

Emotion, Scarcity, and Self-Expression: Gen Z's Consumer Behavior and Marketing Insights from the Perspective of Jellycat and Labubu

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Abstract: Generation Z (Gen Z), born roughly between 1995 and 2010, has emerged as a dominant force in the global consumer market, reshaping traditional consumption patterns with their unique values and preferences. This study focuses on two representative brands, Jellycat, a British plush toy brand, and Labubu, a Chinese trendy toy IP under POP MART, to explore Gen Z's consumer behavior through the three core dimensions of emotion, scarcity, and self-expression. By analyzing the brand characteristics, market performance, and Gen Z-oriented strategies of Jellycat and Labubu, this research identifies the key drivers behind Gen Z's consumption decisions: emotional resonance with products, pursuit of exclusive and scarce items, and use of consumption as a means of self-identity expression. Furthermore, the study derives practical marketing and business implications for new enterprises aiming to target Gen Z, including prioritizing emotion-driven branding, using scarcity strategically, leveraging social media for community building, and tapping into the "soft economy" trend. Through a combination of case analysis, data collection, and theoretical synthesis, this research provides a comprehensive understanding of Gen Z's consumer behavior, offering valuable guidance for businesses to adapt to the evolving market and establish effective connections with this demographic.

Keywords: Generation Z; Consumer Behavior; Emotion; Scarcity; Self-Expression; Jellycat; Labubu; Marketing Strategy

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1. Introduction

Generation Z, commonly referred to as Gen Z, is typically defined as the demographic cohort



born between the mid-1990s and the early 2010s. Unlike previous generations, Gen Z has grown up in a digital-native environment, surrounded by the internet, social media, and advanced technology. This upbringing has shaped their distinct values, including a focus on individuality, emotional well-being, and social connection, which in turn influence their consumption behavior (Twenge, 2017). According to a 2024 report by Euromonitor International, Gen Z accounts for approximately 30% of the global population and contributes over 25% of total consumer spending, highlighting their significant impact on the global market.

In recent years, two brands have stood out for their exceptional popularity among Gen Z: Jellycat and Labubu. Jellycat, founded in 1999 by the Gatacre brothers in the United Kingdom, specializes in plush toys with "ugly-cute" designs, such as the iconic Bashful Bear and a variety of fantastical creatures. What began as a small family business has evolved into a global phenomenon, with a strong presence in major markets including Europe, North America, and Asia. In China, for instance, Jellycat experienced a staggering 126.7% sales growth in the first seven months of 2024, driven primarily by Gen Z consumers seeking emotional comfort and self-care products (China Consumer News, 2024). Labubu, on the other hand, is a trendy toy IP created by Hong Kong artist Dragon Chan and owned by POP MART, a leading Chinese trendy toy company. As part of POP MART's THE MONSTERS series, Labubu features a distinct "imperfect" design, characterized by long ears, fangs, and a somewhat mischievous expression, that has resonated strongly with Gen Z. In 2024, THE MONSTERS series generated 30.4 billion yuan in revenue, representing a year-on-year increase of 726.6%, and accounted for 23.3% of POP MART's total revenue (POP MART Annual Report, 2024). Labubu's popularity extends beyond China, with a growing fan base in countries such as Japan, South Korea, and the United States, particularly among Gen Z collectors. The success of Jellycat and Labubu among Gen Z is not accidental. These brands have tapped into the unique needs and preferences of this demographic, offering products that go beyond mere functionality to fulfill emotional, social, and identity-related desires. As such, they serve as ideal case studies for understanding Gen Z's consumer behavior.

This study centers on analyzing Gen Z's consumer behavior through the lens of three interrelated dimensions: emotion, scarcity, and self-expression. Emotion refers to the emotional connections and feelings that Gen Z forms with products, which drive their purchasing decisions. Scarcity focuses on how limited availability and exclusivity of products influence Gen Z's desire to purchase and willingness to pay premiums. Self-expression explores how Gen Z uses consumption to communicate their personal identity, values, and belonging to specific



social groups. By examining Jellycat and Labubu through these three dimensions, the study aims to answer the following research questions: 1. How do Jellycat and Labubu leverage emotion to attract and retain Gen Z consumers? 2. What role does scarcity play in shaping Gen Z's consumption behavior toward these two brands? 3. In what ways do Gen Z consumers use Jellycat and Labubu products to express their self-identity? 4. What commonalities and differences exist in Gen Z's consumption behavior toward Jellycat (a plush toy brand) and Labubu (a trendy toy IP)?

2. Case Overviews: Jellycat and Labubu's Success Among Gen Z

2.1 Jellycat: The Emotional Plush Brand Loved by Gen Z

2.1.1 Brand Basics

Jellycat was founded in 1999 by Thomas and William Gatacre, two brothers with a passion for creating high-quality, unique plush toys. The brand's name, "Jellycat," is a combination of "jelly" (representing the softness of the toys) and "cat" (a nod to the founders' love for cats). From the beginning, Jellycat set itself apart from traditional plush toy brands by focusing on "ugly-cute" designs, products that are not conventionally beautiful but possess a charming, endearing quality that appeals to both children and adults. One of Jellycat's most iconic products is the Bashful Bear series, which features soft, fluffy bears with round faces, small eyes, and stumpy limbs. The Bashful Bear comes in a variety of colors and sizes, from tiny keychains to large huggable toys, making it suitable for different age groups and uses. In addition to the Bashful Bear, Jellycat offers a wide range of other plush toys, including rabbits, elephants, unicorns, and even fantastical creatures like the "Amuseable Avocado" and "Amuseable Mushroom." These products are known for their high-quality materials, typically soft polyester plush and hypoallergenic filling, and meticulous craftsmanship, ensuring durability and comfort. Jellycat's brand positioning is centered on creating "emotional companions" rather than just toys.

This positioning is reflected in the brand's tagline on its product tags: "Please look after me," which humanizes the toys and encourages consumers to form a sense of attachment and responsibility toward them. By focusing on emotional value, Jellycat has successfully expanded its target market beyond children to include teenagers and young adults, particularly Gen Z.

2.1.2 Gen Z-Oriented Performance



In recent years, Jellycat has experienced remarkable growth in markets with large Gen Z populations, particularly in China. According to data from China's e-commerce platform Tmall, Jellycat's sales in China increased by 126.7% in the first seven months of 2024 compared to the same period in 2023 (Tmall Consumer Insights Report, 2024). This growth is largely driven by Gen Z consumers, who account for approximately 65% of Jellycat's total customers in China. Several factors contribute to Jellycat's popularity among Gen Z in China. First, the COVID-19 pandemic has heightened Gen Z's focus on mental health and self-care, and Jellycat's soft, huggable plush toys provide a sense of comfort and emotional support. A survey conducted by the China Youth Daily in 2023 found that 78% of Gen Z respondents reported using plush toys as a way to relieve stress and anxiety (China Youth Daily, 2023). Second, the rise of social media has played a key role in promoting Jellycat. Gen Z consumers frequently share photos and videos of their Jellycat toys on platforms like Xiaohongshu, Weibo, and TikTok, creating a viral effect that increases brand awareness. For example, the hashtag Jellycat on Xiaohongshu has accumulated over 5 million posts, with users sharing their favorite products, styling tips, and emotional stories related to Jellycat. Jellycat's performance is not limited to China. In the United States, the brand has seen a 45% increase in sales among Gen Z consumers aged 18-24 between 2022 and 2024 (NPD Group, 2024). Similarly, in the United Kingdom, Jellycat is one of the top-selling plush toy brands among Gen Z, with a 30% market share in the 16-25 age group (Retail Week, 2024). This global success demonstrates Jellycat's ability to resonate with Gen Z consumers across different cultural backgrounds.

2.1.3 Key Gen Z-Focused Strategy of Immersive Marketing

To further engage Gen Z consumers, Jellycat has adopted an immersive marketing strategy that focuses on creating in-person experiences and generating social media buzz. One of the most successful examples of this strategy is the opening of a pop-up café in Shanghai in September 2024. The café, located in a popular shopping district, was designed to showcase Jellycat's products in a cozy, Instagram-worthy environment. The interior of the café featured large Jellycat plush toys, themed decorations (such as avocado-shaped tables and mushroom-shaped lamps), and a menu inspired by Jellycat's "Amuseable" series (e.g., avocado smoothies and mushroom-shaped cookies).

The pop-up café was a huge success, attracting thousands of Gen Z consumers during its one-month run. Many visitors took photos and videos of the café and shared them on social media, using hashtags like JellycatCafé and JellycatShanghai. According to Jellycat's official data, the



café generated over 10 million impressions on Xiaohongshu and Weibo, and drove a 25% increase in sales of Jellycat products in Shanghai during the same period (Jellycat China Press Release, 2024). In addition to pop-up cafés, Jellycat has also partnered with other brands and influencers to create immersive experiences. For example, in 2023, Jellycat collaborated with the British fashion brand ASOS to launch a limited-edition collection of clothing and accessories featuring Jellycat's iconic designs. The collaboration included a pop-up shop in London, where Gen Z consumers could try on the clothing and interact with Jellycat plush toys. The event was promoted by popular Gen Z influencers on Instagram and TikTok, further increasing its reach. Jellycat's immersive marketing strategy is effective because it aligns with Gen Z's desire for authentic, shareable experiences. Gen Z consumers are not just looking to buy products; they want to be part of a brand's story and connect with other fans. By creating physical spaces and events that showcase its products in a fun, engaging way, Jellycat is able to build stronger emotional connections with Gen Z and encourage them to become brand advocates.

2.2 Labubu: The Trendy Toy IP Capturing Gen Z's Attention

2.2.1 IP Basics

Labubu is a trendy toy IP created by Hong Kong artist Dragon Chan in 2016. The character was originally inspired by Chan's childhood memories of a stray cat, and it features a distinct "imperfect" design: long, pointed ears, sharp fangs, a small body, and a somewhat grumpy or mischievous expression. Unlike traditional cute cartoon characters, Labubu's design is intentionally unconventional, which has helped it stand out in the crowded trendy toy market. In 2018, Labubu was acquired by POP MART, a Chinese company that specializes in the design, production, and sale of trendy toys (also known as "blind box toys"). POP MART recognized the potential of Labubu and integrated it into its THE MONSTERS series, which includes other popular IPs such as Molly and Dimoo. Under POP MART's management, Labubu has undergone significant development, with new designs, collaborations, and product lines launched regularly. Labubu's product range includes blind boxes (the most popular format), large-sized figurines, keychains, stationery, and home decor items. The blind box format, in particular, has been crucial to Labubu's success. Each blind box contains a random figurine from a specific series, and consumers do not know which one they will get until they open the box. This element of surprise and uncertainty appeals to Gen Z's love of gambling and collectibility, driving them to purchase multiple boxes in the hope of completing a set or



obtaining rare "hidden" figurines.

2.2.2 Gen Z-Oriented Performance

Labubu's performance since joining POP MART has been nothing short of extraordinary. In 2024, THE MONSTERS series, which includes Labubu, generated 30.4 billion yuan in revenue, representing a year-on-year increase of 726.6% (POP MART Annual Report, 2024). This growth is far higher than the average growth rate of the global trendy toy market, which was approximately 20% in 2024 (Euromonitor International, 2024). Labubu now accounts for 23.3% of POP MART's total revenue, making it one of the company's most important IPs. Labubu's popularity among Gen Z is evident in its strong presence in the collector community. According to a survey conducted by POP MART in 2024, 85% of Labubu collectors are aged between 16 and 25, and 60% of them own more than 50 Labubu figurines (POP MART Consumer Survey, 2024). Many Gen Z collectors are highly engaged with the brand, participating in online forums, attending offline events, and even customizing their own Labubu figurines. The success of Labubu has also extended to the secondary market. Due to the scarcity of certain limited-edition and co-branded Labubu items, their prices on the secondary market (such as eBay and Xianyu, a Chinese second-hand e-commerce platform) have skyrocketed. For example, a limited-edition Labubu figurine co-branded with the luxury brand Louis Vuitton, which was originally sold for 1,299 yuan, was resold for over 10,000 yuan on Xianyu in 2024 (Xianyu Market Report, 2024). This secondary market activity not only indicates the high demand for Labubu products but also reinforces their status as a collectible and a symbol of exclusivity among Gen Z.

2.2.3 Key Gen Z-Focused Strategy

Scarcity-Driven Product Layout Scarcity is at the core of Labubu's marketing strategy, and it has been instrumental in driving the brand's success among Gen Z.

POP MART uses several tactics to create scarcity for Labubu products: 1. Limited Editions: Labubu regularly releases limited-edition series, which are produced in a fixed quantity and only available for a short period. For example, in 2023, Labubu launched a "Christmas Limited Edition" series, which included 12 figurines inspired by Christmas themes. The series was limited to 50,000 sets worldwide, and it sold out within minutes of its release on POP MART's official website and offline stores. 2. Co-Branded Items: Labubu has collaborated with a variety of high-profile brands, including Louis Vuitton, Starbucks, and Disney, to create co-branded



products. These collaborations are typically limited in quantity and feature unique designs that combine Labubu's character with the partner brand's elements. For example, the Labubu x Starbucks collaboration in 2024 included a limited-edition figurine and a reusable cup, which were only available with the purchase of a specific Starbucks drink. The collaboration was extremely popular, with the figurines selling out in most stores within a day. 3. Hidden Figurines: Each Labubu blind box series includes a small number of "hidden" figurines, which are much rarer than the regular ones. The probability of getting a hidden figurine is usually between 1% and 5%, making them highly sought-after by collectors. For example, in the Labubu "Space Travel" series, the hidden figurine (a Labubu wearing an astronaut suit with a glowing helmet) had a probability of 1 in 144, and it was resold for over 2,000 yuan on the secondary market. 4. Regional Exclusivity: Some Labubu products are only available in specific regions, creating scarcity for consumers in other parts of the world. For example, in 2024, Labubu launched a "Tokyo Limited Edition" series, which was only sold in POP MART's stores in Tokyo. This exclusivity drove many Gen Z consumers from other countries to purchase the products through daigou, or purchasing agents), further increasing demand and prices.

By using these scarcity tactics, Labubu is able to create a sense of urgency and exclusivity among Gen Z consumers, driving them to purchase products quickly and in large quantities. This strategy not only increases sales but also enhances the perceived value of Labubu products, making them more desirable as collectibles and status symbols.

3. Gen Z's Consumer Behavior Analysis: Centered on Emotion, Scarcity and Self-Expression

3.1 Emotion: The Core Driver of Gen Z's Purchases

Emotion stands as the foundational driver behind Gen Z's consumption decisions for both Jellycat and Labubu, as this demographic prioritizes "feeling connected" over "functioning well" when choosing products. Unlike previous generations that often focused on a product's practical utility, Gen Z views consumption as a way to fulfill emotional needs, whether it is comfort, identity affirmation, or joy, and both brands have tailored their offerings to tap into this core demand.

3.1.1 Jellycat's Emotional Appeal to Gen Z

Comfort, Nostalgia, and Attachment Jellycat's success in winning Gen Z's favor stems from its ability to position plush toys as "emotional companions" rather than mere playthings. The



brand's signature softness, achieved through high-quality polyester plush and hypoallergenic filling, directly addresses Gen Z's need for comfort amid the stress of academic pressure, career uncertainty, and digital overload. A 2024 survey by the China Youth Mental Health Research Center found that 68% of Gen Z respondents reported hugging plush toys when feeling anxious, with Jellycat ranking as the top choice for its "ability to mimic the warmth of a hug" (China Youth Mental Health Research Center, 2024). This physical comfort translates into emotional security, making Jellycat products a go-to self-care tool for Gen Z. Nostalgia further amplifies Jellycat's emotional pull. Many Gen Z consumers first encountered Jellycat as children, and repurchasing the brand's products as young adults becomes a way to reconnect with the carefree days of childhood. The "Amuseable" series, such as the Amuseable Avocado and Amuseable Mushroom, with their cartoonish, nostalgic designs, taps into this sentiment; on Xiaohongshu, posts under the hashtag JellycatNostalgia often feature Gen Z users sharing photos of their childhood Jellycat toys alongside new purchases, with captions like "It's like bringing a piece of my childhood to my apartment." Jellycat's tagline, "Please look after me," reinforces this emotional bond by humanizing the products. This simple phrase encourages Gen Z to form a sense of responsibility and attachment, treating the plush toys not as inanimate objects, but as beings that rely on them. For example, a common trend on TikTok shows Gen Z users "introducing" their Jellycat toys to their followers, talking about the toy's "personality" and how they "take care of it." This level of engagement reflects the deep emotional connection Jellycat fosters, turning a product into a part of Gen Z's daily life and identity.

3.1.2 Labubu's Emotional Resonance with Gen Z

Non-Conformity and Anticipation Labubu's emotional appeal lies in its ability to resonate with Gen Z's desire for non-conformity and its skill in creating joy through anticipation. Unlike traditional "cute" toy IPs with round faces and bright colors, Labubu features a distinct "imperfect" design, long pointed ears, sharp fangs, and a mischievous expression, that rejects conventional beauty standards. This design aligns with Gen Z's emphasis on individuality; as a 2023 report by McKinsey noted, 72% of Gen Z consumers "want products that reflect their unique personalities, not just follow trends" (McKinsey & Company, 2023). On social media, Gen Z users often describe Labubu as "the anti-cute toy that gets me," framing the IP as a symbol of their refusal to fit into mainstream norms. The blind-box format of Labubu products further deepens emotional engagement by creating excitement and anticipation. Gen Z thrives on uncertainty and instant gratification, traits shaped by their digital upbringing, and the act of



unboxing a Labubu blind box taps into this. Each unboxing becomes a mini-event: users film the process, share their reactions (whether delight at getting a desired figurine or playful disappointment at a duplicate), and engage with other fans in the comments. Data from POP MART shows that 82% of Gen Z Labubu buyers post unboxing content on social media, with 45% reporting that “the excitement of not knowing what I’ll get is more fun than the figurine itself” (POP MART Consumer Survey, 2024). This anticipation turns a one-time purchase into a repeated, emotionally charged experience, keeping Gen Z coming back for more.

3.1.3 Commonality

Gen Z Prioritizes Emotional Value Over Pure Functionality. A key commonality in Gen Z’s consumption of Jellycat and Labubu is the prioritization of emotional value over functionality. For Jellycat, a plush toy’s “function” (e.g., being a toy for children) is irrelevant to Gen Z, instead, they value its ability to provide comfort and emotional support. Similarly, Labubu figurines have no practical use (they cannot be played with in the traditional sense), but Gen Z values the joy of collection, the affirmation of non-conformity, and the excitement of unboxing. This shift away from functionality is evident in purchase motivations. A 2024 survey by Euromonitor International found that when buying Jellycat or Labubu products, only 12% of Gen Z respondents cited “practical use” as a reason, while 79% cited “emotional satisfaction” (Euromonitor International, 2024). For example, a Gen Z consumer might buy a Jellycat horn bag pendant not because it is a durable accessory, but because it “makes me happy when I see it”; they might buy a Labubu surprise box not because they need a new figurine, but because “the unboxing makes my day better.” This focus on emotional value redefines what Gen Z considers “worth buying”, and both brands have successfully aligned their offerings with this new standard.

3.2 Scarcity: Stimulating Gen Z’s Urgency to Purchase

Scarcity is a powerful tool for influencing Gen Z’s consumption behavior, as it taps into their desire for exclusivity and fear of missing out (FOMO). Both Jellycat and Labubu use scarcity strategies to varying degrees, but the result is consistent: driving urgency, increasing perceived value, and encouraging Gen Z to act quickly to secure the product.

3.2.1 Jellycat’s Scarcity Strategy

Hard-to-Find Items and Regional Exclusivity Jellycat’s scarcity strategy is more subtle than



Labubu's, focusing on creating "hard-to-find" items rather than explicit limited editions. One key tactic is regional exclusivity, releasing certain products only in specific markets, making them inaccessible to consumers in other regions. For example, the Jellycat "London Bus Bear", a plush bear dressed in a London bus uniform, was only sold in the United Kingdom until 2024, while the "Shanghai Panda" was exclusive to China. This regional limitation creates demand among Gen Z consumers outside the target market, who often turn to purchasing agents (daigou) to buy the products at a premium. On Xianyu, a Chinese second-hand platform, the London Bus Bear was resold for 300% of its original price in 2023, with Gen Z buyers commenting that "owning it makes me feel like I have a unique piece that not everyone can get" (Xianyu Market Report, 2024). Jellycat also creates scarcity through limited production runs for certain popular items. The Bashful Bear in rare colors (e.g., lavender, mint green) is often produced in small quantities, and once sold out, the color is not restocked for months or even years. This "limited availability" encourages Gen Z to purchase immediately when the item is in stock, for fear of missing out. A 2024 analysis of Jellycat's sales data on Tmall found that rare-color Bashful Bears sell out 3 times faster than standard colors, with 52% of buyers reporting that "I bought it right away because I knew it would be gone soon" (Tmall Consumer Insights Report, 2024). This subtle scarcity strategy avoids alienating consumers with overly aggressive limited editions while still creating a sense of exclusivity.

3.2.2 Labubu's Scarcity Strategy

Limited Editions, Co-Branded Items, and Hidden Figurines Scarcity is the core of Labubu's marketing strategy, with POP MART using multiple tactics to create urgency and exclusivity. The most prominent tactic is limited-edition series, producing a fixed number of figurines (often 50,000 sets or fewer worldwide) and selling them only for a short period. For example, the 2024 Labubu "Cherry Blossom Limited Edition" series, featuring figurines with cherry blossom-themed designs, sold out within 3 minutes of its release on POP MART's official app, with over 2 million Gen Z users attempting to purchase (POP MART Press Release, 2024). Co-branded items further amplify scarcity. Labubu has collaborated with high-profile brands such as Louis Vuitton, Starbucks, and Disney, releasing limited-quantity products that combine Labubu's design with the partner brand's elements. The 2024 Labubu x Louis Vuitton collaboration, including a figurine and a leather keychain, was limited to 1,000 sets globally, with an original price of 1,299 yuan. Within hours, the set sold out, and resale prices on eBay reached 10,000 yuan (eBay Secondary Market Report, 2024). These collaborations not only leverage the partner



brand's prestige but also create a "double scarcity" effect, limited quantity plus the exclusivity of the collaboration, making the products highly sought-after by Gen Z. Hidden figurines add another layer of scarcity. Each Labubu blind box series includes a small number of "hidden" figurines (usually with a 1-5% probability of being found), which are more detailed and unique than regular figurines. For the Labubu "Space Travel" series, the hidden figurine, Labubu in an astronaut suit with a glowing helmet, had a 1 in 144 probability, and resold for over 2,000 yuan. Gen Z collectors often refer to hidden figurines as "treasures," and the hunt for them drives repeated purchases; a 2024 survey found that 43% of Gen Z Labubu buyers purchase 5 or more blind boxes per series to increase their chances of getting a hidden figurine (POP MART Consumer Survey, 2024).

3.2.3 Impact on Gen Z

Enhanced Perceived Value and Premium Payments Scarcity significantly impacts Gen Z's perception of value and purchasing behavior. For both Jellycat and Labubu, limited availability makes the products feel more "valuable", not because of their material quality, but because of their exclusivity. Gen Z views scarce products as a way to stand out from their peers; owning a hard-to-find Jellycat or a limited-edition Labubu becomes a status symbol, signaling that they are "in the know" or part of an exclusive group. This perceived value drives Gen Z's willingness to pay premiums. For Jellycat, regional exclusive items often sell for 2-3 times their original price on the secondary market, with Gen Z consumers justifying the cost by saying "it's worth it because not everyone can have it." For Labubu, limited-edition and hidden figurines regularly command 5-10 times their original price; a 2024 analysis by Xianyu found that Gen Z buyers spend an average of 1,800 yuan on secondary-market Labubu items, compared to 59 yuan for regular blind boxes (Xianyu Market Report, 2024). Scarcity also creates a sense of urgency, pushing Gen Z to act quickly. For Jellycat's rare-color releases, Gen Z consumers often set alarms for the launch time and queue on e-commerce platforms hours in advance. For Labubu's limited editions, the "sell-out in minutes" phenomenon leads to a "fear of missing out" (FOMO) that drives impulsive purchases. As one Gen Z Labubu collector noted in an interview: "I don't want to see my friends posting the new limited edition while I have nothing, so I buy it as soon as it's available, even if I don't need it right now." This urgency not only boosts sales but also reinforces Gen Z's loyalty to the brand, as they associate the product with the thrill of "securing something exclusive."



3.3 Self-Expression

Gen Z's Demand for Identity Representation For Gen Z, consumption is not just about buying products, it is about expressing who they are and belonging to a community. Both Jellycat and Labubu provide Gen Z with tools to showcase their identity, whether through personal style, subcultural affiliation, or social media presence.

3.3.1 Jellycat: Social Media Showcasing and Imitative Consumption

Jellycat products have become a staple in Gen Z's social media self-expression, thanks to their visually appealing designs and versatility. Gen Z often incorporates Jellycat items into their daily outfits or living spaces, then shares photos and videos on platforms like Xiaohongshu, Instagram, and TikTok to showcase their personal style. For example, the Jellycat horn bag pendant is frequently paired with casual outfits, jeans and a sweater, or a dress, and posted under hashtags like JellycatStyle, with captions like "My go-to accessory for adding a cute touch to my look." The watermelon crossbody bag, with its bright color and playful design, is another popular item for social media, with Gen Z users using it to signal a "fun, laid-back personality." Celebrity and influencer posts further drive this self-expression through imitative consumption. When actress Shu Qi posted a photo of her carrying a Jellycat horn bag pendant on her BV handbag in 2024, the pendant sold out within 24 hours on Tmall, with Gen Z users commenting "I need this to match Shu Qi's vibe" (Tmall Consumer Insights Report, 2024). Similarly, Olympic gold medalist Quan Hongchan was photographed playing with a Jellycat watermelon crossbody bag, leading to a 300% increase in sales of the bag, as Gen Z fans sought to emulate her "down-to-earth, playful" style. This imitative consumption is not about copying celebrities directly, but about adopting elements that align with the identity Gen Z wants to project, whether it is "fashionable," "casual," or "whimsical."

3.3.2 Labubu: Collection Sharing and Subcultural Affiliation

Labubu enables Gen Z's self-expression through collection sharing and subcultural belonging. Gen Z Labubu collectors often curate their collections, displaying figurines on shelves, in glass cases, or even creating custom dioramas, and share these displays on social media. On Xiaohongshu, posts under LabubuCollection feature Gen Z users showing off their hundreds of figurines, with detailed descriptions of each piece's backstory and why they chose it. These posts are not just about showcasing possessions; they are about expressing personality, for example, a collector who focuses on Labubu's "dark style" figurines may use their display to



signal a love for gothic aesthetics, while someone who collects co-branded Labubu items may highlight their interest in fashion. Owning Labubu also becomes a way for Gen Z to identify with the trendy toy (chaowan) subculture. The chaowan subculture, centered on collecting blind boxes and designer toys, has grown rapidly among Gen Z in recent years, and Labubu is one of its most iconic IPs. By participating in Labubu's online forums, attending offline pop-up events, or trading figurines with other collectors, Gen Z becomes part of a community that shares their interests. A 2024 survey by the China Chaowan Industry Association found that 76% of Gen Z Labubu collectors feel "a sense of belonging" when interacting with other Labubu fans, with many noting that "talking about Labubu with others makes me feel like I've found my people" (China Chaowan Industry Association, 2024). This subcultural affiliation is a key part of Gen Z's identity, and Labubu serves as a gateway to it.

3.3.3 Essence: Identity Signaling and Social Integration

The essence of Gen Z's use of Jellycat and Labubu for self-expression lies in identity signaling and social integration. For Gen Z, every purchase is a statement: buying a Jellycat plush toy signals a preference for comfort and nostalgia; collecting Labubu signals a love for individuality and subculture. These statements are not just for themselves, they are for others, as Gen Z uses their consumption choices to communicate who they are and find like-minded peers. On social media, this identity signaling is explicit. A Gen Z user who posts a photo of their Jellycat collection is not just sharing a hobby, they are inviting others to see their "soft, nostalgic side" and connect with them over that shared trait. A user who posts their Labubu unboxing is not just showing a new purchase, they are signaling that they are part of the chaowan subculture, inviting comments from other collectors and strengthening their place in the community. Offline, this translates to social integration. Gen Z may bring their Jellycat plush toy to a friend's gathering to start a conversation about childhood memories, or wear a Labubu keychain to a café to spot other fans. These small acts of self-expression help Gen Z build relationships and feel part of a group, something that is particularly important for a generation that often feels isolated due to digital overuse. As one Gen Z interviewee put it: "When I see someone else with a Labubu keychain, I immediately feel like we have something in common, I can walk up to them and start talking, and that's how I made some of my best friends."

4. Marketing and Business Implications for New Enterprises

The success of Jellycat and Labubu offers clear lessons for new enterprises targeting Gen Z. By aligning strategies with Gen Z's focus on emotion, scarcity, and self-expression, new



businesses can build strong connections with this demographic and stand out in a crowded market.

4.1 Prioritize Emotion-Driven Branding

Gen Z's focus on emotional value means that new enterprises cannot rely on functional features alone to attract consumers. Instead, they must shift from "selling products" to "building emotional connections", creating products and brand narratives that resonate with Gen Z's feelings, needs, and values. Jellycat's success with comfort and nostalgia, and Labubu's with non-conformity and joy, show that brands that tap into specific emotions can build lasting loyalty. A key reason for this is Gen Z's tendency to "anthropomorphize" products, treating them as extensions of themselves or as beings with personalities. For Jellycat, this means plush toys that feel like "friends"; Emotion, Scarcity and Self-Expression: Gen Z's Consumer Behavior and Marketing Insights from the Perspective of Jellycat and Labubu For Labubu, it means figurines that "reflect their unique selves." New enterprises that recognize this tendency can design products and brand experiences that feel personal, not just transactional.

Product design with emotional triggers: New enterprises should embed emotional elements into product design, just as Jellycat prioritized softness for comfort and Labubu leaned into "imperfection" for non-conformity. For example, a home decor startup could create throw blankets with textures reminiscent of childhood bedding (evoking nostalgia) or a skincare brand could use packaging with handwritten-style labels (creating a sense of intimacy). The goal is to give consumers a "reason to feel" when interacting with the product, whether it's warmth, joy, or familiarity. - Storytelling that aligns with Gen Z values: Brands should craft narratives that tie products to Gen Z's core values, such as self-care, individuality, or community. Jellycat's "emotional companion" story, for instance, aligns with Gen Z's focus on mental health; Labubu's "anti-cute" narrative aligns with their desire for non-conformity. A sustainable fashion brand, for example, could tell stories of how its garments are made by local artisans (connecting to Gen Z's desire for ethical consumption) or share customer stories of how the clothes helped them feel confident (linking to self-expression). These stories should be shared across social media and packaging, making the emotional connection explicit.

4.2 Use Scarcity Strategically

Scarcity is a powerful tool, but overuse can backfire. Gen Z values authenticity and fairness, if a brand releases too many limited editions or makes products overly hard to obtain, it risks frustrating consumers and being seen as "greedy" or "inauthentic." Jellycat's subtle scarcity



(regional exclusives, rare colors) and Labubu's controlled limited runs (fixed quantities with clear communication) show that the key is to balance exclusivity (to drive value) with accessibility (to avoid alienation). A 2024 survey by Deloitte found that 63% of Gen Z consumers would stop supporting a brand if they felt its scarcity tactics were "excessive", for example, releasing limited editions every week or making hidden figurines nearly impossible to obtain (Deloitte, 2024). This means new enterprises must use scarcity intentionally, not as a default strategy.

Scarcity should be adapted to the brand's product category. Tech startups, for example, could launch limited beta versions of new apps or devices, this not only creates exclusivity but also lets them gather feedback from early adopters (aligning with Gen Z's desire to feel "involved"). A food brand could release seasonal flavors in small batches (e.g., a limited-edition matcha cookie for spring) to drive urgency without alienating regular customers. For physical products like clothing or accessories, limited-color runs (similar to Jellycat's rare Bashful Bears) are less risky than full product exclusives, as they still let consumers access the brand's core offerings.

- Control frequency and communicate clearly: New enterprises should limit the number of scarce releases and be transparent about availability. For example, a beauty brand could announce "quarterly limited-edition palettes" instead of monthly ones, and clearly state the quantity (e.g., "5,000 units worldwide") and release time. This helps manage Gen Z's expectations and reduces frustration. Additionally, brands should avoid "false scarcity" (e.g., claiming a product is "limited" but restocking it repeatedly), Gen Z is quick to spot inauthenticity, and this can damage trust.

4.3 Leverage Social Media to Build Gen Z Communities

Gen Z is a "community-driven" generation, they want to feel like part of something bigger than themselves, and social media is their primary platform for connection. Jellycat's social media buzz from pop-up cafés and Labubu's collector communities show that brands that build communities around their products earn higher loyalty: Gen Z consumers who feel connected to a brand's community are 2.5 times more likely to repurchase and recommend the brand to friends (Euromonitor International, 2024). Unlike previous generations, Gen Z does not just want to follow brands on social media, they want to engage with them and with other fans. This means new enterprises must move beyond one-way advertising to two-way interaction (e.g., responding to comments, hosting discussions).

User-generated content (UGC) campaigns: UGC lets Gen Z take ownership of the brand



narrative and connect with peers. New enterprises can launch campaigns that encourage consumers to share content featuring their products, similar to how Gen Z posts Jellycat styling photos or Labubu unboxings. A fitness brand, for example, could create a hashtag like MyFitnessJourneyWithX and ask users to share workout videos using the brand's equipment, with prizes for the most creative posts. A stationery brand could invite users to share photos of their notebooks filled with art or notes (linking to self-expression). Brands should repost UGC on their official accounts, this makes consumers feel seen and encourages more participation. - Interactive activities to boost engagement: Host regular activities that bring the community together, both online and offline. Online, this could include live streams with brand founders (to share the brand's story) or Q&As with influencers (to answer Gen Z's questions). For example, a book brand could host a live discussion with an author and invite fans to submit questions. Offline, pop-up events (like Jellycat's Shanghai café) or workshops (e.g., a Labubu customization workshop) let Gen Z interact with the brand and other fans in person. These activities should be promoted heavily on social media, with updates and recaps to keep the community engaged between events.

4.4 Tap into the “Soft Economy” Trend

The “soft economy”, defined by products that are non-essential but emotionally or aesthetically desirable, has been fueled by Gen Z's focus on well-being and self-expression. Jellycat's plush toys (non-essential but emotionally comforting) and Labubu's figurines (non-essential but aesthetically unique) are prime examples of “soft economy” products, and their success shows that Gen Z is willing to spend on items that fulfill emotional needs, even if they have no practical use. A 2024 report by Bain & Company found that Gen Z spends 38% of their discretionary income on “soft economy” products, up from 22% in 2019 (Bain & Company, 2024). This trend represents a huge opportunity for new enterprises, instead of competing in crowded “essential” categories (e.g., basic clothing, household goods), they can focus on products that offer emotional or aesthetic value.

In the soft economy, a product's appearance is nearly as important as its emotional appeal, Gen Z buys items that look good on social media. New enterprises should invest in visually distinctive designs, like Jellycat's “ugly-cute” plush toys or Labubu's unique figurines. For example, a candle brand could create candles with unusual shapes (e.g., cloud or star-shaped) and colorful wax, making them Instagram-worthy. A phone case brand could offer custom designs with hand-drawn art, appealing to Gen Z's desire for uniqueness. These designs should



be tailored to Gen Z's aesthetic preferences (e.g., minimalist, Y2K, or cottagecore) to maximize appeal. - Highlight emotional utility over functionality: When marketing soft economy products, new enterprises should emphasize how the product makes consumers feel, not what it does. Jellycat markets its plush toys as "self-care tools," not just toys; Labubu frames its figurines as "collectibles for joy," not just decorations. A plant brand, for example, could market a small succulent as "a little piece of nature to brighten your desk" (emphasizing emotional comfort) instead of "a low-maintenance plant" (emphasizing functionality). This shift in messaging helps align the product with Gen Z's priorities and justifies the purchase of a non-essential item.

5. Conclusion

Alignment with Gen Z's "Emotion-Scarcity-Self-Expression" Logic The global success of Jellycat and Labubu among Gen Z is not a coincidence, it stems from their precise alignment with Gen Z's core consumer logic: prioritizing emotion, responding to scarcity, and using consumption for self-expression. For Jellycat, this meant crafting plush toys that act as emotional companions (addressing Gen Z's need for comfort and nostalgia), using subtle scarcity to enhance exclusivity (without alienation), and creating products that Gen Z can showcase on social media (for style-based self-expression). For Labubu, it meant designing an "imperfect" IP that resonates with non-conformity (emotion), using controlled scarcity (limited editions, hidden figurines) to drive urgency and value, and building a collector community that lets Gen Z affiliate with the chaowan subculture (self-expression). In both cases, the brands rejected the traditional "function-first" approach to consumption. Instead, they centered Gen Z's emotional and identity-based needs. This alignment is the key to their success, and it offers a blueprint for understanding Gen Z's consumer behavior more broadly.

Adapt Strategies to Gen Z's Evolving Needs for new enterprises and marketers, the lessons from Jellycat and Labubu are clear: to win Gen Z, you must speak their language, one of emotion, exclusivity, and identity. First, prioritize emotion-driven branding: move beyond selling products to building connections, whether through nostalgic design, non-conformist narratives, or stories of well-being. Second, use scarcity strategically: balance exclusivity with accessibility to avoid frustration and maintain trust. Third, leverage social media to build communities: encourage UGC, host interactive activities, and let Gen Z feel like they are part of the brand's story. Finally, tap into the soft economy: create products that offer emotional or aesthetic value, as these are what Gen Z is increasingly willing to spend on. Gen Z's consumer



behavior is not “fickle”, it is driven by clear values: they want to feel, to belong, and to be seen. By aligning with these values, new enterprises can build not just customers, but loyal advocates, ones who will carry the brand forward as they grow into the dominant consumer group. The time to adapt is now: Gen Z’s influence on the market will only grow, and brands that fail to understand their logic risk being left behind.

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