What shifts are occurring in the trendy toy industry? Industry analysis based on consumer psychology and stock price drivers

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Abstract

The trend toy market faces significant changes in the global marketplace that are progressively witnessing diversification, globalization, and digitalization, and are predominantly driven by trends in China, where the projected retail revenue will reach RMB 110.1 billion in 2026. This environment faces challenges like the homogenization of intellectual property and irregular patterns of marketing. This current study explores the psychology of consumers concerning consumption behavior and the role of macroeconomic factors as influences on the stock market prices of trend toy companies. The framework for analysis includes the administration of a questionnaire to collect 107 valid responses for the purposes of the study. Moreover, the application of the multiple linear regression model is also used to investigate the effects of the aforementioned macroeconomic factors (CPI, exchange rates, and the A-share index). Alternatively, the use of the Structural Equation Modeling (SEM) tool is also adopted to validate the proposed relationships between the significant variables that form the foundation for the hypotheses. From the analysis, social belongingness, perceived scarcity, and brand/IP loyalty were found to constructively contribute to purchasing behaviors, while the influences of emotional drive were found to negatively impact the purchasing process for trend toy products. Lastly, the stock market prices for Pop Mart were significantly and constructively related to the A-share index and negatively related to the CPI. This study and research offer practical proposals for concern by both entities and authorities to ensure the growth and development of the trend toy industry into a full-fledged quality development process.

Keywords

Trendy Toy Industry; Consumer Purchasing Psychology; Stock Price Influencing Factors; Multiple Linear Regression; Structural Equation Modeling (SEM); IP Operation; Market Strategy

Introduction

By the year 2025, due to the rapid industry transformation within the fashionable toy industry, the global market is estimated at around $1.5 billion with estimated growth in China reaching RMB 87.7 billion by the year 2025. This indicates that the success that IP Labubu from Pop Mart had gained international recognition, with endorsements coming from Rihanna and Beckham, indicating an advancement from emotional consumerism to global branding.

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The current growth pattern within the trendy toy industry is strong, with the presence of dominant players like Pop Mart and popular IPs. Being a new sector, it has immense growth potential and is expected to witness a paradigm shift through innovation and technology. However, there are some challenges that this new sector might witness, including issues with intellectual property rights and consumer behavior that appears to be addictive.

The trend toys industry development process can be divided into three periods. The first is the embryonic stage, which was marked by a limited range of trendy toys that were conceived by independent designers and artists, and were labeled “art toys” or “designer toys.” These toys were produced by artist Michael Lau, who added elements of street culture from the “Gardener comic” into handmade figures that were showcased at Hong Kong’s first Toy Soul exhibition in 1999. The reception was positive, although the industry was limited by its high prices and restricted distribution networks. The next stage is the transformative phase, which was marked by the rapid growth of the industry that was initiated by Pop Mart's release of the “Molly Zodiac Blind Box Series” toys in 2016. The industry has managed to break into the mainstream market due to its relatively cheap prices and fashionable designs, which also led China's trendy toy industry to see tremendous growth from RMB 6.3 billion in 2015 to RMB 22.9 billion by 2020, registering a compound annual growth rate (CAGR) of 29.3%. The current stage, which can also be described as the explosive stage, covers the years between 2022 and current times, which has been characterized by rapid growth, diversity, and global and digital trends, driven by the influx of many companies into the industry, which is projected to see the China trendy toy retail sale amounting to over RMB 110.1 billion by the end of 2026. Some of the big companies that deal with trendy toys, such as 52TOYS and TOP TOY, have managed to open branches across Southeast Asia, Europe, and the Americas, among other regions, while Pop Mart has managed to register a net revenue of RMB 5.066 billion from Hong Kong, Macau, Taiwan, and other overseas regions, showing a year-over-year increase of 375.2% and accounts for 38.9% of its net revenue, while China's most popular digital trendy toy, “Chongya GO,” has emerged as one of the most successful companies dealing with digital collectibles that allow users to view them life-size with a possibility of close look details, while others allow users to “socialize” with them while they wait for VR readiness.

The research has been divided into four main sections, including the introduction, literature review, analysis of the trendy toys industry, and methodology including data collection and analysis. The introduction section offers a general background on the developments and phases displayed by the trendy toys industry. The literature review section summarizes the research carried out by various local and foreign researchers on trendy toys. The analysis section highlights the market trends, opportunities, and threats posed to the trendy toys industry. The methodology section describes the multiple regression model and research using questionnaires. The results section displays the results of the regression analysis and the questionnaires with the aid of empirical evidence. To conclude, the objective of the paper is to explore the purchasing psychology of trendy toy product users and the influencing factors for the stock price of trendy toy companies and to subsequently evaluate the relative significance of these influencing factors through questionnaire surveys and multiple regression analysis with the ultimate goal of providing strategic suggestions to companies that engage in the trendy toy business.

Literature review

Business Model and Marketing Strategy

With the growing prevalence of the trend culture in blind boxes, it has potentially led to significant profits and awareness for companies. Some companies have actually improved their models and marketing tactics by adding fresh concepts into the trend culture (Zhou, 2023).

Regarding the operational models, the trendy toys companies are undergoing a series of transformations. Regarding the product lineup,

the trend indicates a shift away from blind boxes, which create uncertainty and encourage addiction through impulse buying, toward the creation of a full IP ecosystem spanning multiple product categories (Lee, 2024). A typical case is Molly, a colorful character whose stories in various contexts can increase the consumer's emotional bond (Xu, 2024). Regarding organizational transformation, the trend indicates the creation of regional headquarters and the growth of sales channels through online platforms (Lee, 2024). For the trend regarding the industry leader Pop Mart, the company has built a complete business ecosystem for the trendy toys market (Zhong, 2021). The company's upstream activities include the IP through the acquisition of major IPs such as Molly IP, the integration of worldwide IP resources, product design, and the collaboration with artists. For the midstream activity, the company has adopted a co-branded IP marketing model. These IPs are jointly marketed with brands such as Fanta and Marvel through the release of limited edition gift boxes, which can increase the sales volume of the blind boxes as well as the brands' exposure. For the downstream activity, the company's sales model has been omnichannel sales platforms, which have increased the growth of sales through the extension of the number of offline stores and vending machines and through the use of Tmall for online sales. This has led to the growth of a huge revenue base through the platforms as well as a high membership loyalty base (Feng, 2021). In addition, the company has created a network platform for the online trendy toys community on the internet platform since 2016 for increased user dynamics and interaction and serves as a platform for designers (Yuan, 2022).

Marketing practices include additional partnerships with theme parks, international marketing, omnichannel sales, and foray into the second-hand market. Under IP licensing, Beijing Pop Mart Amusement Park Management Co., Ltd. has established a cooperation agreement with Beijing Chaoyang Park Development and Operation Co., Ltd. (Xie, 2022). In terms of brand globalization, trendy toy brands have moved from technology-based internationalization to a better understanding of local markets, using culture and emotion as a point of entry, with a focus on "people" to obtain psychological acceptance and recognition among local consumers and artists (Shi, 2024). Regarding the omnichannel approach, some brands use it to boost brand promotion: in the online sector, they use social media, unboxing videos by popular creators, recommendations by celebrities, and the "celebrity effect" to increase sales in Tmall platforms; in the offline sector, they have set up a retail network to attract fans with blind box gifts (Ma, 2022). The use of the second-hand platforms provides for the redistribution of assets among the collectors. At the same time, there has come into existence a derivative market, with practices including "figure modification" and physical co-branding partnerships, which have further expanded the IP. The result is that the second-hand and derivative markets have become an integral part of the blind box industry (Cao, 2025).

Challenges in the Chinese and Global Markets

The trend toy industry is facing different challenges along various dimensions, such as overproduction, increased rivalry among competitors, and threats from technology (Gao, 2024).

In the Chinese toy sector, there are three main issues that appear clear. First, due to the US-China trade war, there were precautionary orders in advance of tariffs, resulting in a buildup of stock, and subsequently, a reduction in export growth after phases of rapid growth. Second, toy lifecycles driven by fashion trends are becoming shorter, including in electric hamsters sold less on the market, with an associated decline in the sale of RC toys and Hatchimals, thereby establishing a need for appropriate measures to enhance product longevity. Third, low entry thresholds encourage the growth of inland industrial parks, with brands seeking offshore contractors for their manufacturing endeavors, driving an increase in Southeast Asia manufacturing capacity, leaving China susceptible to risks of lost orders and technology drain (Liang, 2020). Fourth, trendy toy companies are criticized for their marketing

structure and financial viability. The mystery box business model is criticized for promoting reckless disbursement of funds among children, with an item obtainability of 1 in 144, with an entry fee of at least ¥8,496 for 12 complete packages. Financially, Pop Mart indicates a profound dependence on leased facilities, with only 1,001 vending machines, each of them appraised at ¥140,000, much higher than the market standard of ¥25,000 for each vending machine. Even with a gross profit margin of over 60% and sales exceeding ¥2 billion, with tax-exempt operational structures due to their classification as small-scale ventures, making their finance operational structure a challenge for review (Qiu, 2020).

In the global scenario, there are also new challenges appearing. Firstly, the problem and challenges brought by 3D printing technology have appeared on the designer toys market. This reason stems from copyright problems because the platform provides shared designer toys like the model for Labubu on MakerWorld. The number of related designs has increased from 663 on June 13 to 932 on June 22. This also affects the sales of original designer toys because a mere 14cm-long, few-yuan-costed 3D-printed Labubu has reached hundreds of orders, which directly competes with original designer toys (Huang, 2025). In addition, different companies face different problems. For small companies, the difficulty is finding original IPs because there are no market diffusions. For large companies such as Pop Mart, it has a problem with excessive dependence on Image IPs like Molly, unable to rely on Content IPs securely, which affects continued growth. Miniso, which depends on collaborative IPs, has a problem with reduced sales as the IP fever subsides. Almost all brands have problems with continuing the IPs' globalization and cyclical resilience when expanding internationally (Hu, 2025).

Consumer Psychology in Blind-Box Purchasing

Academic literature indicates the consumer psychology for the trendy toy market typifies the consumption of blind-boxes as being affect-driven. The consumer buys for hedonic experiences, identity formation, and emotional succor, with the goal of satisfying the dopamine experience created by uncertainty and surprise, leading to addictive behaviors and repeat purchases (Liu, 2022).

Each type of consumer has different attributes. The main type is people aged 18-34 who value emotion and experience. It mainly includes female consumers at about 70%, which is more related to their aesthetic and emotional requirements. For people aged 35+, the main reason for purchase is often speculation. White-collar consumers value social expression, and college students value cost-effectiveness (Liu, 2022). For marketing methods, description includes scarcity based on limited-edition series. Generation-building is based on web and off-web events. It combines IP empowerment strategies that enhance loyalty. These methods may lead to several potential dangers that include induced conformity, gambling psychology, or traps in symbolic consumption (Liu, 2022). Applying a similar view for younger consumers, Gavrilova (2023) finds children's purchasing preferences are driven by product appearance and social imitation as compared to actual value. It helps develop passive followers.

In addition, changes in the post-pandemic period have created new developments in consumer psychology that favor rational examination over irrational pursuit. As such, the decline in trend appeal, instability in the secondary market, and IP blurring are associated with this change in market reduction. In managing such challenges, approaches focus on refining IP-led emotional design, IP secondary market management, and developments in other international markets in order to ensure consumption (Zhan, 2024). At the end of the day, a convergence between emotional demand and the hazards of irrational consumption through IP development and community bonding would be critical in long-run sustainability (Liu, 2022).

Innovation and Development Research

The innovation of trendy toys is largely driven by intellectual property (IP) strategies and consists of three integrated aspects (Zhu, 2023). Firstly, IP innovation enhances "storytelling +

symbolization + experiential design" from a "single image" to a holistic concept, using dynamic storylines and cultural or stylistic symbols. Secondly, IP application pursues a two-track strategy, catering to designers' personalized brands and IP development through designer agencies, realized through products like those from Pop Mart, involving serialized products and IP licensing. Thirdly, innovation of consumption-symbolic values reshapes toys as "cultural-symbol carriers," involving co-creators among consumers. One of the crucial challenges, as identified by Chorowski (2023), is that 70–90% of trending toy innovation quickly dies due to a lack of understanding and treatment of psychological costs to consumers, such as a lack of trust and habit-forming, emphasizing IP strategies to be integrated with trend demands of core target groups. The current trend strategies, for example, combined heritage products of Pop Mart and collaborative co-products of 52TOYS displayed at the 2025 China International Fair for Trade in Services (CIFTIS) exhibition (Ran, 2025), tend to emphasize these IP strategies. However, R&D concerns remain unattended, including uniforming products, limited markets, and talent insufficiency, while current trends emerge around AI-generated content (AIGC) designated designs and co-developing R&D among users (Chen, 2024).

Simultaneously, the catalysts for toy digital transformation are two: competitive pressure emanating from the video game industry, offset by 'Internet of Toys' (Holloway & Green, 2016), and technology innovation in augmented reality (AR), virtual reality (VR), and voice recognition technology for interactive smart toys. It is consistent with the rising need for products which are both entertaining andeducational (Curtin, 2018). The first successful product transformation is seen in Furby (1998), which sold 40 million copies and subsequently incorporated application capabilities (D'Hooge, 2001). The biggest benchmark for successful transformation remains LEGO. After the failure to diversify in the 1990s, LEGO turned towards integrating physical and digital (Robertson, 2013) and innovatively launched products with interlocked physical and digital capabilities, such as the collaboration with MIT on MINDSTORMS (1998) and DUPLO with Amazon's Alexa (2018) (Sawy et al., 2016). The industry has also focused on increasing community participation with "LEGO Ideas" and "LEGO Life," with sound digital support (Sawy et al., 2016). The transformation strategy, based on product innovation and design driven by market insights, has helped LEGO to come back from bankruptcy (2003) and emerge by 2021 as the globe's biggest toymaker, thereby proving the validity and effectiveness of the 'physical-digital extension + user co-creation' framework for toymaking companies (Tanusev, 2022). Digitalization also has positive impacts for toymaking industries with increased quality and effectiveness in delivering education and allowing for enhanced "brand loyalty" (Holloway & Green, 2016), but at a cost with regards to higher expenditure, concerns for safety and GDPR issues, and with regards to balancing innovation with gaming (Grecu, 2013).

Hypothesis

This research posits that Social Belonging/Group Identity, Scarcity & Perceived Collection Value, and Brand/IP have a positive impact on Purchasing Behaviour/Decision-Making Style. On the contrary, Emotional Drive & Self-Expression have a negative influence on Purchasing Behaviour/Decision-Making Style.

This paper henceforth develops the following hypotheses:

H1: Emotional Drive and Self-Expression are negatively related to Purchasing Behaviour and Decision-Making Style.

H2: Social Belonging and Group Identity have a positive relation with Purchasing Behaviour and Decision-Making Style.

H3: External Knowledge Conversion has a positive correlation with Purchasing Behaviour and Decision-Making Style.

H4: External Knowledge Conversion has a positive relationship with Purchasing Behaviour and Decision-Making Style.

Methodology

Qualitative Analysis of the trendy toy industry

Overview of the global and China trendy toy market

The global trendy toys market is growing vigorously worldwide with its market size growing steadily and expectations to exceed RMB 1 trillion by 2029. This is driven by growing consumer spending in emerging economies, the rise in STEAM toys, and innovation driven by artificial intelligence. Market concentration can be noted in North America, Asia-Pacific, and Europe. The 'Kidult economy' is transforming the way people consume, with adults being key spenders on toys in the United States and in Japan. Generation Z, born between 1995 and 2010, is the main group of consumers, which focuses on self-enjoyment consumption together with the aspect of collection and investment.

From a competitiveness standpoint, the market is divided into four tiers: (i) Disney, which has a holistic IP portfolio; (ii) LEGO and Bandai Namco, which are marked by industry-specific barriers and high-quality IP management; (iii) Hasbro and Mattel, which boast top-tier IPs and expertise in content production; and (iv) distinguished companies like Pop Mart and FUNKO. The competitiveness of this industry is structured around three key factors: intellectual property (IP), which drives growth; industry, which determines market position; and business, which drives overall performance. The Chinese market, which is the world's largest toy producer and a significant market, is observing fast growth in its trendy toy industry, accompanied by the overall growth of its pan-entertainment industry. Expectations indicate that China is likely to account for a large market share by 2029 and become one of the key global consumption centers. Industry-wise analysis:

Industry analysis indicates that China has a well-defined value chain in the industry. It further reveals that the upstream value chain includes the development and production of IPs and is marked by low competitiveness and low bargaining power. Midstream value chain involves brands like Pop Mart & TOPTOY that cover the entire value chain. Lastly, the downstream value chain is marked by diverse market distributions. Industry agglomeration in Dongguan & Shenzhen has undergone a transformation from world factory agglomeration centers to innovation centers for IPs. It further reveals that efficiency in the value chain has been improved by minimizing new product sampling cycles & minimum ordering quantities. The target consumers in the Chinese market are majorly Generation Z & people between the age bracket of 30 to 45. The overall user base includes pan-Anime fans. Primary product offerings include construction sets, collectible cards, action figures, & plush toys. Blind box sales have been declining despite a historical dominance.

New opportunities in the trendy toy industry

The industry shows potential for emerging opportunities via multiple dimensions. Starting from the consumer side, the target groups are gradually broadening to include young and middle-aged/old groups, with territorial reach stretching to second-, third-, and lowest-level markets, as well as non-core business areas like school areas and cultural tourism complexes, which turn out to be new development paths. Along with increasing per capita GDP, there comes a rising trend for spiritual consumption, which hastens development for functional blind boxes, especially those pertaining to education and health, compared to common fashion toys. From innovation perspectives, there are trends to differentiate products into modular building blocks, collectible cards, and spin-off peripherals marked as "Guzi," where products are moving towards upgrading functionality, personalization, digitalization, and premiumization. Science and technology innovation, such as artificial intelligence, blockchain technology (NFTs), and augmented/virtual reality, is transforming this industry, and blind box systems are expected to form a complete ecological cycle before 2025, and metaverse blind boxes are also explored to provide novel usage paths. IPs at home are rising, and IPs are characterized by IP matrices carrying "Guochao" (National Trend) factors, where they provide tremendous business opportunities. Upgradations along the supply chain help to implement flexible production to decrease costs for solo designers and quick adaptation to market response. Innovation along channels, marked "blind box live streaming and social media

seeding," improves conversion, while overseas cross-border business, direct sales to overseas consumers, and robotic stores serve as crucial channels to acquire globalization business. The Chinese Government's policy and measures, including improvement to IP licencing systems and reinforced protection of IPs, serve to boost quality development, and there are regulatory measures concerning blind box promotion to ensure a healthy development trend for this industry.

Figure 4.1.2 The export value of China's toy industry

Risks and challenges in the trendy toy market

Nevertheless, there are challenges found within this industry. From a sector perspective, easy entry limits many local brands to a symbiotic process of price battles, unprofitability, and a lack of R&D investment, where dominant companies obtain a large share of the market, and small and medium-sized businesses struggle to survive. The presence of "gambling-like qualities" exhibited by blind boxes triggers legal concerns, requiring restrictions for ratios of blind boxes to total products and setting up age verification systems. In addition, unstable preferences among Generation Z bring about continuous innovation to maintain brand devotion. High commercial district rentals affect control over costs during channel downturns, and rapid product development contradicts environmental sustainability goals. From an industry perspective, globalization strategies meet cultural barriers. IP visual consistency and behaviors differ, leading to variations in performance over various markets. For instance, performance of Pop Mart appears better in Southeast Asia than Europe and the US, indicating the need for localization strategies. Local Chinese companies are also challenged by established giants LEGO and Disney, who enjoy better IP and distribution networks, forcing Chinese companies to achieve differentiation through technology and cultural integration. Complexity of global supply chains increases logistics and after-sales costs, as well as disparate regulations across various nations, increasing expenditure on regulatory compliance.

Multiple Linear Regression Model

Basis for Model Selection

This indicates that the fashionable toy market and the effectiveness of corporate strategic transformation are mutually affected by numerous high-dimensional factors, revealing an apparent linear relationship between the different factors. In this way, the application of a Multiple Linear Regression Model is to explore the practical cooperative effect of each factor to the dependent variable, helping to tease out the essentials driving changes in both the fashionable toy market and strategic transformation of corporations, providing data support for fashionable toy firms to make targeted strategies. Therefore, this paper will apply the model, combine macro-industry analysis and research of corporate strategic orientations, set up a high-dimensional influence factor model, and deeply investigate the mechanisms of each factor in influencing the fashionable toy market.

Variable Definition and Selection Logic

This research proposes a multiple-linear model with the level of trendy toys market development as the dependent variable. The independent variables are selected, taking into consideration the indicators that are relevant to the macroeconomic conditions, market, and the capital market. The exact definition for the selection is described below:

Variable Symbol	Variable Name	Selection Basis
Y	Development Level of the Trendy Toy Market	As the core dependent variable, it directly reflects the trendy toy market's structural changes and development quality, and acts as a key indicator for measuring transformation effectiveness.
X_1	Consumer Price Index (CPI)	As non-essential consumer goods, CPI changes directly affect the share of residents' disposable income allocated to trendy toy consumption, thereby influencing domestic market demand structure.
X_2	RMB/USD Exchange Rate	Exchange rate fluctuations impact trendy toy enterprises' raw material import costs, overseas pricing, and export scale, acting as a key factor for international market expansion.
X_3	A-share Market Composite Index	Trendy toy enterprises' strategic behaviors such as financing expansion, mergers and acquisitions are highly dependent on capital market support, and the A-share index intuitively reflects their financing availability and market confidence.

Model Construction

Based on the above variable settings, the multiple linear regression model is constructed as follows:

$$Y=K1X1+K2X2+K3X3+\mu \quad (1)$$

Wherein, K1, K2 and K3 are the regression coefficients of the independent variables X1(CPI), X2 (exchange rate), and X3 (A-share index) respectively, reflecting the marginal impact of each variable on the development level of the trendy toy market; μ is the random error term, covering other minor influencing factors not included in the model, which satisfies the basic assumptions of the classical linear regression model.

Adaptation of Analysis Dimensions

Qualitative Analysis Dimensions: In the model, X2(exchange rate) is directly related to the layout of international market business, X1(CPI) focuses on domestic consumer market demand, and X3 (A-share index) reflects the support of the capital market for trendy toy enterprises. These three variables correspond to the three qualitative dimensions of the domestic market, international market, and capital market respectively, realizing the organic combination of qualitative analysis and quantitative testing.

Quantitative Analysis Dimensions: The research uses macroeconomic and market variables which are quantifiable and measurable, namely Consumer Price Index (CPI), exchange rate, and A-share Index. These values are derived from Investing.com and are specific to this research. The use of such variables ensures the validity and accuracy of results for modeling and reinforces a strategy for development for fashion toys.

Questionnaire Design

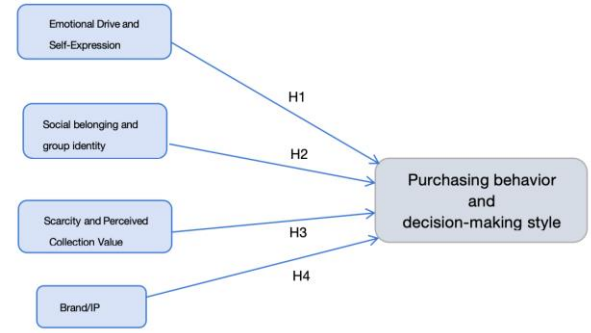
On the basis of the hypotheses of the research study and the key themes related to consumer psychology in the trendy toy market, this questionnaire has been designed in a way that it deals with real-life behavioral issues concerning buying, collecting, and social interactions. Using the well-accepted scales for consumer behavior, brand loyalty, and emotional experience, this questionnaire intends to develop specific strategies for the trendy toy market. The questionnaire has three modules:

Module 1: Demographic Variables (4 items): Includes gender, age, monthly disposable income, and city tier (first-tier/new first-tier/second-tier and below), designed to analyze differences in trendy toy consumption psychology among diverse groups.

Module 2: Trendy Toy Consumption Behavior (2 single-choice items): Covers purchase frequency (e.g., 1-2 times per month/1 time per quarter/1 time every six months or more) and single-purchase expenditure.

Module 3: Consumption Experience and Emotional Feedback (Likert 5-point scale: 1 = Strongly Disagree, 5 = Strongly Agree): Encompasses emotional motivation and self-expression (post-purchase satisfaction, expression of personal taste); social belonging and group identity with trendy toy brand culture (pleasure from interacting with other enthusiasts, willingness to share on social platforms); perception of scarcity and collection value (willingness to pursue limited editions, collection motives such as emotional sustenance, investment appreciation, social display);

brand/IP loyalty (attention to specific designers, willingness to pay a premium for favorite IPs); and purchasing behavior and decision-making style (rational cost-value analysis, continuous purchasing behavior).



H1: represents negative relationship **H2: represents positive relationship**

H3: represents positive relationship **H4: represents positive relationship**

Data collection and analysis

Multiple Linear Regression Model Analysis

Coefficient analysis

Coefficient

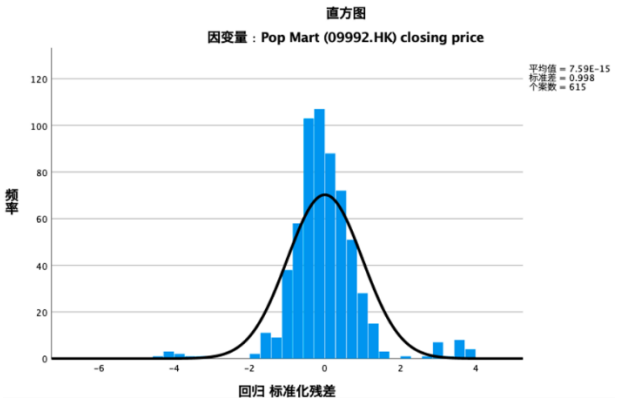
Model	Unstandardized Coefficients		Standardized Coefficient (Beta)	t	significance
	B	standard error			
(Constant)	1417.053	368.695		3.843	<.001
Shanghai Composite Index closing price	.283	.008	.814	37.052	<.001
CPI	-22.872	3.641	-.138	-6.282	<.001
USD/CNY	.047	.066	.016	.711	.477

*. Dependent Variable: Pop Mart (09992.HK) closing price

This regression analysis uses Pop Mart (09992.HK)'s closing price as the dependent variable to examine the impacts of the Shanghai Composite Index, CPI, and USD/CNY exchange rate:

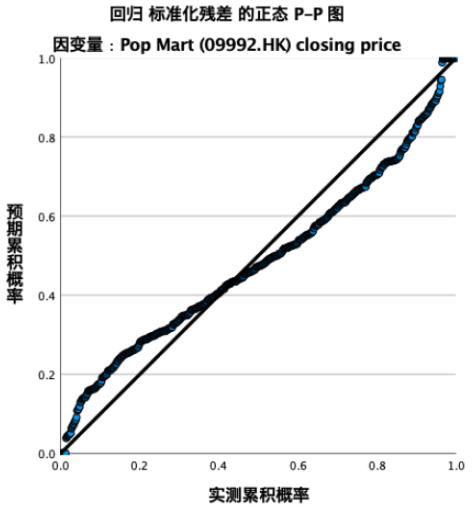
The constant term (B = 1417.053) and other key variables all meet the significance test ($p < 0.001$), which indicates the strong explanatory power of the regression model. The stock price of the Shanghai Composite Index has a statistically significant positive impact on Pop Mart's stock price ($\beta = 0.814$, $t = 37.052$), which determines it as the key force. The Consumer Price Index (CPI) has a statistically significant negative impact ($\beta = –0.138$, $t = –6.282$), which indicates the negative restriction brought by inflation on the stock prices. The exchange rate of USD/CNY has no significant effect on the stock prices ($p = 0.477$), which indicates it has not yet resulted in a statistically significant explanation for stock prices. It can be concluded that Pop Mart's stock prices have a strong correlation with the A-share market and a negative restriction from inflation coming from macroeconomic factors, while exchange rate changes have not yet resulted in a significant effect.

Histogram analysis



This histogram depicts the standardized residual distribution of the regression model, with Pop Mart's closing price as the dependent variable (N=615). The residual distribution appears normal, with a close fit to a normal curve, with some slight discrepancies, for example, a greater proportion of observations at zero. The residual mean is 7.59 × 10^-15, more or less zero, while the residual standard deviation is 0.998, almost 1. These features meet the expectations regarding normal residual model characteristics in ordinary least squares regression analysis. In sum, the results presented here demonstrate that for the most part, the model residual satisfies the normality assumption, with implications for confidence in regression results.

Normal P-P plot analysis



Questionnaire Analysis

In formal research, a non-targeted sampling approach was employed, and a total of 120 online questionnaires were distributed through the Wen Juan Xing platform. Among these, 115 were obtained, with 8 considered invalid, yielding 107 valid questionnaires with a recovery rate and a valid response rate of 95.83% and 93.04%, respectively. In determining invalid questionnaires, the following were considered: (1) those completed in less than 1 minute, (2) where a respondent gave the same answers to all questions, (3) those that were incomplete or had obvious illogical answers.

Demographic Variable Analysis

Using SPSSAU data analysis software, descriptive statistics were conducted on the demographic characteristics of the 107 valid questionnaires, including gender, age, monthly income, and city of residence. The results are presented in the following table:

Graph 5.2.1 Demographic Variable Analysis Table

Frequency analysis results				
Item	Option	Frequency	Percentage(%)	Cumulative percentage(%)
1、Gender	Female	82	82.00	82.00
	Male	18	18.00	100.00
2、Age	Under 18	29	29.00	29.00
	19-30	28	28.00	57.00
	31 or above	43	43.00	100.00
3、monthly income (*n*=72)	<5000.0	32	44.44	44.44
	5000.0-10000.0	25	34.73	79.17
	10000.0-20000.0	13	18.05	97.22
	20000.0-40000.0	2	2.78	100.00
4、City:	first-tier city	82	82.00	82.00
	second-tier cities	8	8.00	90.00
	third-tier cities	10	1.00	100.00
5、Frequency of purchasing trendy toys	Once every six months or less	42	42.00	42.00
	Once or twice per quarter	35	35.00	77.00
	1-3 times per month or more	23	23.00	100.00
6、Average expenditure per purchase of trendy toys	Below 100 yuan	44	44.00	44.00
	101-500 yuan	46	46.00	90.00
	501-1000 yuan	7	7.00	97.00
	Above 1000 yuan	3	3.00	100.00
Total		100	100.0	100.0

Reliability Analysis

The results of the reliability test for the formal questionnaire are presented in Table 6.2.2 below. As a crucial method to assess the rationality and validity of questionnaire item design, reliability analysis can to a certain extent reflect the scientificity and appropriateness of the designed scale items. This study adopts Cronbach's Alpha coefficient to verify the reliability level of the questionnaire. Academic standards stipulate the following: (1) The minimum acceptable threshold for Cronbach's Alpha coefficient is $\alpha > 0.6$; (2) The Corrected Item-Total Correlation (CITC) should be greater than 0.3, or the Cronbach's Alpha coefficient of the questionnaire should not be significantly improved after deleting the item. The specific reliability evaluation table is shown in Table below:

Dimension	Cronbach's Alpha coefficient	Number of Items
1、Emotional Motivation and Self-Expression	0.902	6
2、Social Belonging and Group Identity	0.841	4
3、Perception of Scarcity and Collection Value	0.831	4
4、Brand/IP Loyalty	0.765	3

Validity Analysis

Validity analysis assesses the rationality of the design of quantitative data (especially attitude scale items). The analysis follows these steps: 1、KMO Test: A KMO value >0.8 indicates the data

is highly suitable for information extraction (excellent validity); 0.7 – 0.8 indicates suitability (good validity); 0.6 – 0.7 indicates moderate suitability (average validity); <0.6 indicates unsuitability (poor validity). For scales with only two items, the KMO value is always 0.5. 2、Item-Factor Correspondence: Validity is good if the correspondence matches the research expectations. 3、Item Elimination Criteria: If validity is poor, item-factor correspondence is inconsistent with expectations, or communalities are <0.4 (or 0.5), items may be eliminated. 4、Iteration: Repeat steps 1–4 until the KMO value meets standards and item-factor correspondence aligns with expectations. The specific validity analysis is shown in the table below:

Items	Factor Loadings					Common Factor Variance
	Factor 1	Factor 2	Factor 3	Factor 4	Factor 5	
1A	0.756	0.203	0.199	0.119	-0.227	0.719
1B	0.712	0.203	0.146	0.096	0.278	0.657
1C	0.779	0.082	0.122	0.081	0.282	0.715
1D	0.769	0.219	0.104	0.223	-0.195	0.739
1E	0.819	0.206	0.205	0.149	0.005	0.777
1F	0.792	0.065	0.041	0.282	0.102	0.723
2A	0.196	0.198	0.649	0.064	0.408	0.669
2B	0.228	0.226	0.628	0.304	-0.006	0.591
2C	0.147	0.271	0.836	0.088	0.130	0.819
2D	0.132	0.280	0.799	0.250	-0.042	0.799
3A	0.165	0.731	0.109	0.208	0.104	0.627
3B	0.004	0.667	-0.007	0.506	0.167	0.728
3C	0.167	0.757	0.318	0.081	0.060	0.712
3D	0.284	0.646	0.244	0.223	0.138	0.626
4A	0.268	0.204	0.107	0.729	0.026	0.657
4B	0.360	0.070	0.320	0.624	0.186	0.661
4C	0.156	0.184	0.101	0.708	0.294	0.656
Eigenvalue	4.203	3.441	2.883	2.644	1.193	-
Variance Explained (%)	20.015%	16.387%	13.730%	12.588%	5.683%	-
Cumulative Variance Explained (%)	20.015%	36.403%	50.133%	62.721%	68.404%	-
KMO Value	0.877					-
Bartlett ' s Test of Sphericity	1174.641					-
df	210					-
p value	0.000					-

SEM Analysis

The structural equation model (SEM) includes two types of relationships: structural (causal) relationships and measurement relationships. Key principles: Both relationship types are represented by standardized path coefficients.

Statistical significance ($p < 0.05$) indicates significant influence or measurement association, and lack of significance indicates no association.

The condition that a large number of coefficients are nonsignificant is indicative of inadequacy and/or a need for respecification. In any measurement association, the first construct is designated as a reference construct and has neither z-norms nor p-values. The results of SEM analysis are given in the able below:

Summary Table of Model Regression Coefficients

X	→	Y	*Unstandardized Regression Coefficient*	*SE*	*z* (CR value)	*p*	*Standardized Regression Coefficient*
Factor1	→	Factor5	-0.079	0.086	-0.918	0.358	-0.113
Factor2	→	Factor5	0.176	0.123	1.432	0.152	0.195
Factor3	→	Factor5	0.479	0.155	3.087	0.002	0.620
Factor4	→	Factor5	0.212	0.149	1.425	0.154	0.277

Conclusion

The industry is experiencing fast changes driven by diversification, globalization, and digitalization. Given that China is a core production and consumption hub, the Chinese market is expected to exceed RMB 110.1 billion by 2026. New segments, such as digital toys and Guochao IPs, keep emerging, and top companies have achieved drastic overseas development. The target consumers show distinct demographic characteristics, where females between the ages of 18 and 34 form the mainstream group, who focus more on emotional and aesthetic values, while people over 35 show more prevalent speculative behaviors. Since the pandemic, consumers' thinking has evolved toward rational judgment, and they focus more on the depth of the IP and the quality of the goods. The industry has a holistic business chain, and the midstream branding and downstream industry, with relatively easy access to the upstream development of IPs, make these two aspects the most critical competitive fields. The industry faces persistent risks, such as the homogenization of IPs, fast-changing life cycles, and copyright issues related to 3D printers.

Corresponding to the hypotheses, social belonging and group identity, scarcity and collection value, brand & IP loyalty, emotional drive, and self-expression positively and negatively influence purchase behavior and decision-making style, respectively. In IP, for sustainable growth, the following strategies are imperative. The trend in IP needs to shift from

single-image IPs to a composite one, incorporating storytelling, symbolism, and experiential IP design. Enhancing original content R&D, made easier by AIGC-assisted design and user co-creation, is alongside the use of blockchain in IP protection. Diversification in products and distribution can be done using modular toys and functional types, along with the use of the omnichannel model, which synergistically blends online live streaming with offline community stores. At the global level, there is a need for increased local cultural adaptation, specifically in the more nascent markets, such as the Southeast Asian markets. With respect to industry irregularities, best practices such as the disclosure of reasonable odds for hidden editions, effective age verification, and equal social responsibility need to be followed. Specific policy steps can further facilitate high-quality development. Suggestions include enhancing IP licensing and protection mechanisms, setting precise guidelines for the production of blind boxes, and stipulating marketing and quality conditions. Facilitating small-to-medium-sized design enterprises, promoting the integration of culture and technology, and enhancing cross-border trade policy optimizations could minimize costs associated with compliance and promote internationalization. By way of upgrading at the level of the enterprise, the industry can shift development from scale-focused growth to quality-focused development.

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