

# Study on Labubu's Path to Success in Export Markets: An Analysis Perspective based on IP Value

Lu Yang<sup>a</sup>

DIPLOMA University of Applied Sciences, Campus Bad Sooden-Allendorf, 37242 Bad Sooden-Allendorf, Germany

<sup>a</sup>luyang1017@aol.com

## Abstract

This paper analyzes the formation mechanism behind Labubu's rapid global popularity using it as a case study, and explores its implications for the overseas expansion of Chinese cultural IPs. The research unfolds across three dimensions: supply, demand, and dissemination. On the supply side, Labubu established a distinctive visual identity through its “ugly-cute” aesthetic and innovative product details. On the demand side, the randomness, scarcity, and “unfinished” state inherent in the blind box mechanism amplified emotional engagement and repeat purchase motivation. On the dissemination front, celebrity endorsements, user-generated content, and short-video platform algorithms collectively propelled cross-demographic diffusion, catapulting the IP to global prominence within a short timeframe. Analysis further reveals that Labubu's viral success was accompanied by pronounced capital amplification effects and market volatility. Its business model, heavily reliant on high-visibility dissemination, faces sustainability challenges amid intensifying regulatory scrutiny and market competition. Based on these findings, this paper argues that the internationalization of Chinese cultural IPs requires a shift from short-term traffic logic to long-term value building. By deepening cultural narratives, enhancing localization capabilities, and strengthening brand governance, it can support the construction of stable, scalable global competitiveness.

## Keywords

Labubu; IP Value; Blind Box Mechanism; Emotional Consumption; Social Media Dissemination; Cultural Globalization.

## 1. Introduction

### 1.1. Research Background

In recent years, the aesthetic preferences, consumption motivations, and cultural interests of young consumer groups have undergone structural shifts, with “emotional value” gradually becoming the core competitive advantage of cultural commodities. The blind box economy leverages mechanisms such as “random rewards,” “scarcity incentives,” and “social display” to create highly engaging consumption scenarios, driving the rapid growth of the collectible toy industry in China and globally. Against this backdrop, Pop Mart's trendy toy IP “Labubu” has sparked buying frenzies since 2024 in Hong Kong, Macau, Thailand, Japan, South Korea, and European/American markets. This success stems from its distinctive “ugly-cute” visual style, blind box sales model, and celebrity/KOL endorsement effects. Phenomena like queueing for purchases, all-night waits, and soaring secondary market prices have made Labubu a classic case study of a Chinese trendy toy IP breaking into international markets.

Notably, Labubu's explosive popularity is no accident. It stems from multidimensional factors including shifting aesthetic trends, consumer psychology, social media virality, channel

strategy upgrades, and capital market operations. Therefore, analyzing Labubu's success mechanism offers insights into the growth logic of the collectible toy industry and demonstrates how cultural consumer goods transcend traditional market boundaries to achieve cross-cultural dissemination.

## 1.2. Research Significance

Theoretically, existing studies predominantly focus on product design, blind box mechanisms, and fan culture within the collectible toy industry. However, systematic research examining how a single IP achieves global, phenomenon-level diffusion remains scarce. Labubu exhibits typical characteristics in aesthetic symbols, marketing mechanisms, and dissemination models. Its commercialization path provides rich case supplements for IP value chain theory and cultural communication theory. Simultaneously, Labubu's capitalization phenomenon and regulatory risks offer fresh perspectives for studying the sustainable development of the collectible toy economy.

In practical operations, as Chinese original IPs gain increasing attention overseas, enterprises must consider how to effectively localize, how to leverage visual and social media to retain users, and how to maintain steady growth amid regulatory shifts. Labubu's performance provides a reference case for addressing these challenges.

## 1.3. Research Objectives

- (1) To trace Labubu's commercialization trajectory and globalization process;
- (2) To construct a three-dimensional driver model encompassing supply, demand, and dissemination to explain its rapid diffusion;
- (3) To identify Labubu's distinctive characteristics through comparison with representative overseas IPs;
- (4) To analyze capital dynamics and potential risks, providing insights for the sustainable global expansion of Chinese cultural IPs;

## 1.4. Article Structure

This paper comprises six sections. Section I introduces the research background and objectives; Section II reviews relevant literature; Section III outlines the research methodology and analytical framework; Section IV develops arguments across the three dimensions of supply, demand, and dissemination, incorporating capital and market risk analysis; Section V summarizes findings and proposes industry implications; Section VI lists references.

## 2. Literature Review

Within the field of collectible toy consumption research, existing literature generally acknowledges that young consumers' purchasing motivations extend beyond mere collecting interests to encompass multiple factors such as emotional expression, identity construction, and social interaction. Related studies on blind box mechanisms indicate that psychological drivers-including random rewards, scarcity incentives, and the "unfinished state"-prompt consumers to engage in frequent, emotionally driven purchasing behaviors.

Within IP commercialization studies, visual distinctiveness, narrative depth, cross-industry collaborations, and social media dissemination are recognized as key determinants of IP influence. The rise of short-video platforms has further amplified the importance of user-generated content (UGC) in dissemination, enabling IPs to achieve viral diffusion through community engagement.

While existing research offers rich theoretical support from psychology, marketing, and cultural communication perspectives, comprehensive analyses explaining how specific IPs achieve rapid global popularity remain scarce. Labubu's development exhibits distinctive

characteristics, with its aesthetic innovation, blind box mechanism, and synergistic social media exposure providing a representative case study to complement this research gap.

### 3. Research Methods

This study employs the following approaches:

- (1) Case Study Method: Using Labubu as a representative case, analysis is conducted across three dimensions: development trajectory, product strategy, and communication strategy.
- (2) Theoretical Analysis: Constructed an analytical framework using addiction psychology, variable reward models, social communication theory, and IP value chain theory.
- (3) Model Construction: Established a three-dimensional driving model based on the “supply-demand-communication” dynamic.
- (4) Comparative Analysis: Structured comparisons of Labubu with Hello Kitty and Jellycat across aesthetics, operational mechanisms, and communication pathways.

## 4. Argumentation and Analysis

### 4.1. Labubu's Commercial Evolution Path: From Picture Book Character to Global Trend Toy IP

Labubu's commercial evolution demonstrates a systematic leap from content prototype to global cultural symbol. Originating as a picture book character with relatively weak narrative elements, its highly distinctive visual symbolism possessed scalability and adaptability for secondary creation, laying the foundation for subsequent productization and branding. After joining the Pop Mart ecosystem in 2018, Labubu entered the collectible toy market through blind boxes—a format deeply aligned with youth collecting culture. It gradually forged strong connections with users' emotional value, collecting behaviors, and subculture communities.

Between 2019 and 2022, Labubu did not experience immediate explosive growth. However, steady product line iterations, small-scale cross-industry collaborations, and sustained community cultivation provided crucial support for building brand momentum. User-generated content—including photos, unboxing videos, and customization projects—gradually formed an early organic dissemination network, establishing Labubu's foundational recognition and user loyalty within its niche.

2023 marked a pivotal turning point for Labubu. Its plushified products broadened its user base across age groups and usage scenarios, while organic showcases by celebrities like Lisa rapidly transcended niche boundaries. The brand evolved from a collector's item for enthusiasts into a socially shareable, display-worthy symbol. Entering 2024–2025, the Labubu 3.0 series, global pop-up store rollouts, and UGC viral growth on platforms like TikTok and Instagram formed an explosively powerful cross-regional dissemination chain. Overnight queues, chaotic buying sprees, and secondary market premiums across multiple markets further amplified its scarcity and buzz, accelerating its transformation from cultural merchandise into social currency and investment assets.

From its overall evolutionary trajectory, Labubu exemplifies a classic “IP layered evolution model”:

Content IP → Product IP → Social IP → Investment IP.

The cumulative and mutually reinforcing value across these four stages enabled Labubu's leap from visual symbol to cultural asset, forming the intrinsic mechanism behind its rapid commercial success.

## 4.2. The Three-Dimensional Driving Mechanism Behind Labubu's Viral Success

This study summarizes the core mechanism behind Labubu's viral success as the synergistic interaction of supply innovation, demand-driven growth, and viral dissemination.

### 4.2.1. Supply Dimension: Aesthetic Differentiation, Material Innovation, and Tactile Emotional Value

Within Labubu's dissemination ecosystem, supply-side aesthetic design and product innovation form the foundational layer of its value construction. Its most striking feature stems from the strong visual contrast created by its “ugly-cute” aesthetic: sharp teeth, exaggerated proportions, and facial expressions carrying a hint of gloom distinctly differentiate it from the sweet and healing styles common in mainstream collectible toys. This visual tension not only breaks the aesthetic framework of traditional cute-style collectibles but also aligns with Gen Z's cultural preferences for contrast, non-mainstream expression, and personalized styles. This has enabled Labubu to rapidly establish highly distinctive and easily recognizable brand symbols.

Beyond aesthetics, Labubu's continuous refinement in materials and construction further enhances its emotional value and collectible appeal. The blind box series elevates craftsmanship through high-saturation paint finishes, gradient spraying, and precision molds. Meanwhile, the plush versions leverage soft textures and anthropomorphic designs to deepen emotional attachment, fulfilling young consumers' craving for tactile comfort and companionship. Furthermore, features like articulated joints, glow-in-the-dark materials, metallic paint finishes, and holiday-limited editions continuously inject novelty, boosting display appeal and playability.

From a supply-side perspective, Labubu's core logic can be summarized as:

Aesthetic Contrast × Material Texture × Emotional Healing = High Recognition × High Attachment.

Specifically: distinctive visual symbols enhance brand recognition, while tactile experiences, craft innovation, and emotional value collectively form the foundation for consumers' sustained preference toward Labubu. This multidimensional supply-side innovation not only elevates the product's cultural attributes but also lays a solid material and symbolic foundation for its subsequent demand-side and communication-side explosions.

### 4.2.2. Demand Dimension: Emotional Consumption and Repeat Purchases Driven by Blind Box Mechanics

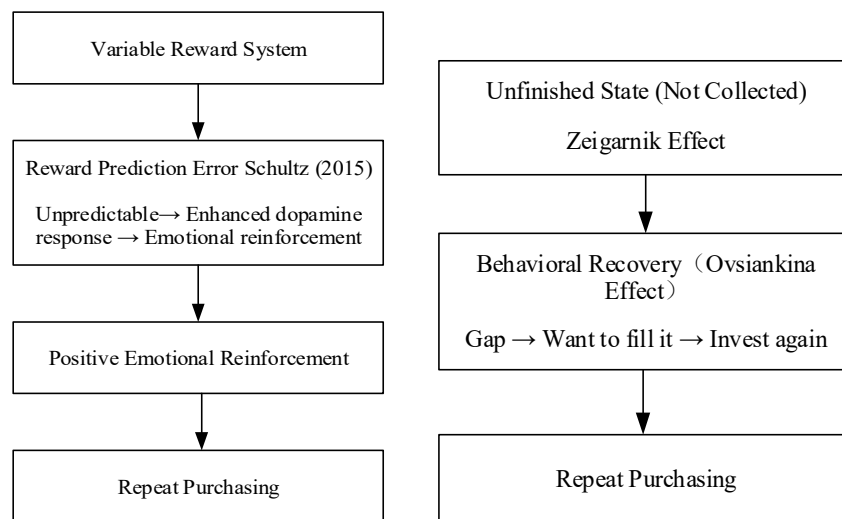
During Labubu's global surge in popularity, demand-side psychological mechanisms proved pivotal in achieving high-frequency repurchases and scale expansion. The blind box format inherently functions as a consumption mechanism rooted in “uncertainty stimulation,” with its core underlying logic being the Variable Reward Mechanism (VRM). Consumers continuously cycle through “anticipation-uncertainty-stimulation-outcome feedback” during the unboxing process, generating intense emotional experiences at the psychological level, as shown in Figure 1.

According to Schultz's (2015) Reward Prediction Error (RPE) theory, when outcomes exceed expectations, the brain releases intense dopamine, creating positive reinforcement. Conversely, when results are entirely predictable, dopamine responses are scarcely triggered. Thus, the more unpredictable the outcome, the stronger the reinforcement effect. Blind boxes, with their core mechanism of randomness, inherently align with this principle: each opening delivers fresh stimulation. Especially when consumers draw a hidden variant, it generates a significant positive prediction error, resulting in intense pleasure and satisfaction.

On the other hand, the scarcity of hidden variants further amplifies this psychological drive. With extremely low odds of obtaining them, their value extends beyond the economic realm into the emotional sphere. The “low probability, high reward” structure significantly amplifies

the brain's response to risk and variability. Schultz's research indicates that approximately one-third of dopamine neurons exhibit heightened activity as the “standard deviation” of reward probability distribution increases. This implies: the harder the hidden item is to obtain, the stronger the stimulation, and the higher the repurchase intent.

Additionally, the Zeigarnik Effect, first proposed by psychologist Bluma Zeigarnik, posits that individuals exhibit stronger memory processing, attention allocation, and sustained action tendencies toward “unfinished tasks” compared to completed ones[1]. An unfinished state triggers cognitive tension, prompting individuals to repeatedly recall, maintain focus, and engage in subsequent actions to complete the task, thereby alleviating psychological dissonance. Subsequently, Ovsiankina further discovered that even when tasks are interrupted by external forces, individuals spontaneously attempt to resume and continue the activity[2]. This phenomenon forms the behavioral basis for “unfinished states promoting sustained action.” In contemporary psychological research, Baumeister and Masicampo noted that unfinished goals persistently occupy cognitive resources, disrupting executive functions and generating stronger motivation for continued engagement[3]. These theories explain common behavioral patterns in blind box consumption: when consumers fail to collect an entire series, the psychological sense of incompleteness induces cognitive tension, driving repeated purchases to alleviate the discomfort of unfinished business. For trendy collectible IPs like Labubu, this “incompleteness-completion-repurchase” cycle enhances user stickiness and represents a key psychological driver within the blind box economy.



(a) Path 1: Variable Reward Mechanism (b) Path Two: The Unfinished Effect

**Figure 1.** Theoretical Framework of Dual-Path Psychological Mechanisms for Labubu Blind Box Repurchase Behavior

Note: This diagram is based on theories from Schultz, Zeigarnik, and Ovsiankina[1][3]. Path 1 represents the variable reward mechanism: uncertainty triggers reward prediction errors, eliciting dopamine responses and forming emotion-driven positive reinforcement[4]. The second pathway is the unfinished effect: Zeigarnik's effect posits that “unfinished” tasks maintain sustained attention, while Ovsiankina's behavioral recovery tendency drives consumers to complete the task, ultimately forming repeat purchase behavior[1][2].

**4.2.3. Communication Dimension: Celebrity Exposure, UGC Diffusion, and Cross-Circle Transmission Driven by Social Media**

During Labubu's rise to popularity, the dissemination phase played a particularly prominent role. Its viral momentum wasn't artificially inflated through traditional marketing but emerged

organically within social media ecosystems. This natural diffusion was driven by celebrity exposure, user-generated content (UGC), and platform algorithms working in tandem. Initial traction stemmed from casual displays by public figures like Lisa. Such non-commercial actions often garner greater trust, enabling Labubu to rapidly transcend its original niche toy collector audience and reach broader demographics.

Subsequently, platforms like TikTok and Instagram saw a surge in unboxing videos, photos of children with the toy, and collection displays. These formats—lighthearted, authentic, and emotionally resonant—gained traction through algorithmic amplification. Kaplan and Haenlein note that UGC often sparks higher engagement than official content, and sustained interaction further boosts platform recommendations, creating a self-reinforcing amplification loop[5].

Simultaneously, offline events like queues, chaotic sales, and limited releases themselves became shareable “on-the-ground material.” Content conveying conflict or scarcity was highly reposted and discussed, embedding Labubu into broader social conversations and continually attracting new potential users.

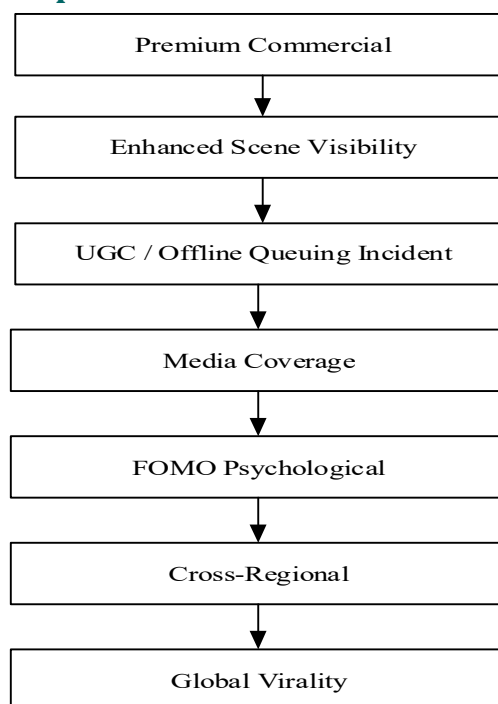
In the later stages of dissemination, Labubu's display gradually evolved into a form of “social currency.” Users showcasing limited editions or hidden variants not only shared consumption behaviors but also expressed taste, identity, or group affiliation. Berger noted that “social currency” is a key motivator for content sharing, and Labubu's scarcity and distinctiveness precisely fulfill this role, granting it displayable and exchangeable value within social relationships[6].

In summary, Labubu's dissemination path exhibits a relatively typical viral pattern:

Celebrity/KOL Trigger → UGC Diffusion → Emotional Event Amplification → Social Currency Mechanism Integration → Cross-Circle Transmission → Global Expansion

Its popularity stems not from a single event but from sustained amplification within the social media ecosystem, propelled by multiple forces across layers. This enables rapid cross-regional and cross-cultural dissemination.

### 4.3. Labubu's Overseas Expansion Path



**Figure 2.** Labubu Global Diffusion Path Map

Note: This diagram is based on the analytical framework outlined in Section 4.3.

Labubu's international diffusion strategy primarily manifests through the synergistic interplay of channel strategy, cultural adaptation, and public opinion mechanisms, forming a triple-drive structure for its global growth, as shown in Figure 2.

#### 4.3.1. Channel Strategy: Visibility Expansion in Premium Commercial Districts

When entering overseas markets, Labubu prioritized high-traffic, highly social commercial districts such as Hong Kong's K11, Macau's Venetian, and Bangkok's Siam Paragon. These physical spaces inherently boast high “photo-taking rates” and “sharing rates,” creating authentic consumption scenarios conducive to user documentation, photography, and dissemination. Research indicates that high-visibility offline environments stimulate users' willingness to share, thereby creating secondary dissemination chains on social media platforms. Labubu's channel strategy leverages this mechanism, enabling the brand to achieve stable exposure without substantial marketing investment.

#### 4.3.2. Cultural Adaptation: Localized Aesthetics and Festival-Centric Strategy

To enhance acceptance across diverse cultural contexts, Labubu launched Thailand-exclusive editions, festival-themed collections, and collaborations with local brands in overseas markets. By incorporating local visual elements, these initiatives lower cultural comprehension barriers. This lightweight localization strategy not only strengthens consumer affinity but also boosts purchase intent. Existing research indicates that when product design resonates with a target culture's visual symbols, consumers are more likely to emotionally perceive it as a “localized cultural object,” fostering identification and driving further dissemination.

#### 4.3.3. Viral Momentum: Self-Propagation Driven by Scarcity and FOMO

Labubu sparked events like queues, interrupted limited releases, chaotic buying sprees, and secondary market markups across multiple regions. These incidents were rapidly amplified across media and social platforms. Events carrying conflict or scarcity are often more likely to be shared and discussed, sustaining ongoing topic heat. Scarcity theory suggests that the more scarcity is observed and discussed, the higher its perceived subjective value becomes. Additionally, videos of queues and buying frenzies trigger users' typical FOMO (Fear of Missing Out) psychology, prompting potential buyers to “jump on the bandwagon” and drawing new users into the dissemination chain. Consequently, Labubu's international spread exhibits characteristics of “event-driven dissemination”:

Offline scarcity events → Media coverage → Social discussions → FOMO psychology → New user participation → Secondary dissemination.

Its rapid overseas expansion stems from the synergistic interplay of distribution channels, cultural resonance, and public discourse-not from any single marketing strategy.

### 4.4. Comparative Analysis of Chinese and Foreign IPs (Hello Kitty / Jellycat)

In the collectible toy and emotional toy markets, Hello Kitty and Jellycat represent more mature overseas IP development paths, forming a stark contrast to Labubu's rise. As shown in Table 1 highlights core differences among the three IPs in product mechanisms, visual styles, dissemination methods, target markets, and operational strategies.

From an aesthetic perspective, Hello Kitty and Jellycat emphasize a “cute and soothing” approach, featuring gentle imagery that appeals to a broad audience. Labubu, however, stands out with its “ugly-cute” aesthetic and strong contrast, aligning more closely with Gen Z's desire for personalized expression.

In product logic, Hello Kitty and Jellycat rely on long-term stable product systems and emotional companionship value; Labubu leverages the thrill of uncertainty from blind boxes, hidden editions, and random mechanisms, driving stronger repurchase motivation.

**Table 1.** Comparison Table of Core Dimensions of Labubu (Popmart), Hello Kitty (Sanrio), and Jellycat (UK) IPs

Dimension	Labubu(Pop mart)	Hello Kitty(Sanrio)	Jellycat(UK)
Product Mechanism	Blind box + Hidden variants + Random rewards to drive repeat purchases	Character Licensing System, Long-Term Stable Product Line	Fixed series, positioned as infant and children's gifts, with a steady product release schedule.
Communication Methods	Celebrity/KOL showcases + unboxing culture + UGC viral growth	Anime and Manga Content + Authorized Distribution	Premium department stores, e-commerce-driven + Instagram user word-of-mouth
Visual Style	Ugly-cute, contrast-driven, strong personalized expression	Classic, charming, and harmoniously unified	Soft and soothing, highly suitable as a gift
Target Market	Trendy toy consumers / Gen Z	Children and adolescents	Infant and Toddler Families + Gift Market
Operational Strategy	Pop-up store + Regional exclusivity + Strong social media presence	Brand heritage + Stable licensing system	Small to medium scale, steady market pace

Regarding dissemination channels, Hello Kitty primarily relies on its licensing system, while Jellycat penetrates through word-of-mouth among maternal and infant users; Labubu spreads faster, fueled by celebrity showcases, unboxing culture, and UGC on short-video platforms.

Operationally, Labubu generates buzz through pop-up stores, limited editions, and seasonal collaborations-flexible yet heavily reliant on social momentum. Hello Kitty and Jellycat exhibit steadier growth and longer lifecycles.

Overall, Labubu excels in aesthetic differentiation, mechanism innovation, and speed of dissemination, but faces challenges in sustainability and reliance on hype. Hello Kitty and Jellycat hold advantages in stability and enduring brand value.

#### 4.5. Capital Logic: Opportunities and Risks of Cultural IP Monetization

Labubu's viral success rapidly translated into soaring stock prices in capital markets, significantly boosting Pop Mart's market capitalization-a classic manifestation of cultural IP monetization. However, subsequent large-scale share sales, regulatory tightening, and market sentiment fluctuations exposed how "trend-driven valuations" can deviate from fundamentals. This case demonstrates that capital can amplify the growth potential of the collectible toy industry while simultaneously intensifying cyclical volatility and governance pressures. When an industry heavily relies on traffic and sentiment, its valuations and risks become more susceptible to magnification.

#### 4.6. Implications for the Collectible Toy Industry

Labubu's development trajectory offers several noteworthy insights for the industry. First, a distinctive aesthetic language remains the core prerequisite for trend toy brands to break through homogenized competition. Unique visual symbols help brands rapidly establish recognition in their early stages. Second, emotional value holds significant weight in trend toy consumption, but relying on high-stimulus mechanisms to drive repeat purchases may undermine a brand's long-term stability. Third, social media has become the primary arena for trend toy IP diffusion, no longer merely a supplementary channel. Its dissemination structure directly influences a brand's growth trajectory. Finally, cross-cultural adaptability increasingly determines an IP's ability to gain a foothold in overseas markets. Visual symbols, narratives, and collaboration models all require adjustments based on local cultural contexts. Additionally,

while capital fuels industry expansion, it also imposes higher demands on brand governance and risk management.

From an industry-wide perspective, rather than pursuing the creation of “another Labubu,” it is more crucial to explore how to develop original Chinese IPs capable of long-term growth and cross-cultural vitality.

## 5. Conclusion

This analysis examines Labubu's commercialization trajectory and global diffusion, revealing its rapid rise as a result of three intertwined factors: supply-side innovation, demand-side psychological mechanisms, and social media dissemination. On the supply side, Labubu disrupted mainstream collectible toy paradigms with its highly differentiated “ugly-cute” aesthetic, establishing a distinctive visual symbol system. On the demand side, the blind box mechanism's randomness, scarcity, and “unfinished” state collectively amplified consumers' emotional engagement and repeat purchase behavior. In terms of dissemination, the synergy of celebrity endorsements, UGC content, and short-video platform algorithms enabled Labubu's rapid cross-cultural and cross-demographic diffusion across multiple regions.

Despite demonstrating remarkable growth momentum in its globalization journey, Labubu's development also reveals certain structural risks. Its market performance heavily relies on social media buzz and capital sentiment, while the addictive nature of the blind box mechanism may introduce regulatory uncertainties. Furthermore, over-reliance on traffic-driven “viral success logic” could undermine the brand's long-term stability and sustainability.

Overall, Labubu's case illustrates that while Chinese original IPs possess significant potential for international expansion, they also face sustainability challenges. For the industry, the key lies not in replicating a single viral phenomenon, but in establishing a long-term value system characterized by cultural depth, cross-cultural adaptability, and robust governance capabilities. This approach will support more solid and enduring development for Chinese cultural IPs in global markets.

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