumers emotionally did not become successful because they were visually novel. It was because the brand made a credible and sustained emotional commitment.

Offline experiences also remain significant. Whether through curated exhibitions, regional product launches, or localized events, these encounters can reinforce emotional investment—provided they are not reduced to shallow spectacle.

Finally, a note of caution. Emotional capital, once eroded, is difficult to recover. Consumers are increasingly sensitive to insincerity, particularly in emotionally coded products. Overexposure, narrative inconsistency, or commercial opportunism can quickly undermine the very loyalty that symbolic goods are meant to foster. Brands would do well to treat emotional design not as a marketing asset, but as a cultural responsibility.

6.4 Limitations and Future Research

While this study offers insight into the emotional mechanisms behind POP MART's success, several limitations remain.

First, the research is based primarily on secondary data, such as existing literature and corporate filings. While useful for identifying broad patterns, this approach does not fully capture the lived emotional experience of individual consumers. Future studies could supplement this with qualitative methods like interviews, consumer diaries, or ethnographic observation to explore how symbolic consumption functions on a more intimate level.

Second, some of the data referenced—such as the 2019 repurchase rate—predates the pandemic. Given how much consumer psychology has shifted post-2020, more recent data would allow for better analysis of how emotional needs and spending behaviors have evolved in response to prolonged uncertainty, youth unemployment, and digital fatigue.

Third, the focus on POP MART, while logical given its dominance, may limit generalizability. Other collectible brands may employ different emotional strategies or visual languages. A cross-brand comparative study could reveal whether POP MART's model is uniquely effective, or if the broader emotional logic of the Lipstick Effect applies across the industry.

Lastly, this study centers mostly on urban Gen Z consumers. As collectible toy culture spreads into lower-tier cities, it's worth exploring how regional, economic, or cultural differences shape emotional attachment to IPs. Future research could investigate whether the meaning and function of symbolic consumption shifts across these different consumer groups.

In short, expanding this topic through more diverse methods and updated data will help clarify how symbolic emotional goods like designer toys operate in today's uncertain world—and how their appeal may change over time.

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