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An Analysis of Labubu's Marketing Mechanism and BCG Matrix Model

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ABSTRACT
In recent years, the explosive popularity of art toys has made them an integral part of the emerging cultural consumption market, attracting widespread attention from young consumers. As one of the most representative IPs in this market, Labubu has experienced an impressive transformation from being largely overlooked to becoming a viral sensation. Behind this success lies a combination of precise product portfolio planning and diversified marketing strategies. Based on the BCG Matrix theory, and taking into account the product lifecycle and the unique characteristics of the art toy industry, this paper analyzes the market performance and marketing pathways of Labubu's various product lines. It also summarizes the key factors contributing to its success and offers valuable insights for other art toy IP brands.

KEYWORDS
Art toys; Labubu; BCG matrix; Product lifecycle; Marketing strategy

1 Introduction

Art toys, which combine artistic creation with consumer culture, have rapidly gained popularity among young people in China in recent years. According to statistics, the size of China's art toy market has grown from RMB 6.7 billion in 2015 to RMB 50 billion in 2022 and is expected to continue expanding (iResearch, 2022). Created by Hong Kong designer Kasing Lung in 2015, Labubu initially spread only among niche collectors but did not gain mainstream recognition until around 2020. With the support of brands such as POP MART, Labubu gradually evolved into a phenomenon in the art toy community through co-branded blind boxes, limited releases, and social media-driven hype.

However, there is still a lack of systematic research on the product portfolio planning and marketing strategies behind Labubu's rise to fame. This paper attempts to address this gap by applying the BCG Matrix theory to analyze Labubu's product combinations based on market growth rate and market share, categorizing its products into four groups: Stars, Cash Cows, Question Marks, and Dogs. Combining this with the product lifecycle and marketing mix theories, the paper further explores Labubu's path to success and its sustainability.

2 Theoretical framework

Art toys, as a typical form of cultural and creative products, represent a type of consumption that goes beyond the mere purchase of a physical item; instead, it reflects consumers' desire for cultural symbols, emotional identity, and a sense of belonging within social communities (Li, 2020). Therefore, in examining Labubu's product strategy and marketing pathway, this paper adopts the BCG Matrix, the Product Life Cycle (PLC) theory, and the concept of symbolic consumption as key analytical tools.

2.1 BCG matrix

The BCG Matrix, developed by the Boston Consulting Group in the 1970s, is one of the classic tools in corporate strategic management and product portfolio analysis (Henderson, 1970). By using market growth rate and relative market share as its two dimensions, the matrix categorizes a company's products into four types: Stars, Cash Cows, Question Marks, and Dogs. Based on this classification, companies can adopt differentiated resource allocation and investment strategies to achieve optimal distribution of resources and maximize returns. In the field of art toys, the BCG Matrix helps brands identify core blockbuster products, stable revenue-generating products, and potential emerging offerings, guiding them to make informed decisions about product iteration and new releases.

2.2 Product Life Cycle (PLC)

The Product Life Cycle theory posits that any product will pass through four stages: introduction, growth, maturity, and decline (Kotler & Keller, 2016). Each stage is characterized by unique market conditions, consumer demands, and competitive dynamics, requiring companies to adjust their marketing mix strategies accordingly—including pricing, channels, promotions, and product features—to extend the product's life and maximize profitability. For art toy brands, the ability to revitalize products in the maturity or even decline stage through tactics such as limited editions, blind box mechanisms, and IP collaborations has become a core operational capability.

2.3 Symbolic consumption and community culture

The concept of symbolic consumption emphasizes that consumers value the cultural symbols and identity that a product represents, rather than just its functional attributes (Baudrillard, 1998). Art toy consumers often use the product as a medium to form subcultural communities, strengthening their sense of belonging and self-expression through activities such as collecting, sharing photos, and reselling (Wu, 2021). Labubu exemplifies this approach by creating a distinctive “ugly-cute” aesthetic, launching cross-industry collaborations, and generating marketing buzz, which has successfully turned the product into a cultural symbol for young people and helped it break through from niche to mainstream.

3 Case analysis

3.1 Labubu brand and core products

Labubu was created by Hong Kong artist Kasing Lung and is affectionately called “Mumu” in the art toy community for its unique “ugly-cute” appearance and expressive features. Since its debut, Labubu has attracted a large number of young collectors with its diverse designs, hand-drawn lines, and whimsical fairy tale world. Its core product range includes original series, co-branded editions, limited editions, and spin-off merchandise such as large figurines, keychains, and fashion accessories. By constantly introducing new themes, materials, and special colorways, Labubu successfully stimulates collectors’ desire to own more.

In addition, Labubu products are typically sold through blind boxes, lottery draws, and limited releases, which enhance their scarcity and topic value. This approach has fostered a vibrant secondary culture among fans, who participate in activities like “unboxing,” “figure trading,” and “figure showcasing.” Such a product matrix, combined with community culture, not only extends the lifecycle of individual products but also sustains the overall popularity of the brand.

3.2 Labubu’s path to popularity

Labubu’s rise is a classic example of how artistic creation combined with brand-driven operations can drive mainstream success, evolving from a cold start to a viral hit amplified by celebrity endorsements. In 2015, Kasing Lung first introduced the Labubu character in his picture book The Mysterious Bukka, where its “ugly-cute” aesthetic and dark fairy tale style quickly caught the attention of early collectors in niche art toy circles (EnData, 2025). In 2016, Pop Mart incorporated Labubu into its “THE MONSTERS” series and began testing the market with small-batch blind box releases, gradually building a fan base through pop-up stores and exhibitions. According to Pop Mart’s 2023 annual report, the “THE MONSTERS” series generated RMB 368 million in revenue in 2023, making it one of the company’s core IPs (Pop Mart, 2023).

In recent years, Labubu’s popularity has repeatedly surged due to celebrity exposure and viral marketing. A prime example is the recently launched Labubu × Coca-Cola series, nicknamed the “bankruptcy edition” by fans. This series went viral after Chinese singer Jackson Wang unintentionally featured it for less than ten seconds in a short personal video, which sparked a buying frenzy among fans worldwide within hours. The products sold out quickly through official channels, resale prices doubled in the secondary market, and the series became so scarce that it was described as “impossible to get” (The Paper, 2025). At the same time, Labubu leverages tactics like hidden lottery draws and flash restocks to create a “scarcity effect,” while fans fuel community-driven promotion through unboxing videos, custom repaints, and figure styling posts on platforms like Xiaohongshu and Bilibili. According to statistics, the online discussion volume related to Labubu increased by over 900% within a year, and the resale price of some limited editions soared as high as 50 times their original price (EnData, 2025; TenLun, 2024). This combination of celebrity exposure, fan-driven hype, and limited-edition strategies is one of the key pathways that have transformed Labubu into an art toy IP that breaks out of its niche.

4 Based on BCG matrix analysis

Using the BCG Matrix model, Labubu’s product lines can be categorized into four quadrants based on market share and growth rate, which helps optimize resource allocation and improve operational efficiency.

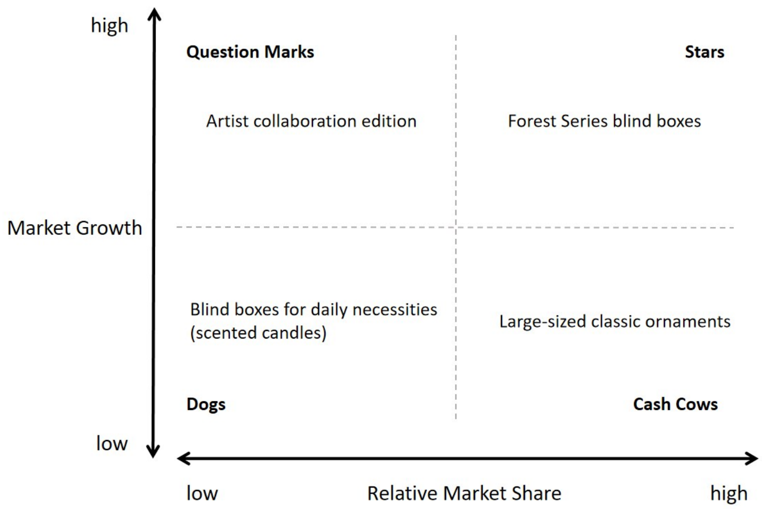

Table 1 BCG matrix

4.1 Stars

This category mainly includes high-demand limited editions such as the Forest Concert series. These products are characterized by their scarcity, collectible value, and high levels of community discussion, serving as major drivers for attracting new customers, maintaining the brand's freshness, and boosting exposure. Star products often sell out immediately upon release and maintain high resale premiums in the secondary market, making them a core source of Labubu's brand image and word-of-mouth marketing. They also act as a key engine for Pop Mart's ongoing exposure and the creation of blockbuster hits.

4.2 Cash cows

This refers to the stable, regularly released classic large figurines and standard blind boxes, such as the original Mumu figurine. Although these products are updated less frequently and mainly target a loyal customer base, their consistent popularity and strong collectible value ensure steady cash flow and active circulation in both resale and auction markets. For instance, a globally limited brown first-edition Labubu was recently sold for RMB 820, 000 at a Yongle Auction, demonstrating how, despite the limited number of high-end buyers, rising auction prices have helped solidify its position as a "cash cow" in the brand's portfolio (Wallstreetcn, 2025).

4.3 Question marks

This quadrant includes new co-branded editions that cross over with other IPs or target niche markets. These products typically have high growth potential but uncertain market responses, requiring limited releases and channel testing to gauge consumer interest. Brands often adopt a trial release or lottery system and then determine further investment and production volume based on sales feedback. For example, as mentioned above, the initial Labubu × Coca-Cola series was a typical Question Mark product. As a co-branded edition between Labubu and Coca-Cola, it did not attract much attention in its first few months after launch. However, through celebrity influence—such as Jackson Wang unintentionally featuring it in a short video—it quickly captured widespread fan interest and sold out rapidly through both official and secondary channels, ultimately transforming from a Question Mark into a Star product.

4.4 Dogs

This category mainly refers to Labubu's early unauthorized small spin-offs or mass-market low-priced items, which generally lack symbolic value and community buzz, making it difficult to maintain strong fan engagement. For example, the Labubu scented candles and similar lifestyle products—now rarely seen in most offline stores—are typical examples of stagnant inventory. These products create high inventory pressure and offer a poor return on resource investment. Brands usually phase out such products from the portfolio through discounts, delisting, or redesigning strategies to optimize resource allocation.

5 Conclusion

This paper takes the Labubu brand as its research focus, combining the background of the art toy industry with the BCG Matrix model and the product life cycle theory to systematically analyze Labubu's entire journey from artistic creation and product launches to mainstream popularity. To begin with, Labubu leveraged its distinctive "ugly-cute" design style to establish a solid foundation within art circles and, starting in 2019, expanded rapidly through Pop Mart's introduction of the blind box mechanism, which enabled large-scale releases and quickly attracted a loyal fan base. With the help of celebrity exposure—such as Jackson Wang's viral short video—and social media buzz, Labubu achieved an "impossible to get" sales phenomenon (Pop Mart, 2023; EnData, 2025).

Moreover, from the perspective of the BCG Matrix, Labubu now maintains a balanced four-quadrant product portfolio: Star products like holiday blind boxes and co-branded editions sustain hype; Cash Cows such as classic figurines ensure steady revenue; Question Marks test new IPs and cross-industry collaborations; and Dogs are gradually phased out or reactivated through inventory clearance. This dynamic product portfolio management enables Labubu to balance "popularity, cash flow, innovation, and risk" effectively.

Finally, Labubu's marketing pathway integrates multiple strategies, including blind box draws, limited releases, unboxing-driven secondary promotion, offline pop-up stores, and community-based viral marketing. As a result, Labubu is not only an art toy but also a cultural symbol—recognized by newcomers, co-created by fans, and amplified by the market. According to reports, Labubu's online discussion volume grew by over 900% year-on-year in 2025, while the resale premium for some editions reached more than 50 times the original price (EnData, 2025; TenLun, 2024).

In conclusion, Labubu's success demonstrates both the practical applicability of the BCG Matrix in product management and the deep integration of cultural creativity, community dynamics, and market mechanisms within the art toy industry. For other emerging IP brands, this research offers a representative case study and a replicable operational model—showing how precise design, portfolio optimization, and diversified communication strategies can create a sustainable art toy ecosystem. This dual track of cultural and commercial drivers not only pushes Labubu toward global recognition (FT, 2025) but also provides the industry with new perspectives on sustainable innovation.

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