

SWOT analysis of POP MART

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Abstract. As the market for fashionable toys is rapidly expanding, several companies are emerging, especially POP MART as a dominant leader. This paper examines the business model, market position and competitive status, and financial condition of POP MART through the SWOT (Strengths, Weaknesses, Opportunities, Threats) analysis. The internal and external considerations leading to the present status of the company will be analyzed through consideration of the internal strengths (business model based upon highly interesting IP, multiple channels of distribution, etc.) internal weaknesses (intense competitive environment, rising cost of IP, etc.). The external opportunities (going abroad and spreading cultural influence) and threats (aesthetic fatigue of IP, regulatory scrutiny, etc.) faced by the company will be analyzed. A comparative financial analysis determining POP MART's financial condition vis a vis a competitive company will be presented, and an evaluation of POP MART's competitive status will be made. It will be suggested that POP MART has a promising growth path ahead, but also has challenges to overcome. The conclusions of this paper will be to forecast the future of the company dependent upon how the company negotiates its challenges so as to achieve its potential for success as the expanding global competitive environment continues to evolve.

Keywords: SWOT; Financial; POP MART.

1. Introduction

When blind boxes from a niche collection group become a symbol of trend. Blind boxes have been transformed into "blind boxes" in the fields of stationery, beauty products, catering and even cultural tourism. This sense of uncertainty and limited edition feature have attracted the love of young people all over the world. They not only have created a market scale of hundreds of billions of yuan but also symbolize the consumption habits and emotional expression of young people. In this phenomenon, undoubtedly, POP MART is the leader of this business wave. From 2016 open the market by Molly. From now on, it earns billions each year.

Their products have covered the whole world. With the passage of time, their momentum has not waned; instead, their products have become increasingly popular and are deeply loved by young people.

SWOT analysis method is a method that considers the external and internal environments of the affected enterprises. Through different aspects to find the strength of the company which mean what factor makes it better than others, and the weakness of the company which mean what aspects they should improve in the future, and also the opportunity which is a part that shows the prospects of the company. And last is threat, which means the risk of the company they faced. So, this method can help us to explore what key factors have led to Pop Mart's popularity and what advantages have set them apart from all competitors and attract more people [1].

2. Profile of POP MART

Pop Mart is a Chinese trend culture company founded in 2010, its headquarters locate in Beijing. It came into market in December 2020 in HK, the main position is "a trend culture operator centered on IP", its business covers multiple aspects such as designing the products, network marketing and product development, and retail, including toys, blind boxes, and pendants [2].

Focusing on five areas including global artist discovery, IP incubation and operation, consumer reach, promotion of trendy toy culture, and investment integration of related industries, a product range covering the entire trendy toy industry has been constructed.

3. SWOT Analysis

3.1. Strength

3.1.1 Unique Business Model

POP-MART is a company centered on IP, carrying out creation, commercialization, and operation around it. This model similar excavates and spreads the thought and article of musician. In addition, this model can satisfy the appreciation of articles and mental comfort for consumers. It can decrease the cost of mistakes, shorten the period of reflection. For instance, they can conduct market experiments on potential Ip, collect data through robot stores and pop-up stores, and then determine the business direction. With the development of the company, the huge profit will attract more creative musicians or artists to improve the quality of IP content and influential [3]. In LanJing news, Ning Wang said: "Pop Mart has signed many outstanding artists, and the works of these artists are non-renewable, forming the unique artistic value of Pop Mart. During the continuous development of our overseas business, we can also discover more valuable artists at the first time, forming a positive cycle. This is why people find that it seems we have more and more valuable ips, and it seems that the most valuable ones are all at Pop Mart" [4].

3.1.2 A Complete Retail Channel and Consumer Experience

Attach importance to the layout of offline stores, open stores in the world's best shopping malls. By designing the store's appearance in line with the preferences of young people, a unique trendy atmosphere can be created and the brand image can be shaped. Offline stores are not only sales venues for people, but also for them to show their products, enhancing consumers' sense of identification and sense of belonging [5]. Consumption venues built against the backdrop of trends have become the most attraction place for commercial real estate, forming a good interaction with commercial real estate and attracting lot of consumers.

3.1.3 Continuous Innovation Ability

The blind box model was pioneered, it breaking the traditional consumption habits and adding a sense of mystery. This marketing model aligns with the consumption aesthetics of Generation Z and stimulates the consumption demands of contemporary people. They constantly innovate in product form and appearance. For instance, they have introduced plush materials into products and launched the Labubu Heartbeat Macaron series, leading the way in plush bag hanging. From product innovation to the expansion of IP-derived goods, such as building block products and jewelry, continuous breakthrough the market.

According to the picture above. In 2025, 15th, July, POP MART official account post a video with 15 seconds: Zhou Shen which is a Chinese popular singer, describe silhouette shattered into 12 rays of light in front of the piano, with the caption "Collect scattered emotional fragments." This seemingly abstract promotional video is actually a gift for Zhou Shen's 11th anniversary of his debut (as shown in Figure 1). It is the first star-themed blind box in the history of Pop Mart. As we can see the graph above, the novel sales method has attracted people who support POP MART and are fans of Zhou Shen to purchase these blind boxes. Moreover, the unknown sense of the blind boxes provides a sense of mystery and support people to buy them continuity [6].



Figure 1. POP MART's co-branded blind box series with singer Zhou Shen.

3.1.4 Acute Market Insight

Based on the information in table one, Accurately grasping market trends and capturing the demands of Generation Z for emotional consumption and personalized expression, we have launched products that align with consumers' psychology. For instance, LABUBU's "cute and quirky" aesthetic and CRYBABY's "emotional freedom" concept is both in line with the current consumers' pursuit of individuality and emotional resonance. Expand overseas business in advance. Start to expand the overseas market before the novelty wears off in China. Operate ip in a targeted manner according to the aesthetic preferences of consumers in different regions, shown in Table 1. For example, LABUBU and CRYBABY are favored in Southeast Asia, Peach Riot is preferred in North America, and SKULLPANDA is favored in Europe, etc. A successful global layout has been achieved. As we can see from the graph above, the monsters only accounted for 5.8% in 2023, but in 2024, the monster's income is increasing almost 10 times than 2023, which accounted for by 23.35 total income which shows the acute adjust of POP mart.

Table 1. POP MART's revenue breakdown by IP for 2023 and 2024 (in thousands of RMB).

Type	Item	2024's earning	2024 percentage of earning	2023 's earning	2023 percentage of earning
Autonomous products business	-	12,721,506	97.6%	5,857,957	93.0%
Artist IP	-	11,120,848	85.3%	4,822,226	76.5%
	THE MONSTERS	3,040,664	23.3%	367,871	5.8%
	MOLLY	2,093,172	16.1%	1,020,305	16.2%
	SKULLPANDA	1,308,262	10.0%	1,024,788	16.3%
	CRYBABY	1,164,885	8.9%	71,149	1.1%
	DIMOO	909,561	7.0%	737,666	11.7%
	HIRONO	726,525	5.6%	351,201	5.6%
	Zsiga	244,519	1.9%	99,777	1.6%
	HACIPUPU	224,288	1.7%	151,758	2.4%
	Other artist IP	1,408,972	10.8%	997,711	15.8%

3.2. Weakness

3.2.1 Regarding Market Competition

The competition is fierce and the products are highly homogeneous. And also, the emergence of new brands, such as 52TOYS and X-TOYS, which use unique ips and innovative products to influence Pop Mart, will lead to a decrease in pop-mart company profits. Moreover, Pop Mart's business model and products are easy to imitate, and the industry entry threshold is relatively low, allowing imitators to quickly launch similar products to participate in the competition [7].

3.2.2 Government Restriction

The blind box model has sparked dissatisfaction among people, being accused of being similar to "spiritual opium". Government imply regulatory restrictions to the company, companies have had to downplay the concept of blind boxes, which has affected product marketing and consumers' purchasing enthusiasm.

3.2.3 In Terms of Finance and Cost

The cost of IP has been continuously rising. To enrich its IP reserves and launch co-branded products, the company has been increasing its investment in IP licensing. In 2024, it saw a year-on-year growth of 114.2% compared to 2023. The increase in investment has led to a decrease in profits [8].

3.3. Opportunity

3.3.1 The Global Market Size Expanding

The prospect of trendy toys is widely, the market scale increased continuously. The "Trendy Toy Industry Development Report (2023)" shows that the global trendy toy market size was close to 40 billion US dollars in 2023 and is expected to reach 44.8 billion US dollars in 2024. It is expected that it will still have a considerable increase in the future. With the expansion of the market, it offers lots of potential clients to pop-mart, Support the continuous growth of its business volume and sales.

3.3.2 Cultural Communication

With the reinforce of Chinese cultural influential in the world. As a representative of China's cultural and creative industry, Pop Mart can enhance the cultural connotation and increase its recognition in the international market. For instance, POP-MART set up a physical store in Europe such as France by collaborating with local artists and holding creative interactive activities.

3.3.3 Expansion Of Online Channels

The expansion of online channels offers a opportunity for pop mart company a wide range of platforms. In 2024, Pop Mart's online revenue in other countries for the entire year was 1.46 billion yuan, an increase of 834%. Among them, TikTok had the fastest growth, with revenue reaching 260 million yuan, increase of 5,779.8%. Through these mediums, POP-MART can break through the limitations of region, attach with more consumers. Improving their brand and popularity.

3.4. Threat

3.4.1 IP Acceptance Risk

Some part of popular Ip exist the problems of aesthetic fatigue and a short life cycle. For instance, Labubu, When it moved from niche to public, consumers' aesthetic fatigue emerged rapidly, and its popularity dropped significantly, making it easy to be eliminated from the market. Although POP-MART have lots of creative artist, but the probability of creating hot products like labubu is relatively low, and it difficult to ensure that new ip can continue to take over, and support company profit growth [9].

3.4.2 Chaos in the Secondary Market and Brand Damage

The large-scale hoarding by scalpers and the increasing number of fake products in the market have seriously undermine fans' enthusiasm and credibility for the brand, weakened Pop Mart's pricing power of ts products, and damaged the brand image and market order [10].

3.4.3 Industry Supervision

The people's daily post an article which criticizing blind boxes for inducing teenagers to consume and demanding mandatory real-name registration and transparency of probability. The model of POP-MART is rely on "low-probability hidden products and live streaming" will be very hit if they conduct this policy.

The summary of SWOT analysis is summarized into the following Table 2.

Table 2. Summary of POP MART's SWOT Analysis.

Strength	Special business model- through different medium to spread their products	Change the outlook of the physical store to attract more young people	Use blind boxes to attract people	Develop different products to satisfied consumers
Weakness	It has lots of identity products and brands, like, 52TOYS、X-TOYS	Government sees the blind boxes as a bad factor which effect and addict consumers	Ip cost still increase	
opportunity	Expansion globally, POP MART can makes their market to the other countries and all around the world	With the Chinese culture spread all around world, POP MART's cultural identity is also increase	Providing different medium make consumers to buy, for instance, online shopping	
Threat	There is aesthetic fatigue and homogenization in IP	Reselling in the secondary market will cause damage to the company's reputation	The People's Daily pointed out that blind boxes induce teenagers' consumption and demanded transparency	

4. Financial Analysis

In evaluating POP MART’s financial performance and market position, this section considers POP MART’s key financial data from 2022 to mid-2025. These include income, profit, total assets and asset-liability ratio. POP MART’s performance is compared with that of the major competitor in a related market, “Lao Pu Gold.” The financial data of procuring two companies are shown under Tables 3 and 4 respectively. This note has comparative value in that it enables us to compare the relative soundness and growth of the two companies.

Table 3. Key Financial Data for POP MART (2022-2025).

Earn/Date	2025,6-30	2024,12-31	2024,6-30	2023,12,31	2023,6-30	2022,12-31
Income(RMB/million)	138.76	130.38	45.58	63.01	28.14	46.17
Profit(RMB/million)	45.74	31.25	9.21	10.82	4.77	4.76
Earning rate(%)	44.03	33.12	26.55	21.94	21.37	13.26
Total assest(RMB/million)	213.57	148.71	110.17	99.69	90.65	85.80
Asset-liability ratio (%)	32.44	26.80	23.28	21.95	19.41	18.82

Table 4. Key Financial Data for Competitor "Lao Pu Gold" (2022-2025).

Earning	2025,6-30	2024,12-31	2024,6-30	2023,12-31	2023,6-30	2022,12-30
Operation income(RMB/billion)	123.54	85.06	35.20	31.8	14.18	12.94
Operating profit margin(%)	23.99	22.89	22.17	17.41	18.31	9.80
Total assets (billion)	134.63	63.37	38.41	21.59	--	12.91
Asset-liability ratio (%)	43.10	38.13	24.57	29.79	--	32.65

5. Valuation Analysis

Pop mart’s income is decrease from the end of 2022 to the middle of 2023 and also from the end of 2023 to the middle of 2024, but after that the income of pop mart is increase till the middle of 2025.It decrease 39.05% in the first half of the year, increase 123.93% in the second half of year. In 2023, 12.31 – 2024, 6.31 it decreases 27.66%. In 2024, 6.31 - 2024, 12.31 POP MART increases 186.05%. In 2024, 12.31 - 2025 , 6.31 POP MART increases 6.43%. Totally, POP MART’s income increases 200.54%.By contrast, their competitor, “Lao pu gold”, At the end of 2022, it was 1.294 billion RMB, increasing by approximately 9.6% by the middle of 2023, 124.39% by the end of 2023, and 3.18 billion RMB by the end of 2023, growing by about 10.69% by the middle of 2024. It will be 3.52 billion yuan in the middle of 2024 and increase by approximately 141.65% by the end of 2024. It was 8.506 billion yuan at the end of l2024 and is expected to increase by approximately

45.24% by mid-2025. Totally it increased by 854.71%. It seems like LAO PU GOLD increase more percentage than POP MART but POP MART has more income at the middle of 2025.

In the term of profit, Pop mart's profit shows an increase trend, but it is decrease from the end of 2023 to the middle of 2024. It increase 0.21% in the first half of the year, increase 126.84% in the second half of year. In 2023, 12.31 – 2024, 6.31 it decreases 14.88%. In 2024, 6.31 - 2024, 12.31 POP MART increases 239.31%. In 2024, 12.31 - 2025, 6.31 POP MART increases 46.37%. Lao pu gold profit shows an increase trend, but it is decrease from the middle of 2023 to the end of 2024. It increase 86.84% in the first half of the year, decrease 4.91% in the second half of year. In 2023, 12, 31 – 2024, 6.31 it decreases 27.34%. In 2024, 6.31 - 2024, 12.31 POP MART increases 3.25%. In 2024, 12.31 - 2025 , 6.31 POP MART increases 46.37%. Totally, POP MART's income increases 4.89%.

Pop mart's total assets shows an increase trend. It increase 5.65% in the first half of the year, increase 10% in the second half of year. In 2023, 12, 31 – 2024, 6 .31 it increases 10.51%. In 2024,6. 31 - 2024, 12. 31 POP MART increases 35%. In 2024, 12 .31 - 2025 , 6 .31 POP MART increases 43.61%. Lao pu gold total assets shows an increase trend. In 2023, 12, 31 – 2024, 6 .31 it increases 77.91%. In 2024,6. 31 - 2024, 12. 31 POP MART increases 64.98%. In 2024, 12 .31 - 2025 , 6 .31 POP MART increases 46.37%. Totally, POP MART's income increases 112.45%.

Pop mart's Asset - liability ratio shows an increase trend. It increase 3.14% in the first half of the year, increase 13.09% in the second half of year. In 2023, 12, 31 – 2024, 6 .31 it increases 6.06%. In 2024,6. 31 - 2024, 12. 31 POP MART increases 15.12%. In 2024, 12 .31 - 2025 , 6 .31 POP MART increases 20.9%. Lao pu gold total assets shows an increase trend.but it decrease during the end of 2023 o the middle of 2024 In 2023, 12, 31 – 2024, 6 .31 it decreases 17.53%. In 2024,6. 31 - 2024, 12. 31 POP MART increases 55.19%. In 2024, 12 .31 - 2025 , 6 .31 POP MART increases 46.37%. Totally, POP MART's income increases 13.04%.

6. Conclusion

POP MART has improve significantly.With the development of Pop Mart, blind boxes and multicultural dolls have gradually gone international. Pop Mart also adopts different operation strategies to make these products sell well in different regions, thereby meeting the aesthetic preferences of different people .

SWOT analysis shows the advantage of POP MART, not only on the Special business model, but also, they will change their outlook to attract different people. They tried to use blind boxes to attract more consumers to raise their interest and give them a sense of mystery. In an era of material abundance, young consumers are more in pursuit of "emotional value" and "identity recognition", and Pop Mart has precisely captured this demand: the "unpredictability" of blind boxes aligns with young people's expectations for "little surprises", countering the dullness of daily consumption. They also have competitors threat them, like 52 totys,and Chinese government restrict the blind box it might affect their sales volume. The oppotunity of POP MART is to spread their products around the world, and with the Chinese culture interest more people around world, POP MART can add some chinese cultural elements in their products which can increase their sales volume. The threat they face is secondary market which will sell their product in lower price which will affect their reputation. Some People's Daily pointed out that blind boxes induce teenagers' consumption and demanded transparency.

In this analysis content, we need to analysis deeper of the possible resoulution which can help us understand system of POP MART and the specific factors which make POP MART succeeded. In the future POP MART might expanded their market around the world, employ more people which can have more inspiration to create more products to offer more consumers around world. So, POP MART will have more companies around the world and earn more money in the future.

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