

The Premium Effect Driven by Investor Sentiment and Psychology—A Case Study of Labubu Blind Boxes

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Abstract:

The recent rise of the blind box economy provides a particularly striking case study. In 2025, trendy blind boxes, exemplified by Labubu, triggered a massive market craze and significant irrational consumer behavior, reflecting underlying issues in consumer psychology and market mechanisms. Based on the theoretical frameworks of behavioral economics and consumer psychology, this study employs case analysis and literature research to systematically analyze the psychological drivers behind this phenomenon. The study finds that its core driving mechanisms include three aspects: purchase motivation triggered by scarcity anxiety and fear of missing out, the need for social identity through symbolic consumption, and a herd mentality reinforced by speculative expectations in the secondary market. These irrational factors collectively constitute the psychological foundation for the premium effect of blind boxes. Based on the above conclusions, this paper further proposes an optimization path from the corporate strategy level, including implementing global distribution control to regulate regional supply, and establishing a dynamic pricing mechanism to balance scarcity and market accessibility, thereby providing a theoretical basis and practical reference for the marketing strategy formulation of relevant companies. This study ultimately points out that consumer sentiment is the key variable that drives commodity prices to deviate significantly from their rational intrinsic value, revealing the structural irrational prosperity characteristics of the current blind box market. Furthermore, based on market development trends, this paper prospectively explores the regulatory changes, business model innovation opportunities and sustainable growth paths that the blind box economy may face in the future.

Keywords: Blind box premium effect; investor sentiment; irrational consumer behavior; case study; behavioral economics.

1. Introduction

In recent years, the blind box economy has emerged with its unique surprise mechanism and collection attributes, and has rapidly penetrated into many areas of the consumer market, becoming an important window for insight into consumers' irrational decision-making and premium payment behavior. The so-called premium effect, that is, the phenomenon that consumers are willing to pay a price far exceeding the objective functional value of the product is particularly evident in blind box consumption [1]. Taking the series of blind box products represented by Labubu, a well-known IP under Pop Mart, as an example, their transaction prices in the secondary market often soar to several times or even dozens of times the initial offering price, forming a special market anomaly that has attracted widespread attention from academia and industry. There are many reasons why consumers are willing to pay a high premium for trendy toys with high uncertainty and limited actual costs: previous studies have made preliminary explanations of such behavior from multiple perspectives. First, the uncertainty in the blind box purchase process itself is pointed out to be entertaining and addictive. The random feedback mechanism of unpacking can stimulate consumers' excitement and promote repeat purchase behavior [2]. Secondly, the "hidden" and "limited edition" are deliberately set in the product strategy to induces the perception of scarcity. According to the principles of classical economics, scarcity can enhance the perceived value and possession desire of goods [3]. Furthermore, the completion of the collection behavior and the need for social display are also important motivations. Owning a popular toy Intellectual Property (IP) product can help consumers gain recognition and show their taste in a specific community, thus transforming it into a kind of social capital [4]. However, existing research has mostly focused on the individual psychological characteristics of consumers or the gamification design of products themselves, and a key dimension has not been fully explored: the role of "investor sentiment" in the secondary market pricing of blind boxes, similar to the financial market. In behavioral finance, investor sentiment refers to the common optimistic or pessimistic expectations of market participants on the future trend of asset prices. This sentiment can often deviate from fundamental factors and drive prices to systematically deviate from their intrinsic value [5]. Similarly, the price fluctuations of blind boxes such as Labubu on second-hand trading platforms (such as Xianyu) show obvious emotional driving and group speculation characteristics. Coupled with the promotion of social media (such as Weibo and Xiaohongshu), it is very likely to form an emotional amplification effect. However, there is still a lack of empirical research on such collective emotions and irrational pricing mechanisms in the field of blind

boxes. Therefore, this study attempts to systematically analyze the psychological mechanism behind the blind box premium effect, especially focusing on how investor sentiment interacts with consumer behavior. This research has three implications: First, theoretically, it helps deepen our understanding of irrational consumer decisions and complements the application of behavioral economics to emerging consumer patterns. Second, practically, it can provide strategic insights for companies (such as Pop Mart) to optimize product pricing, release strategies, and market operations, thereby achieving long-term brand value management. Third, societally, it can guide consumers to participate more rationally in the collectibles market, warn against the risks of speculative purchases, and improve consumer decision-making literacy in the digital age.

2. Analysis of the Psychological Mechanisms of Irrational Consumer Behavior

In 2025, a series of blind boxes of dolls called Labubu became a huge sensation in the global collectibles market, becoming an extreme example of irrational consumer behavior. Originally priced at just RMB 99, some hidden editions saw prices skyrocket to RMB 2,300 in the secondary market. In the Korean market, premiums for some limited editions reached as high as 2,100%. Even more strikingly, a unique mint-colored Labubu sculpture sold for RMB 1.08 million at the Beijing Yongle Spring Auction, setting a new auction record for trendy toys. This phenomenon not only signals a significant shift in contemporary consumer culture but also serves as an excellent example of the application of behavioral economics principles in the real world.

Labubu, designed by Hong Kong artist Long Jiaosheng, features a signature "ugly-cute" aesthetic—pointed ears, fangs, and contrasting colors—that defies traditional toy aesthetics and quickly captured the attention of Generation Z. Driven by celebrity influence (such as public displays by international superstars Rihanna and BLACKPINK member Lisa) and the blind box sales mechanism, Labubu has rapidly evolved from a mass-market toy into a cultural icon with accessible luxury attributes, even earning the nickname "luxury accessory." This study uses this example to systematically analyze the psychological drivers behind this phenomenon from three perspectives: consumer behavior, corporate strategy, and market mechanisms, providing a paradigmatic example for understanding the collectible economy in the new consumer era.

2.1 Scarcity Anxiety and Fear of Missing Out

Pop Mart artificially creates a sense of scarcity through

sophisticated product strategies, such as setting extremely low odds for hidden items or launching strictly limited-edition collaborative collections. This behavioral strategy effectively triggers consumers' "loss aversion" psychology—that is, individuals attach much greater importance to avoiding losses than to obtaining equivalent gains [6]. In the blind box consumption scenario, consumers experience strong anxiety due to the fear of missing out on the opportunity to obtain rare items. This emotional pressure is transformed into a continuous purchasing motivation and even drives some consumers to make repeated and compensatory purchases.

2.2 Social Currency and Identity Construction

Among Generation Z and young millennials, Labubu has become an effective "social currency". Owning a scarce style means that the holder can gain community attention, enhance social identity, and even mark themselves at the forefront of trend culture. A typical case is that Princess Sriramsi of Thailand publicly paired a Labubu doll with an Hermès handbag. This behavior quickly spread on social media, further strengthening the symbolic value of Labubu as an identity symbol. Especially for China's approximately 92 million young people living alone, this type of trendy toy not only serves as an emotional companion but also becomes a medium for individuals to express and construct their identity externally. By publicly displaying their collections, consumers can satisfy their vanity and strengthen their sense of belonging to a group.

2.3 Speculative Psychology and the Bandwagon Effect

The existence of a secondary market imbues blind box consumption with a strong investment value. Some styles command price premiums as high as 21 times on resale platforms, creating market expectations of continued price increases and attracting a large number of speculative purchases. Scalpers and professional speculators employ technical tactics to bulk-buy limited quantities, creating a profit-making cycle of "pre-sale-hype-sell," further exacerbating the supply-demand imbalance in the market. Furthermore, the widespread dissemination of "unboxing videos" and "lucky winner" content on social media platforms (such as Xiaohongshu and Douyin) has fostered widespread herd behavior, making consumers more susceptible to unplanned, imitative purchases influenced by group sentiment.

3. Optimizing Corporate Strategy

Based on the aforementioned in-depth analysis of consumer psychology, while Pop Mart has achieved rapid market expansion thanks to its precise insights into user

psychology, its corporate strategy still has room for further systematic optimization. To achieve growth and maintain long-term brand value, the company should upgrade its strategy in both global market operations and pricing mechanisms.

3.1 Regional Control Strategy for Global Distribution

By launching "regionally limited edition" products, the company effectively creates regional scarcity and stimulates purchasing enthusiasm among local consumers. For example, the region-limited Labubu blind boxes significantly stimulated consumer demand in South Korea. Sales in the region reached an astonishing 130,000 units year-on-year in the first half of 2025, accounting for 35% of Pop Mart's total overseas revenue. At the company's 2025 mid-year performance briefing, CEO Wang Ning also noted that overseas market sales are expected to surpass domestic sales within the year, with North American market growth projected to surpass Southeast Asia. This trend demonstrates that a differentiated regional distribution strategy not only helps cultivate a product's image of scarcity but also provides an effective path for the company's global expansion.

3.2 Dynamic Pricing and Product Tier Development

To address the needs of both the mass market and high-end collectors, Pop Mart has initially established a differentiated pricing system based on product type. Standard blind box products maintain a popular price of 99 RMB to maintain the purchasing power of mainstream consumers; however, co-branded collections and large sculptures are positioned in the high-end market. For example, the co-branded product with Vans is priced at 599 RMB, significantly higher than the base model. This pricing strategy has successfully established a clear pyramid-shaped product tier, ensuring base sales while expanding the potential for premium pricing.

4. Conclusion

This study, through a systematic analysis of the premium pricing phenomenon in the Labubu blind box market, clearly reveals the central role of consumer emotions in this market. The research shows that emotional drivers—such as collector sentiment, community identity, the pursuit of scarcity, and instant gratification—significantly inflate the transaction price of blind box products, causing them to deviate from traditional theoretical value benchmarks, reflecting the structural irrational prosperity existing in the current market. This pattern relies heavily on emotional projection, group behavior, and speculative ex-

pectations, rather than on the physical attributes or functional value of the product. Based on the above research conclusions, this article offers the following recommendations. For businesses, strategies should be optimized and refined. They need to move beyond the current marketing approach dominated by “limited releases” and focus on achieving long-term value management and operations for IP assets. Specific measures include: Companies should deepen the narrative and emotional connection between IP content. By expanding story backgrounds, developing character universes, and implementing contextualized marketing, they can strengthen the emotional bond between users and the IP, avoiding over-reliance on “hunger marketing” that can lead to consumer fatigue. Secondly, companies should optimize the balance between scarcity and accessibility. While launching limited-edition products with extremely high premiums, they should maintain a stable supply and reasonable pricing for their regular product lines to maintain brand loyalty and engagement among their vast fan base. Furthermore, companies should expand channels for realizing IP value, actively developing diversified formats such as derivative content, offline experience formats, and digital collectibles, building a more comprehensive value ecosystem and reducing reliance on the single revenue model of physical blind boxes. Looking ahead, the development prospects of the blind box market are full of uncertainty and opportunities. First, regulatory policies will become stricter. As the industry expands and related social risks (such as gambling incentives, irrational consumption, and secondary market disorder) draw widespread attention, regulators may introduce more stringent policies, such as mandatory disclosure of the probability of hidden items, standardized sales practices, and increased transparency in secondary market transactions, thereby driving the industry towards

compliance. Second, business models will continue to innovate. To adapt to the regulatory environment and market demand, companies will accelerate the exploration of innovative post-blind box business models. For example, they will introduce “guaranteed purchase” mechanisms and “wishlist” systems to reduce uncertainty, and integrate experiential formats such as VR technology, theme parks, and immersive exhibitions to further enhance brand added value. Furthermore, emotional premium will remain a core factor. Even amidst external fluctuations, emotional premium factors derived from IP emotional identification, community culture, and the joy of collecting will continue to be the core pillars of the blind box economy. The key to future market competition will lie in whether companies can more effectively and sustainably cultivate and maintain this deep emotional connection.

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