

Analysis of Trend Culture from the Perspective of Social Currency

-- Taking the POP MART as an Example

Ruixuan Jiang

Xiamen Huaxia University, Xiamen, China

Abstract. Under the wave of consumerism, "blind box play" quickly swept the world and became the darling of young people's trend consumption. This article takes the hot sale of "blind box" as an example, and believes that the product has accumulated users, expanded its influence, formed a community in the network ecology, and finally completed the construction of a communication path. This paper also attempts to find out the advantages for reference in the current media product marketing in the analysis of the construction steps of "social currency", and proposes a directional reference for the development path of the new ecological community economy.

Keywords: POP MART; Social Currency; Blind Box Economy; Consumer Market.

1. Introduction

In recent years, the pop toys are becoming increasingly prevalent, especially among the group aged between 10-35 years old, from teenagers to adults. They display them at home or in the workplace as ornaments. Some of them are even willing to sacrifice a lot for collecting a whole series of toys, among which the most scarcely-seen one (usually renowned as the hidden one) may be sold at a quite high price on the second-hand market.

Along with this background, a new collection of products called "blind box" produced by POP MART has appeared in the Chinese market. As a leading retail store of trendy toy market in China, POP MART, in addition to product sales, also focuses on entertainment, trading, and social aspects, and it has made diversified innovations and attempts. With the development of niche marketing, cultural and creative products with the characteristics of "cool, fashion and personality" are becoming more popular, so the consumption amount contributed by the group with minor hobbies has been growing. In 2016, POP MART launched the first blind box toy and hit the market. From 2017 to 2019, the net profit of it grew from 1.56 million yuan to 99.52 million yuan, and to 415 million yuan, showing explosive growth. At the end of 2020, POP MART was officially listed on the Hong Kong Stock Exchange.

The consumers of the blind boxes are mainly the post-1995 group in the first and second-tier cities and the youth in the ACG circle (animation, cartoon, and game circle). The majority of the ACG circle are female who are very sensitive to fashion culture, and have a certain economic foundation and large emotional needs, so they are willing to pay for their niche hobbies. So, here are some questions: where is the magic of the blind box from? How does blind box become popular around the world? In this regard, this paper will study on POP MART from the social currency theory and get the conclusion that POP MART stimulates consumers' buying behaviors from IP + personalized + segmentation and other aspects, and skillfully grasps the "IP + segmentation" mode of user collection psychology, so as to gain recognition in the market.

2. Literature Review

The concept of "social currency" in social media economics was first proposed by French anthropologist Pierre Bourdieu. He mentioned in "Social Capital" that Social capital is the sum of resources, actual or virtual, that accrue to an individual or a group by virtue of possessing a durable network of more or less institutionalized relationships of mutual acquaintance and recognition ". Social currency can be regarded as "a generic equivalent of a virtual network world, which can be

understood as a kind of information shared by people in social communication, which may be a specific product, technical tool, network topic, etc." The essence of money is the commodity that acts as general equivalents formed in the long exchange process, and the value is the unique social attribute of the commodity.

In exploring the psychological activities of consumers' consumption, this paper finds that consumers will consider the value of the product, including the utility value and the intrinsic value of the product. What does this product bring to us? Schwartz (1994) [1] mentioned that the definition of value as goals is that (1) they serve the interests of some social entity; (2) they can motivate action - giving it direction and emotional intensity; (3) they function as standards for judging and justifying action, and (4) they are acquired both through socialization to dominant group values and through the unique learning experiences of individuals. Coleman (1988) [2] defined social capital as it is not a single entity but a variety of different entities, with two elements in common: they all consist of some aspect of social structures, and they facilitate certain actions of actors - whether person or corporate actors - within the structure. The interaction between individual and corporations is necessary in the society. Therefore, social capital theory provides the sociological foundation of social interaction in general and relates to the collective benefit derived from cooperation between groups or individuals [3].

The pop toys produced by POP-MART mentioned in this article give rise to a new form of collection, and it is also a "social currency" where individuals interact. The reality today presents a quite different picture from what Maslow's hierarchy theory of demand describes, which argues that human beings' need for social interaction is higher than security. The fact is that, in today's society, human beings seem to mix with like-minded people more easily due to the continuous development of technology. With the continuous application of data matching and accurate algorithms, the group boundary mostly defined by space in the traditional sense is gradually weakening. The Internet breaks the limit of time and space, making it easier for people to find and be more inclined to form groups with others who share some similarities with themselves. It turns out that some people nowadays put the psychological need prior to the security need, which is inconsistent with Maslow's hierarchy of demand theory. American scholar Howard Rheingold first proposed a "virtual community" in his 1993 book "The Virtual Community: Homesteading on the Electronic Frontier" concept [4]. He believes that the virtual community is a "social cluster" based on the network virtual space, where members discuss topics of interest with abundant emotions and share insights with each other. And this is a kind of "circle" culture formed based on common interests and emotions. As an adhesive in the "circle", their shared enthusiasm makes every member of the community obtain personal value and emotional feedback during the interaction, and can also continuously expand the communication space and scale based on the recognition of their own identity. The role of the blind box in the circle is not a traditional information bearer, but more similar to a social currency. The audience deepens the connection by building groups and exchanging some certain doll styles they have not acquired with members of the group. At the same time, consumers show the blind box styles through online social media platforms, more accurately reflecting that the blind box is a symbol of social currency.

3. Application of POP MART in Social Currency

3.1 Introduction of blind box and POP MART

POP MART is the first listed blind box company in Hong Kong Stock Exchange. The main product of it, apparently, is their blind boxes. Blind boxes originated in Japan. It is a type of packaging that keeps its contents hidden. It has different series. On the packaging, it shows every possible toy you will get in this series and one hidden toy with a question mark on it. When customers buy it, they can only choose the series. The possibility to get the hidden one is 1/144. [5]

In 2010, POP MART opened the first physical store in Beijing, which was the beginning of POP MART. It defined itself as a retailer store at that time because it sold other company's products. Commission fee was their main income. It wasn't really successful at the beginning. The rent for

physical shop in Beijing, as is widely acknowledged, is quite high, so POP MART actually cost a lot. Until 2015, the founder Wang Ning surprisingly found that the best seller of the store is a series called Sonny Angle. After research, the team discovered the consumer's enthusiasm for "collecting", and this enthusiasm was quickly amplified through the blind box purchase method, which brought about their social attributes. The founder thought about starting their own blind box series and he soon captured the opportunity. That was the beginning of the idea of Molly. According to POP MART annual reports, the annual sales of the Molly series in 2018 exceeded 5 million, the Pucky series sold 1 million in half a year, and LABUBU sold more than 20,000 sets in two weeks.

3.2 Social Currency of POP MART

The reasons for making POP MART so desired are scarcity and exclusivity. Firstly, the product itself has the characteristic of scarcity. One of the stimuli to their buying a blind box is curiosity. People are curious about what they are going to get after opening the box. They expect to get the hidden toy or the one they prefer. The hidden toy is rare. If they get the hidden toy, customers will have a sense of achievement. They can either keep it as a collection or sell it on the second-hand market for a much higher price. Some of them will take photos and post them on social media. In this way, it can make themselves look superior. Secondly, the hidden toy is exclusive. The desire of getting the hidden toy makes the blind box more appealing. Customers feel like they are in the loop.

Next, this paper analyzes the six dimensions of social currency: conversation, advocacy, information, affiliation, utility, and identity. These dimensions show the social interactions between customers and the brand, and the social benefits in between. To answer why social currency is a key driving force of a company's brand assets, the picture below shows the six dimensions of the social network currency.

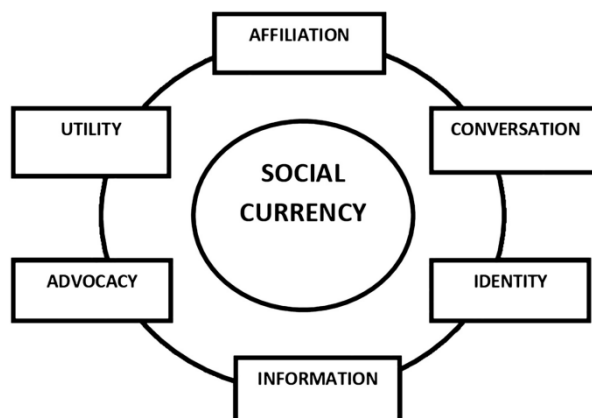


Figure 1. The Six Dimensions of the Social Currency

3.2.1 Conversation

The conversation is about product information circulation between people, including online and offline communication. When two or more people mention POP MART in their conversation, they are not only exchanging the latest information about its products but also introducing it to people who do not know about it. As for the person who starts this topic, he/she, unintentionally but undoubtedly, helps to promote POP MART. The more frequently people discuss POP MART, the more likely people would purchase its product, and also POP MART will be the first that jumps to their minds when they are shopping.

3.2.2 Advocacy

When customers discuss the benefits from the product in public or online social networks, they are potentially promoting the product. At the same time, customers feel like they are insiders of the brand. They also receive psychological satisfaction. Advocacy plays important role in the social media context. For example, when the customer opens up a POP MART blind box, takes a photo, and uploads it to the social platform showing a pop toy. For the customer, he/she might just show the

daily activity. As for POP MART, it is the advocacy, even is incidentally. Therefore, if the customer advocates the brand, this strengthens the relationship between the customer and the brand [6].

3.2.3 Information

Nowadays, information is flooding everywhere in our life. Today, consumers are no longer simply “receivers” of company’s brand-related information. More than that, they operate as “senders” of this information, e.g., by giving brand recommendations, expressing criticism, or sharing information with other. [7] However, customers have limited ability to recognize the useful information for the product. To overcome this, users will refer to information from those social media sources, which is closely attached to a user's personal experiences and social ties [8]. Potential customers like to hear from the user's experience rather than the official advertisement. In this way, they can get more accurate information rather than exaggerated one.

3.2.4 Affiliation

Affiliation is a kind of emotional attachment or sense of belonging. It is obvious as the hashtag feature on the social media platforms. For example, there's a hashtag called POP MART on Xiaohongshu (known as Little Red Book, a social media platform in China). Bloggers like to post pictures of the pop toys they just open up and POP MART stores in different cities. Posting these pictures and adding hashtags make customers feel that they are stylish. Their feeling of riding the waves of our days provide them with a sense of belonging.

3.2.5 Utility

Utility is one of the goals that drives customers' motivation to interact with other users in a brand community. Users exchange information about the product/brand in order to achieve personal development (for example, to get an increase in self-esteem). Utility means it has practical value to the users. As Berger (2014) [9] mentioned that practical value is passing along useful thing and also strengthens social bonds. In this way, people can gain superiority through the conversation, such as sharing with other users that he/she just opened up a blind box and got a hidden toy. In this way, it can stimulate the intensity and depth of interaction with brands.

3.2.6 Identity

Identity has a strong linkage with brand loyalty. Customers believe that whatever brand/product they purchase shows some characteristic of them or even their social class. Within the group, brand users can express their personalities and develop a sense of affinity with other users of the brand [10] [11].

4. Reasons for Why People Buy POP MART

4.1 IP cooperation - internal operations

Nowadays, POP MART becomes a pioneer and key promoter of pop toy culture in China. The key driver of POP MART is IP creation and operation which generate the majority of revenue for the company, such as Molly and Dimoo. POP MART’s core competence is IP creation. It has its proprietary IPs and exclusive licensed IPs. Also, POP MART has a group of designers for IP creation. POP MART makes IP images by working with trendy toy designers. On the one hand, the artist provides sketches. On the other hand, POP MART is responsible for a series of work such as 3D modeling, production, production and sales. At this stage, the value chain of POP MART is greatly enriched, and gradually forms a closed loop of the industrial chain. Therefore, they keep those IPs they create their own. They generated almost 85% of the total revenue in 2020. In order to grab more market share, POP MART extends its product line on consignment and co-brand with other IPs, such as Marvel and Disney.

4.2 Customer - identity saturation

People buy POP MART out of both intrinsic and extrinsic reasons. The extrinsic one is that people like the design of these pop toys. The intrinsic one could be the added value beyond the design of the product. Customers think buying POP MART is a way of showing self-expression. POP MART defined itself as an industry leader of pop toys. The pop toys are regarded as fashionable, creative, and artistic products. Therefore, people who define themselves as fashionable and artistic people are likely to purchase POP MART. It is not about social status or social recognition. It is about getting closer to customers' self-concept which they hope to become. In this case, people's motivation to express their inner states is guided by the desire to display them self-identify not to others but to themselves. [12] [13] In Cherney's (2011) finding, the impact of identifying saturation on brand preference is likely to influence consumer choices in the short term, while the long-term impact of identity saturation is likely to influence the degree to which a brand is internalized by consumers, becoming an integral part of their identities. Hence, self-expression and identify saturation can lead a person who wants to keep up the fashion pace to purchase POP MART in the short term. This could be the reason why POP MART can develop quickly in a short period and become a listed company.

4.3 Sales Channel

Consumers can buy POP MART's product through various channels, including retail stores, self-service vending machines and online platforms. When the access channels are broad, people can see it everywhere on the street. It increases the possibility of an impulsive purchases. The product itself and marketing strategy make it become the biggest blind box company in China.

4.4 Brand Value

Brands are commonly defined as marketing tools created for the purpose of differentiating a company's offering from the competition and creating value for target customers [14]. Different brands have their own features and images. Therefore, the company also shows different attitudes towards life through the brand or products. And consumers use brands to express and validate their identity. [15] [16] Brand value has a strong connection with customer loyalty. In the case of POP MART, brand value relates to the intangible asset, such as the value of IPs. It would be the key to maintain customer loyalty since customers are unable to purchase it somewhere else.

5. Conclusion

In December 2020, POP MART goes public in HKSE. As it became the first listed pop toy company in China, it also serves as a trigger to the development of pop toys in China. Triggers are like little environmental reminders for related concepts and ideas. [9] Due to its successful operation, the revenue from 2019 to 2020 increased by 49.3%. When people talk about pop toys or blind boxes, they automatically think about POP MART because it is famous and the stores or vending machines can be seen anywhere on the street.

By the end of 2019, the market share of POP MART is 8.5%, which is the top in the retail market in China. It is obvious that there is still a large proportion of the market for pop toys left out. In order to maintain the top one position, POP MART has to take more actions.

The principle of story is mentioned by Berger (2014). When there is a story, it provides a quick and easy way for people to acquire lots of knowledge in a vivid and engaging fashion [9]. It could be a way of the future development for POP MART. POP MART could build a storyline for their IPs. When there is a story, the IPs will be memorable and hard to be confused with.

POP MART can use both story and word-of-mouth marketing to spread their products. If there is a movie about one of their IPs, Molly, people will bring up the topic about the movie and have some discussion around it while having dinner. Information travels under the guise of what seems like idle chatter. In this way, more and more people will talk about it. It could be another way of advertising.

References

- [1] Shalom H. Schwartz., 1994, Are There Universal Aspects in the Structure and Contents of Human Values? [J]. *Journal of Social Issues*, 50(4), 19-45.
- [2] Coleman, J.S., 1988. Social Capital in the Creation of Human Capital [J]. *American Journal of Sociology*, 94 (Suppl.), 95e120.
- [3] Lobschat L, Zinnbauer M A, Pallas F, 2013, Why Social Currency Becomes a Key Driver of a Firm's Brand Equity - Insights from the Automotive Industry[J]. *Social Science Electronic Publishing*, 46(1-2):125-148.
- [4] Douglas, B, Hindman, 1996, The Virtual Community: Homesteading on the Electronic Frontier [J]. *Journal of Applied Communications*.
- [5] Ziwei Zhang, 2021, Research on Blind Box and its Marketing Strategy [J]. *Advances in Economics, Business and Management Research*, 182, 115-118.
- [6] Baird, C.H., Parasnis, G., 2011, From Social Media to Social Customer Relationship Management [J]. *Strategy and Leadership*, 39(5), 30-37.
- [7] Dekker -Thurau, T., Malthouse, E.C., Friege, C., Gensler, S., Lobschat, L., Rangaswamy, A., Skiera, B., 2010. The impact of new media on customer relationships. *Journal of Service Research* 13 (3), 311-330.
- [8] Dekker, R., Engbersen, G., Klaver, J. and Vonk, H., 2018, Smart Refugees: How Syrian asylum Migrants Use Social Media Information in Migration Decision-Making [J]. *Social Media+ Society*, 4(1).
- [9] Berger.J. Contagious [M], Simon & Schuster UK, 2014.
- [10] Chernev, A., Hamilton, R., Gal, D., 2011. Competing for Consumer Identity: Limits to Self-Expression and the Perils of Lifestyle Branding [J]. *Journal of Marketing*, 75 (3), 66-82.
- [11] Wirtz, B.W., Schilke, O., Ullrich, S., 2010, Strategic Development of Business Models Implications of the Web 2.0 for Creating Value on the Internet [J]. *Long Range Planning*, 43 (2-3), 272-290.
- [12] Bodner, Ronit, Drazen.P. Self-Signaling and Diagnostic Utility in Everyday Decision Making [M]. Oxford University Press, 2003.
- [13] Loewenstein, George, 1999, Because It Is There: The Challenge of Mountaineering for Utility Theory [J]. *Kyklos*, 52 (3), 315-43.
- [14] Keller, Kevin Lane., 2013, Strategic Brand Management: Building, Measuring and Managing Brand Equity [M]. Upper Saddle River.
- [15] Aaker, Jennifer L., 1997, Dimensions of Brand Personality [J]. *Journal of Marketing Research*, 34(8), 347-56.
- [16] Escalas, Jennifer Edson, James R. Bettman. 2005, "Self-Construal, Reference Groups, and Brand Meaning [J]. *Journal of Consumer Research*, 32 (3), 378-89.