

Research on the Correlation between Bubble Mart's Advertising Cost Growth and Emotional Digital Operations: Based on H1 Data from 2023--2025

Wan Liu*

School of Economics, Jiangxi University of Finance and Economics, Nanchang, China

*Corresponding author: Wan Liu, ORCID:0009-0009-7850-0439

Abstract

Emotional digitalization is one of the official strategies proactively implemented by Pop Mart. In recent years, the giant in the collectible toy industry, Pop Mart, has shown a year-over-year increase in marketing expenditure, doubling to 568 million yuan in 2024, which is highly synchronized with the data from emotional digitalization operations on platforms such as TikTok. This paper combines Pop Mart's H1 financial statements from 2023--2025 and relevant data from the TikTok platform and uses case analysis and data analysis methods to explore the correlation between advertising expenditure growth and emotional digitalization operations. The study reveals that Pop Mart's marketing expenditure growth focuses primarily on emotional digital content within advertising budgets, whereas emotional digitalization operations enhance user engagement, thereby driving sustained increases in advertising investment. This establishes a positive cycle of "investment-emotional engagement-revenue growth-reinvestment." This research fills the gap in "the financial connection between emotional digitalization operations and advertising expenditure," providing a reference for enterprises to optimize their investments in emotional marketing.

Keywords

Bubble Mart, advertising expenses, emotional digitization, trendy toys

1. Introduction

In recent years, Pop Mart has actively promoted the digitalization of emotions as its core official strategy. In the blind box economy, "emotion" has gradually become the core of competition, whereas big data and digitization have accelerated the rapid transmission of emotions. As a giant in the blind box industry, Pop Mart's marketing expenses have increased in recent years. Although it does not separately disclose the advertising expense section, from its operational actions, such as the blind box video on the TikTok platform, which achieves more than 10 billion clicks and frequent ad placements, it can be inferred that the increased marketing expenses are likely to be invested primarily in the advertising sector, particularly through digital channels, to enhance emotional communication in advertisements.

In existing research, studies such as "Significatory Interpretation of Digital Intimacy: A Digital Ethnography Study on Emotional Labor in E-commerce Streamers" (Chen Xi et al., 2025) focus on emotional digital operations within the e-commerce industry. Moreover, "Profitability Analysis of Pop Mart" examines the direct relationship between marketing expenses and profitability metrics (Li Hanwen et al., 2021) but fails to connect advertising costs with emotional digital operations. This suggests that Pop Mart's increased

marketing expenditures may stem from intensified efforts in emotional digital operations—enhancing brand exposure, evoking consumer resonance, and strengthening brand–consumer loyalty, ultimately impacting financial performance. However, this logic remains unverified through rigorous analysis.

Building on this foundation, this paper theoretically establishes an “advertising costs–emotional digitalization–financial performance” framework to bridge interdisciplinary gaps while providing practical guidance for enterprises to balance emotional marketing investments with financial outcomes. The study employs case analysis with Popmart as a representative example, combined with data analysis methods that integrate corporate financial reports and operational data. Its innovative approach lies in analyzing the bidirectional influence between advertising expenditures and emotional digitalization through Popmart’s case while quantifying input–output relationships from a financial perspective.

2. Theoretical Basis and Literature Review

2.1 Core Conceptual Definition

2.1.1 Emotional Labor and Emotional Digitization

First proposed by Arlie Hochschild in 1983, the theory of emotional labor emphasizes that service industry employees must manage and express emotions to meet customer expectations. Both emotional labor and the digitalization of emotions center on “emotion” as their core concept, enhancing service quality and achieving business value through emotional processing. The two differ slightly: emotional digitalization belongs to the technical domain, converting abstract emotions into computable digital forms, whereas emotional labor represents a form of work constituting “intangible labor costs.”

2.1.2 Emotional Digital Operations

Emotional digital operations are based on emotional digitization. In the digital era, the blind box industry has utilized digital platforms such as TikTok and Xiaohongshu to develop a series of operational models focused on conveying emotional value and enhancing customer stickiness, with IP emotional value at its core. For example, Popmart’s SKULLPANDA and LABUBU series blind boxes showcase their unique charm and emotional value through video unpacking clips and IP character animated shorts published on the TikTok platform, attracting a wide range of consumers.

2.1.3 Advertising Costs and Financial Performance

Advertising expenses constitute a series of expenditures incurred by blind box enterprises to promote products and build brand image. For Popmart, these include online and offline advertising investments such as social media campaigns to attract consumers and subway station ads to enhance brand visibility. Additionally, advertising budgets cover celebrity endorsements and themed promotional events, which are designed to shape brand identity through emotionally resonant content.

Financial performance is a direct reflection of the operating results and efficiency of an enterprise. As a key indicator, marketing revenue reflects the total income realized by Popmart through sales of products, IP authorization and other business activities in a certain period, which directly reflects customers’ acceptance of its products and willingness to consume them.

2.2 Literature Review

2.2.1 Emotional Digitization Research

Research on emotional digitization in e-commerce has been conducted. The study “Significatory Interpretation of Digital Intimacy: A Digital Ethnographic Study on Emotional Labor of E-commerce Streamers” employs ethnographic methods to reveal how streamers establish “intimacy” with users through emotional expressions and other forms of “emotional labor” in digital spaces, confirming its positive impact on purchasing behavior (Chen Xi et al., 2025). However, this research remains confined to the e-commerce

industry, lacks extension to the collectible toy sector, and fails to explore the relationship between emotional digitization and corporate investment.

2.2.2 Advertising Costs and Financial Performance Study

Research on Pop Mart has focused on profitability analysis. Pop Mart profitability analysis explores the driving factors of corporate profit growth by breaking down financial data (Li Hanwen et al., 2021). However, this study has not yet addressed the connection between digital operations and profitability or analyzed how advertising investments influence consumer behavior through digital emotional engagement strategies.

2.2.3 Study of the Incision and Entry Point Used in This Study

On the basis of the aforementioned research, existing studies have yet to establish a comprehensive framework linking “advertising expenditure, emotional digitalization, and financial performance”. The current study addresses this gap by exploring how emotional digitalization in the collectible toy industry drives advertising investments that ultimately influence profitability. Using PopMart as a case study, we investigate the dynamic interactions among these three elements, thereby filling this critical knowledge gap.

3. Bubble Mart Background and Data Analysis

3.1.1 Bubble Mart Status and Operation

3.1.2 Industry Position

As the leading enterprise in China's blind box and trendy toy industry, Pop Mart holds the top market share. Its core competitiveness stems from the emotional symbolism value of leading IPs such as “Molly” and “Dimoo”. The target users are primarily young people aged 15--35 years, with a particular focus on Generation Z. This demographic demonstrates high emotional identification with IP culture and actively engages in community interactions and collectible consumption.

3.1.3 Operational Performance

In terms of emotional digital operations, the TikTok platform serves as its core arena. In the content strategy, it conveys character stories through IP animated shorts and behind-the-scenes narratives of IP designs to strengthen emotional resonance. User interactions are driven primarily by “box-drawing live streams” and “fan community challenges”, encouraging UGC creation and secondary dissemination. This forms an emotional closed loop of “IP-user-platform”, transforming virtual emotional connections into tangible consumption incentives.

3.2 The Theory of Emotional Stickiness

Emotional stickiness refers to consumers' sustained engagement, repeat purchases, and proactive sharing behaviors driven by deep emotional connections with brands or products. In the context of blind box consumption, consumers develop strong brand identification and a sense of belonging through emotional resonance with IP narratives and brand imagery. This leads them to repeatedly purchase limited-edition releases and collaborations while spontaneously sharing these experiences on social media platforms to spread emotional value.

4. Advertising Costs and Emotional Digital Operation

Table 1: Financial data of Bubble Mart

A particular year	Marketing expenses (100 million yuan)	Operating income (100 million yuan)	Online revenue share (%)	Member repurchase rate (%)
2025H1	31.93	138.8	21.2	50.8
2024	36.50	130.4	31.9	49.4
2023	20.05	63.01	27.1	50

Source: Bubble Mart Financial Statements (2023--2025H1) (Bubble Mart, 2023, Pop Mart, 2024, Pop Mart, 2025)

From the financial data in Table 1 (2023 to the first half of 2025) and Table 2 (Douyin-related data), it is evident that the annual increase in Popmart's marketing expenses and the proportion of online marketing are significantly associated with its emotional digital operations in advertising placements. According to Popmart's financial report data, although the last item of marketing expense breakdown was not disclosed, the investment direction can be discerned from the growth trends of total marketing expenses and TikTok revenue: In 2023, marketing expenses amounted to 6.301 billion yuan, whereas TikTok revenue was approximately 283 million yuan; in 2024, marketing expenses reached 13.04 billion yuan, with TikTok revenue at 601 million yuan; in the first half of 2025, marketing revenue further climbed to 13.88 billion yuan, whereas TikTok revenue within six months reached 560 million yuan, approaching the full-year level of 2024. Considering the role of the TikTok platform as a core hub for reaching young consumer groups and the continuous increase in the proportion of online revenue, it can be preliminarily inferred that a significant portion of marketing expenses have flowed into digital fields centered on advertising.

Table 2: *Bubble Mart's Douyin-related data*

A particular year	TikTok revenue (100 million yuan)	Supplementary information related to the TikTok platform
2025H1	5.6	During the 618 period, TikTok and other platforms ranked first in industry sales (Pop Mart, 2025)
2024	6.01	TikTok revenue increased by 5,779.8% year on year (Sina Finance, 2025)
2023	2.83 (Massive Mathematics, 2025)	No significant TikTok-specific supplemental disclosure

Source: *TikTok revenue is derived from Popmart's financial statements (2023--2025H1) (Bubble Mart, 2023, Pop Mart, 2024, Pop Mart, 2025)*

The operational actions of Pop Mart's Douyin platform further corroborate this inference. As shown in Table 2, during the 618 shopping festival in 2025, platforms such as TikTok ranked first in terms of industry sales performance, which inevitably relies on strong advertising preheating and real-time traffic deployment. In 2024, TikTok's revenue grew by 5779.8% year-over-year, explosive growth driven by massive investments in cross-border advertising, as evidenced by the positive correlation between visible marketing expenses and advertising expenditures. From a 50% membership repurchase rate in 2023 to 49.4% in 2024 and approaching the full-year levels of the previous two years in the first half of 2025, it is evident that the emotional stickiness between consumers and Pop Mart has shown a sustained strengthening trend, which aligns with the company's advertising expenditure growth trajectory. Specifically, increased advertising investment enables brands to reach users more frequently through digital channels, allowing their brand narratives to penetrate deeper into consumer cognition. This enhances the emotional value consumers perceive from products, ultimately driving higher repurchase rates. Therefore, it can be inferred that advertising expenditure positively influences consumer emotional stickiness through digital channels.

5. Emotional Digital Operations and Financial Performance

Table 3: *Financial data of Bubble Mart*

A particular year	Profit (in billion yuan)	Member repurchase rate (%)	Online revenue share (%)
2025H1	45.74	50.8	21.2
2024	31.25	49.4	31.9
2023	10.82	50	27.1

Source: *Bubble Mart Financial Statements (2023--2025H1) (Bubble Mart, 2023, Pop Mart, 2024, Pop Mart, 2025)*

Table 4: *Bubble Mart's Douyin-related data*

A particular year	Emotional digitization investment	TikTok platform's emotional interaction rate in the toy industry(%)
2025H1	The TikTok 618 Emotional Marketing Campaign (#PopmartHealingMoments)	25

	garnered 800 million views (TikTok For Business, 2025)	
2024	BaoPuma's Douyin platform released 180 IP-themed short videos; TikTok launched new emotional content campaigns (TikTok Creator Service Platform, 2023)	22
2023	The TikTok platform released 120 IP story short videos; held 15 live broadcasts on emotional themes (iResearch, 2024)	18

Source: The emotional interaction rate of the TikTok platform's collectible industry is derived from relevant reports by iResearch Consulting (iResearch Consulting, 2024, iResearch Consulting, 2025).

In Table 4, from 2023 to the first half of 2025, Popmart actively invested in emotional digital operations by leveraging the TikTok platform to launch IP story videos and related topic series videos, establishing deep emotional connections with users. During this period, the member repurchase rate became a key indicator for measuring the effectiveness of emotional digitalization. The profit data in Table 3 directly demonstrate the final operational outcomes, showing a positive correlation between the two, which effectively validates the close relationship between emotional digitalization and financial performance.

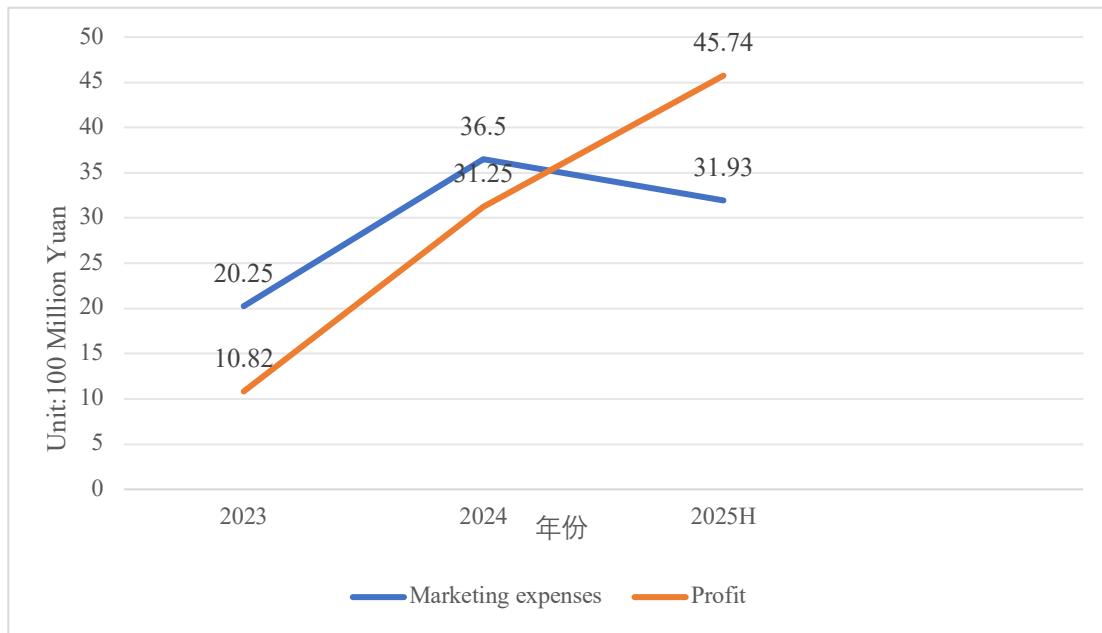
From the perspective of member repurchase rates, the first half of 2023--2025 showed a fluctuating upward trend, which aligns closely with emotional digitalization initiatives. As the core platform for spreading emotional content, TikTok sees Pop Mart publish emotional stories behind popular IPs such as Molly and Skullpanda on the platform, triggering strong resonance among readers. In 2024, IP story growth increased by 50% compared with that in the previous year. Although the member repurchase rate experienced minor fluctuations in the same year, it remained stable overall and significantly improved in the first half of 2025. This story-driven digital promotion enhanced users' sense of product identification and belonging, as well as increased emotional stickiness, leading consumers to be willing to continue purchasing Pop Mart products and showing increasingly frequent repurchases.

Analyzing the profit figures of financial statements, Pop Mart demonstrated robust growth from 2023 to the first half of 2025, with profits increasing from 1.082 billion yuan to 4.574 billion yuan. This remarkable expansion was driven by emotional digital operations that significantly increased member retention rates. Higher repurchase rates ensure steady revenue streams while reducing costly customer acquisition expenses. Returning members typically show greater price sensitivity, favoring premium limited-edition and cobranded products with higher gross margins – a direct contributor to overall profitability. This evidence clearly demonstrates that emotional digital strategies not only expand sales volume through increased repurchases but also effectively broaden profit margins by optimizing product mix structures.

On the basis of the above analysis, emotional digital operations can enhance users' emotional connections and improve the member repurchase rate, thus promoting profit growth and having a positive impact on corporate financial performance.

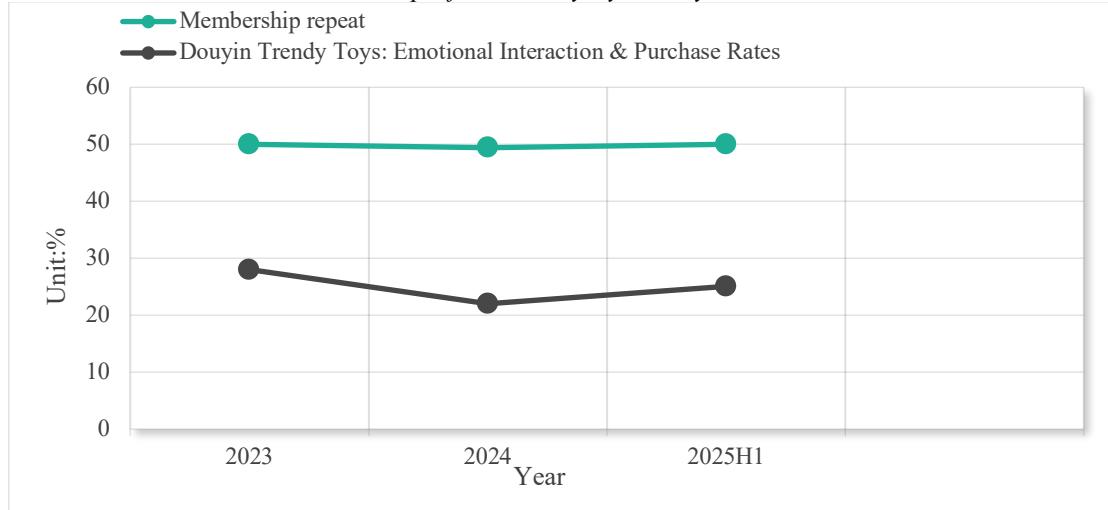
Advertising costs--Emotional digitization--Financial performance

Figure1: Trend of the linkage between advertising expenses and marketing expenses



The data were extracted from the financial statements of Popmart (2023--2025H1) (Bubble Mart, 2023, Pop Mart, 2024, Pop Mart, 2025), and the data of [marketing expenses and profit] were selected to draw

Figure 2: Trend of the correlation between the member repurchase rate and the emotional interaction rate in the TikTok platform's trendy toy industry



The data were extracted from the financial statements of Popmart (2023--2025H1) (Bubble Mart, 2023, Pop Mart, 2024, Pop Mart, 2025), and the data of [Member Repurchase Rate] were selected to draw

The emotional interaction rate of the TikTok platform's trendy toy industry originates from relevant reports by iResearch Consulting . The data of the [TikTok platform's trendy toy industry emotional interaction rate] were selected for plotting.

Through in-depth analysis of PopMart's data from 2023 to the first half of 2025, we can discern inherent connections among the three factors. When marketing expenses, profits, member repurchase rates, and the TikTok platform's emotional interaction rate in the toy industry are aggregated through line charts, significant synchronization characteristics become evident. In terms of marketing expenses, the figure rose from 2.005 billion yuan in 2023 to 3.650 billion yuan in 2024, reaching 3.193 billion yuan in the first half of 2025, demonstrating a consistent annual growth trend. With increased investment in advertising within marketing budgets, digital emotional operations have been continuously strengthened. The number of IP story short

videos released on TikTok also increased annually, with 120 posts published in 2023 and 180 in 2024, and further increased to 25% during the first half of 2025 through emotional marketing campaigns during the 618 Shopping Festival. Financial metrics showed corresponding changes: revenue increased from 6.301 billion yuan in 2023 to 13.04 billion yuan in 2024, reaching 13.88 billion yuan in the first half of 2025; profits rose from 1.082 billion yuan in 2023 to 3.125 billion yuan in 2024, hitting 4.574 billion yuan in the first half of 2025; and member repurchase rates recovered to 50.8% in the first half of 2025 after dropping to 49.4% in 2024. These data present a linkage path of “increased advertising expenditure, increased emotional interaction rate and increased revenue”, and advertising investment has become the key fulcrum to leverage emotional connection and financial growth.

By delving into the cyclical logic of investment-emotion-finance, Pop Mart's operations have formed a unique positive cycle. In the initial stage, the company increased advertising expenditures, focusing on platforms such as TikTok to release emotionally driven digital content such as IP story videos. As emotional digital operations deepened, consumers' emotional attachment to the brand grew stronger, with membership repurchase rates remaining stable and gradually increasing, thereby driving revenue and profit growth. Moreover, strong financial performance provides more sufficient resources for advertising investments and emotional digital operations, forming a closed loop where “investment reinforces emotion, emotion drives growth, and growth feeds back into investment.” This enables brands to continuously consolidate their emotional advantages in the competitive toy market, achieving synergistic enhancement of commercial value and brand value. It demonstrates a typical paradigm for sustainable corporate development in the emotional digital era through cyclical-driven mechanisms within the toy industry.

6. Conclusions and Recommendations

6.1 Research Conclusions

Through the study of Popmart's data from 2023 to the first half of 2025, it is evident that advertising expenditure growth plays a significant driving role in emotional digital operations. The advertising investments focus on platforms such as TikTok, which is used for publishing short videos of IP stories and other emotional digital operations to drive sustained efforts in emotional digital operations. Meanwhile, emotional digital operations have a positive impact on financial performance by enhancing consumer emotional stickiness, driving stable increases in member repurchase rates, and thereby promoting revenue and profit growth, forming a virtuous cycle where “investment reinforces emotion, emotion drives growth, and growth feeds back into investment.”

6.2 Refining the Innovation Points of Research

Building on the innovative concepts of “bidirectional influence” and “quantifying financial perspectives” introduced in the introduction, this study examines the dynamic interplay between three key elements. First, it analyzes how advertising expenditure drives emotional digital operations while exploring how these operations reciprocally enhance financial performance, thereby clarifying their interconnected relationship. Second, through quantitative analysis using marketing budgets, profit metrics, and customer retention rates, the research establishes measurable correlations between advertising investments, emotional digital strategies, and financial outcomes, providing actionable insights for trendy collectibles enterprises to optimize their operational frameworks.

6.3 Recommendations

For PopMart enterprises, it is necessary to optimize the advertising cost structure and focus on content distribution with high emotional returns. For example, by continuously deepening engagement on core platforms such as TikTok, emotionally resonant IP story videos and emotional marketing campaigns around popular IPs such as Molly and Labubu series can be created, thereby enhancing consumer emotional resonance. Moreover, investment should be balanced with financial efficiency, and the advertising expenditure scale and frequency should be dynamically adjusted on the basis of financial performance to achieve optimal profit levels.

Blind boxes and trendy toy companies can learn from Pop Mart's experience by leveraging short video platforms to strengthen emotional connections. By publishing IP stories and organizing themed events on these platforms, they can convey the emotional value of their IPs and enhance customer loyalty. Through digital emotional operations, companies can increase consumer engagement rates, driving repeat purchases and revenue growth. This approach helps build a virtuous cycle system where advertising expenses, emotional digitalization, and financial performance reinforce each other.

6.4 Research Limitations and Prospects

6.4.1 Research Limitations

Since the marketing expenses in Pop Mart's financial statements were not broken down into specific categories, this paper indirectly concludes through Pop Mart's TikTok operational activities and TikTok platform data that there exists a positive correlation between marketing expenses and advertising investment, which may cast doubt on the causal argument. The limitations of data sources include the failure to cover other digital platforms, offline exhibitions, traditional media, and other diversified advertising channels. Additionally, the TikTok platform does not provide data related to customer emotional digital operation platforms such as engagement rates in the collectible industry, which may lead to an incomplete analysis of the correlation between advertising costs and emotional digital operations.

6.4.2 Future Expansion Directions

Future research could expand by comparing case studies of blind box and trendy toy companies at various scales and development stages, along with cross-industry enterprises. This comparative analysis examines how advertising budgets correlate with emotional digital operations and financial performance, thereby validating the study's generalizability. Additionally, exploring how different emotional digital operation models affect advertising expenditures and profitability could provide actionable insights for businesses to optimize their marketing strategies.

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Conflicts of Interest

The authors declare no conflict of interest.

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