

Store Location Strategy and Spatial Layout Optimization in Blind-Box Retailing: A Consumer Behavior-Based Case Study of POP MART

Guohong Luo

Southwest Petroleum University, Chengdu 610500, China

Email: 1009830320@qq.com

How to cite this paper: Luo, G. (2026). Store Location Strategy and Spatial Layout Optimization in Blind-Box Retailing: A Consumer Behavior-Based Case Study of POP MART. *Economics & Business Management*, 7(1), 60–68. ISSN Print: 3079-5214, ISSN Online: 3079-5222.

<https://doi.org/10.63313/EBM.9226>

Published: 2026-09-14

Copyright © 2026 by author(s) and

Erytis Publishing Limited.

This work is licensed under the Creative

Commons Attribution International

License (CC BY 4.0).

<http://creativecommons.org/licenses/by/4.0/>



Abstract

This study examines how store location decisions and in-store spatial design jointly shape consumer behavior in blind-box retailing, using POP MART as a representative case. Drawing on central place theory, the Huff gravity model, third-place theory, the stimulus-organism-response and pleasure-arousal-dominance frameworks, and theories of scarcity, collecting and social identity, it develops an integrated location-space-behavior framework. A qualitative case-study approach compares landmark flagship stores, standard shopping-center stores and a high-risk lower-tier location scenario, drawing on corporate disclosures, industry reports and publicly available consumer reviews. The analysis indicates that POP MART expands hierarchically and selectively, and that location suitability depends on target-consumer concentration, tenant-mix compatibility, store visibility, accessibility and joint-marketing opportunities rather than on pedestrian traffic and rental cost alone. At the store level, spatial design influences approach behavior, browsing duration, product exposure, social interaction and purchase intention. The study proposes an optimization framework combining decompression zones, loop-based circulation, distributed attraction points, IP-themed zones, unboxing areas and data-supported adjustment, and recommends staged market entry, modular store design and product recycling.

Keywords

POP MART; Blind-Box Retailing; Store Location Strategy; Spatial Layout Optimization; Consumer Behavior; Experiential Retail; Third Place

1. Introduction

Generation Z has substantially reshaped retail demand. These consumers value personalized expression, emotional satisfaction and identity construction as much as product function, and their decisions are strongly influenced by social media content, online communities and peer recommendation. Within this shift, designer toys have grown from a niche cultural product into a rapidly expanding retail category, and

POP MART has played a leading role in their commercialization in China by combining artist-created IP with the blind-box format. Blind-box consumption draws on curiosity, the desire to complete a series, perceived scarcity and the pleasure of opening an unknown package, so the value of a product extends well beyond its physical attributes[1][2].

Although e-commerce and automated retail machines broaden market coverage, physical stores remain strategically important. They provide sensory stimulation, immediate product interaction and a social atmosphere that online channels cannot reproduce, and they operate simultaneously as sales outlets, brand communication platforms, exhibition spaces and meeting points[3][4]. The performance of an offline store depends on two closely connected decisions: where it is located and how its interior space is organized. Location determines the quantity and the composition of potential customer traffic; spatial layout determines whether that traffic is converted into engagement and sales.

Existing research has tended to treat these decisions separately. Retail location studies emphasize accessibility, market potential and economic efficiency, whereas store-environment studies examine atmospherics and layout within a given site. Comparatively little attention has been paid to how external location conditions and internal spatial design jointly shape consumer behavior in experience-oriented retailing[5][6].

This study therefore takes POP MART as a representative case and examines the relationship among store location, spatial layout and consumer behavior. It adopts a qualitative case-study design drawing on corporate disclosures, industry reports, media coverage and publicly available consumer reviews, and compares landmark flagship stores, standard shopping-center stores and a high-risk lower-tier scenario. The analysis follows a location-space-behavior framework: location conditions are evaluated first, spatial design is then interpreted in behavioral terms, and the two levels are finally integrated into optimization proposals. Section 2 reviews the theoretical foundations, Section 3 analyzes the location strategy, Section 4 proposes behavior-based layout optimization, Section 5 discusses challenges and responses, and Section 6 concludes.

2. Theoretical Framework

2.1. Retail Location Theories

Central place theory explains the hierarchical distribution of commercial functions through market thresholds and ranges. Frequently purchased necessities have low thresholds and short ranges, whereas specialty goods require larger market areas and higher concentrations of effective demand. Designer toys behave as specialty goods: their consumption is discretionary, their value depends on symbolic and aesthetic recognition, and demand is concentrated among young urban consumers. POP MART's early concentration in major cities and landmark commercial districts

can therefore be interpreted as a rational response to a relatively high market threshold [7].

The Huff gravity model estimates store choice probabilistically, assuming that the probability of visiting a destination increases with its attractiveness and decreases with the time or distance required to reach it:

$$P_{ij} = \frac{S_j^\alpha T_{ij}^{-\beta}}{\sum_{k=1}^n S_k^\alpha T_{ik}^{-\beta}} \quad (1)$$

where P_{ij} represents the probability that consumers in area i will choose retail destination j ; S_j denotes the attractiveness of destination j , commonly measured by retail floor area or commercial scale; T_{ij} represents the travel time or distance between consumer area i and destination j ; α reflects consumers' sensitivity to destination attractiveness; and β indicates their sensitivity to travel costs.

The model is useful for assessing market coverage, accessibility and competition, but it usually treats attractiveness as a simple physical indicator such as commercial floor area. For experience-oriented retail this is inadequate: a large shopping center is not attractive if its visitors do not match the brand's target profile [8]. Attractiveness is therefore better treated as a multidimensional construct:

$$A_j = f(S_j, C_j, I_j, E_j, V_j, M_j) \quad (2)$$

where S_j represents the physical and commercial scale of location j ; C_j denotes the concentration of target consumers; I_j represents the attractiveness of the tenant mix; E_j captures experiential and cultural characteristics; V_j denotes store visibility and accessibility; and M_j represents marketing and event-support resources. This extension allows the model to reflect the emotional and cultural attraction of a retail destination in addition to its physical attributes.

Third-place theory adds a social dimension. Informal gathering places outside the home and the workplace derive value from the relationships and community experiences they support. Designer toy stores can perform this role, because blind-box consumption involves collecting, exchanging, unboxing and sharing. A store that maximizes merchandise density and transaction speed, however, provides little social space. Location evaluation thus extends from market accessibility to social embeddedness.

2.2. Consumer Behavior in Blind-Box Retailing

The stimulus-organism-response model holds that environmental stimuli affect internal psychological states, which in turn produce behavioral responses. In a retail context, stimuli include lighting, color, music, spatial density and product displays; internal states include perceived attractiveness, curiosity and emotional arousal; responses include approach or avoidance, dwell time, purchase and social sharing [9]. These internal states are commonly described through pleasure, arousal and dominance. Bright colors, focused lighting and large IP installations may raise

pleasure and arousal, whereas excessive product density, confusing circulation and crowding reduce perceived control and encourage avoidance [6].

Scarcity and uncertainty are central to blind-box value. Limited editions and secret figures increase perceived uniqueness, while concealed content generates anticipatory utility: part of the satisfaction is produced before the outcome is revealed, and the occasional rare figure operates as an intermittent reward. Collecting extends this logic, since figures are interconnected members of a series and incomplete sets remain cognitively salient, sustaining the motivation to continue. Social identity theory explains the community dimension: rare figures function as symbolic capital, and displaying, unboxing or exchanging them communicates membership. Stores that provide space for such interaction generate value beyond the transaction itself.

3. POP MART's Store Location Strategy

3.1. Evolution of the Store Network

POP MART's offline expansion has been shaped by both city hierarchy and commercial-district hierarchy. Early stores were used to test demand and refine the retail model; once the company focused on its own designer toy IP, stores in major metropolitan shopping centers assumed a branding role, positioning the brand alongside fashion, beauty and entertainment tenants. The format was then replicated in provincial capitals and supported by complementary channels: roboshops, which require little space and staffing and are suitable for testing emerging locations, and pop-up stores, which support launches and collaborative campaigns at low commitment.

By the end of 2025 the company operated 410 retail stores and 2,350 roboshops in the Chinese mainland, and 445 stores including Hong Kong, Macao and Taiwan. Growth no longer depends primarily on adding outlets; flagship stores in landmark locations, including Shanghai, Bangkok and Sydney, are increasingly used to strengthen cultural and experiential positioning. Four characteristics summarize the strategy: hierarchical expansion from high-tier cities outward; emphasis on consumer quality rather than pedestrian volume; reliance on tenant-mix complementarity; and a close connection between location and brand communication.

3.2. Key Location Factors

Location suitability cannot be determined by pedestrian volume or rental cost alone [7]. Six factors are decisive. First, compatibility with the target consumer profile: age structure, purchasing power, cultural consumption habits and familiarity with designer toy IP matter more than absolute visitor numbers [10]. Second, accessibility and visibility, which are related but distinct: proximity to public transport, position along major internal circulation routes, and the ability to be noticed from a distance

are separate requirements. Third, economic feasibility: projected sales, gross margin, rent, staffing, decoration and renewal costs should be assessed under optimistic, baseline and pessimistic scenarios, because sales per unit area alone understates the value of exhibition and interactive space.

Fourth, tenant-mix complementarity: cinemas, fashionable food and beverage outlets, beauty and consumer-electronics retailers attract compatible visitors and generate customer-flow and image synergies, whereas an excessive concentration of directly competing designer toy stores divides demand. Fifth, compatibility with the shopping center's positioning, which shapes consumer expectations before entry. Sixth, marketing resources: atriums, exterior plazas, digital screens and public exhibition areas allow IP campaigns that a purely rental negotiation would overlook. Competition and cannibalization within the company's own network should also be examined, since a new store placed too close to an existing outlet or roboshop may redistribute rather than expand demand [8].

3.3. Comparison of Store Formats and Location Scenarios

Three cases illustrate that location quality must be judged against the intended function of the outlet. The global flagship store on East Nanjing Road in Shanghai, opened in 2022 with approximately 600 square meters, operates as a destination: it combines tourism flows, landmark visibility and sufficient space for exhibitions and interactive installations, and a second, larger flagship opened nearby in 2025. Standard shopping-center stores form the main body of the network; they are not expected to become citywide landmarks but must be replicable, operationally efficient and profitable, with performance assessed through sales per unit area, conversion, average transaction value and inventory turnover.

A newly opened peripheral shopping center in a lower-tier city represents a high-risk scenario. Preferential rent cannot offset a thin target market, limited discretionary purchasing power, an incomplete tenant portfolio, few marketing opportunities and uncertain shopping-center performance. Under such conditions a pop-up store or roboshop is a lower-cost market-testing instrument than a permanent lease.

The three cases demonstrate that store-location quality must be assessed in relation to the intended function of the outlet. **Table 1** summarises the comparison across the three location scenarios.

Table 1. Comparison of store formats and location scenarios.

Dimension	Landmark flagship store	Standard shopping-center store	High-risk location scenario
Primary function	Brand communication and immersive experience	Stable sales and network coverage	Market exploration
Customer source	Local consumers and destination visitors	Shopping-center traffic and repeat customers	Uncertain and potentially novelty-driven traffic

Location requirement	Landmark commercial district	Leading local shopping center	Market demand not yet validated
Spatial emphasis	IP storytelling, exhibitions and interaction	Efficient display with selected experiential elements	Flexible and low-investment format
Main performance indicators	Sales, visits, media exposure and brand influence	Sales density, conversion and inventory turnover	Demand validation and customer acquisition
Principal risk	High cost and crowding	Standardization and local adaptation	Consumer mismatch and insufficient repeat demand
Appropriate format	Large permanent flagship store	Standard permanent store	Pop-up store or roboshop before permanent entry

4. Consumer Behavior-Based Spatial Layout Optimization

4.1. Behavior Patterns and Spatial Requirements

Consumer behavior in a POP MART store can be understood as a sequence of attraction, entry, orientation, exploration, product evaluation, purchase and post-purchase interaction. Motivations are mixed: goal-directed visitors seek a particular series or new release, while recreational visitors are drawn by exploration, visual enjoyment and social interaction, and a single visit often shifts between the two. At the storefront, consumers process competing stimuli from surrounding tenants, so a recognizable focal point and visual permeability determine entry[11].

Inside the store, positive emotional responses and comfortable exploration increase product exposure, but dwell time should not be extended through deliberate confusion or congestion; distributing popular products across several areas reduces both crowding and fatigue. Collection-related search requires complete-series displays and legible IP classification, while duplicate figures create demand for exchange mechanisms. After purchase, unboxing, comparison and photography frequently occur on site, and when they take place in checkout queues or main circulation paths they obstruct other customers.

The relationship between consumer behavior and spatial requirements is summarised in **Table 2**.

Table 2. Consumer behavior patterns and corresponding spatial requirements.

Consumer behavior	Underlying motivation	Spatial requirement	Expected outcome
Store entry	Curiosity and visual attraction	Visible storefront and open transition area	Increased approach and entry
Goal-directed search	Efficiency and product acquisition	Clear IP classification and signage	Reduced search costs
Recreational browsing	Enjoyment and discovery	Loop-based route and distributed focal points	Broader product exposure
Collection evaluation	Completion and scarcity	Complete-series and rare-figure displays	Stronger product involvement
Unboxing and interaction	Emotional sharing and community participation	Dedicated social and photography area	Improved experience and user-generated content

Checkout and waiting	Transaction completion	Clear queue organization and sufficient capacity	Reduced frustration
Post-purchase participation	Membership and continued engagement	Exchange, recycling, and digital-service facilities	Stronger long-term relationships

4.2. Optimization Strategies

Optimization should follow the customer journey. The entrance requires a decompression zone, that is, a relatively open transition area in which consumers adjust from the shopping-center environment, together with a clear visual hierarchy in which one primary focal point, such as a full-wall blind-box display, can be identified immediately. Storefronts should be visually permeable, entrance displays should be updated with new releases, and promotional information should be simplified; popular displays should not be positioned where stopping customers block the entrance.

Circulation should be organized as a loop connecting the entrance, major IP zones, new-product displays, interactive areas and the checkout, defined by flooring, lighting and shelf orientation rather than by physical barriers. Attraction points should be distributed along the route in a progressive rhythm, with particular attention to corners and deep areas that fall outside consumers' initial field of vision. Shortcuts should remain available for goal-directed visitors, and path width should be increased where product launches generate queues.

Display and zoning should balance commercial density with consumer comfort. A visual hierarchy should distinguish new releases and rare editions from routine merchandise; density can be high for repeated blind-box walls but lower for products that require individual appreciation. IP zones should be visually distinct yet consistent with the overall brand identity, and each should carry a concise narrative rather than a simple product grouping. A dedicated unboxing and social-sharing area, modest in size but well lit and equipped with a stable surface and waste disposal, separates post-purchase interaction from circulation and supports user-generated content.

Digital technology should function as an enabling layer rather than a source of novelty. Augmented reality and in-store screens can extend IP narratives and preview products; electronic shelf labels can update prices, inventory and purchase limits during launches; online-offline inventory integration reduces unsuccessful visits; and anonymous customer-flow analysis, combined with sales records and employee observation, allows layout adjustments to be evaluated through controlled comparison. Data collection should remain aggregated and privacy-compliant, and technological investment should be justified by measurable benefit.

5. Challenges and Strategic Responses

Continued expansion faces four constraints. Extension into lower-tier cities risks

market mismatch, since the model developed in first-tier and major second-tier cities cannot be transferred directly. Continued dependence on prime commercial districts raises rental and renovation costs. Competition for suitable retail space is intensifying as other experience-oriented formats pursue the same units. International expansion adds differences in consumer preference, shopping-center structure and cultural interpretation of IP.

Store operations face parallel difficulties: rapid IP iteration requires frequent spatial updates; uneven customer flows create crowding during launches and idle capacity at other times; secondary-market resale confirms collectable value but encourages speculative purchasing; consistency across store formats is difficult to maintain; and packaging generates environmental pressure.

Five responses follow. The company should enter uncertain markets in stages, using pop-up stores and roboshops before committing to permanent leases. Store formats should be differentiated by function, with flagship stores concentrating on exhibitions and events and standard stores on operational efficiency. Fixtures should be modular so that displays can be reconfigured without renovation. An official duplicate-exchange and recycling system would address both collection frustration and packaging waste. Finally, layout optimization should become a continuous, data-supported process rather than a one-time design decision.

6. Conclusions

This study examined POP MART's store location strategy and spatial layout from a consumer behavior perspective. Location decisions extend beyond traffic, distance and commercial scale: suitable sites require a concentration of target consumers, tenant-mix compatibility, visibility, accessibility and opportunities for IP-related marketing. The company applies a differentiated format strategy in which flagship stores serve brand communication, standard stores provide replicable profitability, and pop-up stores and roboshops test uncertain markets. Spatial layout operates as a behavioral guidance system: entrance design affects attention and store entry, circulation affects product exposure and dwell time, zoning affects search efficiency and social interaction, and post-purchase areas affect sharing and repeat visits. The value of a physical store therefore cannot be assessed through sales per unit area alone.

The study is conceptual and based on a single company, and it does not assign empirical weights to the proposed factors. Future research could test the location-space-behavior framework quantitatively using consumer surveys, behavioral observation, transaction data and spatial heatmaps, and could compare different designer toy brands, city tiers and national markets. Omnichannel integration, responsible blind-box consumption and packaging reduction merit particular attention as experience-oriented retailers expand.

References

- [1] Wei, Z. and Yu, B. (2025) Why Do You Engage in Blind Box Consumption? Exploring the Group Interactions and Psychological Motivations in Blind Box Consumption. *Current Psychology*, 44, 15168-15182. <https://doi.org/10.1007/s12144-025-08150-x>
- [2] Zhang, Y. and Zhang, T. (2022) The Effect of Blind Box Product Uncertainty on Consumers' Purchase Intention: The Mediating Role of Perceived Value and the Moderating Role of Purchase Intention. *Frontiers in Psychology*, 13, Article ID: 946527. <https://doi.org/10.3389/fpsyg.2022.946527>
- [3] Kim, Y.K. (2001) Experiential Retailing: An Interdisciplinary Approach to Success in Domestic and International Retailing. *Journal of Retailing and Consumer Services*, 8, 287-289.
- [4] Alexander, B. and Varley, R. (2025) Retail Futures: Customer Experience, Phygital Retailing, and the Experiential Retail Territories Perspective. *Journal of Retailing and Consumer Services*, 82, Article ID: 104108.
- [5] Hernandez, T. and Bennison, D. (2000) The Art and Science of Retail Location Decisions. *International Journal of Retail & Distribution Management*, 28, 357-367.
- [6] Spence, C., Puccinelli, N.M., Grewal, D., et al. (2014) Store Atmospheric: A Multisensory Perspective. *Psychology & Marketing*, 31, 472-488.
- [7] Ghosh, A. and Craig, C.S. (1983) Formulating Retail Location Strategy in a Changing Environment. *Journal of Marketing*, 47, 56-68.
- [8] Clarke, I., Bennison, D. and Pal, J. (1997) Towards a Contemporary Perspective of Retail Location. *International Journal of Retail & Distribution Management*, 25, 59-69.
- [9] Donovan, R.J., Rossiter, J.R., Marcolyn, G., et al. (1994) Store Atmosphere and Purchasing Behavior. *Journal of Retailing*, 70, 283-294.
- [10] González-Benito, Ó. and González-Benito, J. (2005) The Role of Geodemographic Segmentation in Retail Location Strategy. *International Journal of Market Research*, 47, 295-316. <https://doi.org/10.1177/147078530504700305>
- [11] Jalil, N.A.A., Fikry, A. and Zainuddin, A. (2016) The Impact of Store Atmospheric, Perceived Value, and Customer Satisfaction on Behavioural Intention. *Procedia Economics and Finance*, 37, 538-544.