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Behavioral economics analysis of young consumer groups' addiction to trendy toy consumption

Lihan Wang

Dulwich International High School Programme, Suzhou, China

sissi.wang27@stu.Dulwich.org

Abstract. In recent years, the phenomenon of young consumer groups' addiction to trendy toy products has garnered significant attention. This paper analyzes the addictive behaviors of young consumer groups in trendy toy consumption by applying behavioral economics theories and research methods, combining real-life interview cases and textual analysis. It identifies reference dependence, obsession with small probability events, the sunk-cost effect, and the ambiguity of metal accounting as the primary reasons leading to the addiction of young consumer groups to trendy toys. The paper also examines the mechanisms behind these behaviors. To help young consumer groups establish rational consumption concepts and promote the sustainable development of the trendy toy industry, five suggestions are proposed from the perspectives of comprehensive governance and co-construction, focusing on three aspects: consumers themselves, the government and society, and the trendy toy industry. This research not only enriches and expands the depth and breadth of academic research in theory and practice but also provides reference value for industry development and decision-making by related enterprises. Furthermore, it strengthens the theoretical foundation and offers practical insights for the healthy development of the trendy toy industry.

Keywords: behavioral economics, young consumer groups, trendy toy consumption addiction

1. Introduction

Trendy toy products have risen rapidly and gradually become popular among young consumer groups in past few years. The phenomenon of young people overconsuming or even becoming addicted to purchasing trendy toys has attracted attention from both academia and society. This research topic holds significant value in constructing rational consumption concepts and sustainable consumption behaviors among young people.

Existing research typically analyzes the reasons for the popularity of trendy toys from perspectives such as marketing strategies, design concepts, and network culture symbols. However, from the perspective of irrational consumer behavior among young consumers, issues such as the high premium for rare models and the obsession with uncertainty and small-probability events (e.g., opening blind boxes) have been less studied, particularly from a behavioral economics perspective. This paper constructs the following research framework: first, it summarizes the current situation of young people's addiction to trendy toy consumption; second, it analyzes the causes of this addiction based on behavioral economics theory; and finally, it proposes solutions for constructing rational consumption behaviors among young people. It is expected that the analysis in this paper will, on the one hand, enrich and expand the depth and breadth of academic research on the topic; on the other hand, it will provide a reference basis for industry development and decision-making by related enterprises, as well as offer theoretical and practical insights for the healthy development of the trendy toy industry.

2. Literature review

From the perspective of research objects in existing literature, few studies focus on young consumer groups, and most do not specify the age range of the consumer group. For example, Han conducted a study with the overall consumer group as the object [1]. In Han's paper, the author selects young groups as the research object, not only because they are the main consumers of trendy toys but also because their consumption behavior has an important impact on future market trends. Furthermore, studying the phenomenon of consumption addiction in this group helps reveal the psychological mechanisms behind the trendy toy craze and plays an important role in promoting a healthy consumer culture.

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In terms of research methodology, existing literature mainly utilizes the literature review method and case study method. For example, Cheng and Chen focus on the interpretation of textual cases [2]. This paper primarily uses a combination of real-life interview cases and text cases for research. On the one hand, this approach is closer to real life and more helpful for digging deeper into the addictive behavior of young people toward trendy toys and its causes; on the other hand, it also provides a better understanding of the overconsumption of trendy toys by young people from a macro perspective, complementing the real-life interview cases. From the perspective of research theories or research perspectives, most existing studies analyze the research problem itself, with few discussing the mechanisms of overconsumption in depth using related research theories, resulting in insufficient depth and systematicity in this research field.

This paper systematically explores the psychological mechanisms of trendy toy consumption addiction from the perspective of behavioral economics. On the one hand, it aims to expand and enrich the theoretical value of this research field by providing a comprehensive analysis of the underlying factors that drive addictive consumption behaviors among young consumers. This includes examining the roles of cognitive biases, emotional responses, and social influences in shaping their purchasing decisions. On the other hand, it seeks to help young groups establish reasonable consumption concepts by offering practical insights and recommendations. This approach is designed to mitigate the negative impacts of irrational consumption on both individuals and the trendy toy industry, ultimately fostering a more sustainable and healthy market environment.

3. Current situation of young consumer groups' addiction to trendy toy consumption

Behind the popularity of trendy toys in young people's social circles lies not only their innovative design, entertainment, and collection value but also the psychological mechanisms and emotional consumption experiences that young groups seek in contemporary society. The addictive behavior also gradually reflects the irrational behavior of young people during consumption. Young groups are in a critical period of shaping their outlook and transformation, making them more likely to be attracted by the unique design characteristics of trendy toys (such as the randomness of blind boxes and the scarcity of products), leading to excessive consumption and even addictive behaviors. Such consumption behavior may result in a series of problems, including increased financial burden and wasted time, which in turn affect the quality of life and physical and mental health.

In recent years, the phenomenon of consumption addiction has become more pronounced with the rise of trendy toys. Take POP MART, the leading brand of blind boxes, as an example. Its annual sales have reached record highs, with revenues of up to RMB 4.32 billion in 2022, most of which comes from the repeat purchase behavior of young consumers. Many of these consumers display irrational consumption behavior in pursuit of "hidden models" and even purchase trendy toys through loans or credit card overdrafts. Some consumers spend more than 30% of their monthly income on trendy toys, and some are even under financial pressure due to overconsumption.

According to the author's interviews and surveys with friends and relatives, some young consumers show a strong urge to buy in their online exchange group chats. They often buy hundreds of blind boxes just to open rare hidden models. This behavior not only reflects a high reliance on the randomness and uncertainty of blind boxes but also an irrational consumption pattern. In addition, nearly half of the members in the exchange group spend thousands of dollars on blind boxes each month, which exceeds the scope of reasonable entertainment consumption. Some consumers may even resort to overspending in pursuit of specific styles, a phenomenon that exacerbates their financial pressure.

Consumption addiction is not only reflected in the obsession with randomness and scarcity but also in the imbalance between the desire for consumption and the actual ability of young groups in the early stage of economic independence. This irrational behavior may have a long-term impact on their quality of life and psychological health [3-5].

4. Analysis of the reasons for young consumer groups' addiction to trendy toy consumption from a behavioral economics perspective

From the perspective of behavioral economics, the addictive behavior of young consumer groups toward trendy toys can be attributed to several key psychological and behavioral principles, including social proof, scarcity effects, and the influence of dopamine rewards. These factors, combined with effective marketing strategies, drive compulsive consumption patterns among young consumers.

1. Satisfaction Based on Reference Dependence: Consumers experience greater psychological benefits when they receive unexpected rewards. The design of trendy toys meets young consumers' expectations of surprises through randomness and scarcity. Based on the pursuit of scarcity, young consumers expect themselves to be part of the scarcity circle, and to obtain this identity, they engage in continuous purchasing behavior, even leading to addiction. Additionally, trendy toy manufacturers take advantage of the curiosity brought by novelty, constantly updating designs and launching limited-edition models to meet consumers' demand for uniqueness and innovation, prompting young consumers to keep purchasing new trendy toys and falling into irrational consumption [6].

2. Obsession with Small Probability Events: The expectation of unknown goods is an important reason that prompts consumers to keep buying. Uncertainty makes consumers have irrationally high expectations of small probability events (such as obtaining hidden models) when opening trendy toys, leading to irrational and repeated purchasing behaviors under the psychology of constantly imagining that the next one will be a hidden model.

3. Sunk Cost Effect: When consumers have spent a significant amount of money on a series of trendy toys but still haven't obtained the desired products, they often fall into the psychological trap of the sunk cost effect. To avoid feeling that the money spent, time invested, and psychological anticipation have been in vain, consumers tend to continue purchasing in the hope of "breaking even" or completing the collection. This mindset not only further reinforces the persistence of their purchasing behaviour but also exacerbates the irrationality of their consumption, causing them to unknowingly further deepen the continuity and irrationality of their purchasing behaviour, falling into a cycle of excessive spending from which it is difficult to extricate themselves.

4. Ambiguity of Mental Accounting: For young consumers, most of their income comes from their parents. In their mental accounting, they tend to define this consumption as cost-free, thereby neglecting its position in their mental accounts and treating it as additional income. This leads to irrational spending behaviors.

5. Suggestions to reduce overconsumption of trendy toys by young consumer groups

Based on the analysis of the reasons for young consumer groups' addiction to trendy toys from a behavioral economics perspective, this paper proposes the following five suggestions. These recommendations are designed to address the underlying psychological and economic factors that contribute to the addictive behavior among young consumers, while also considering the broader implications for both the individual consumer and the market.

1) Strengthen Consumer Education and Establish Rational Consumption Concepts: Conduct rational consumption campaigns for young people, such as disseminating educational content through online social media platforms to guide young consumers to focus on the actual needs and values behind consumption. Organize lectures on consumption management and planning in schools or communities to help young people understand the risks of overconsumption and how to allocate financial resources rationally.

2) Government Strengthening Regulatory Mechanisms to Limit Excessive Marketing: For trendy products, the government should formulate clear industry regulations to limit excessive speculation and marketing of the concept of "rare models" by scalpers, preventing such consumer concepts from infiltrating young consumer groups and inducing irrational consumption. At the same time, merchants should be required to disclose the probability of each hidden model to increase transparency and prevent the use of uncertainty to drive excessive consumption or even false advertising.

3) Design Consumption Reward Mechanisms: Trendy toy companies should optimize their product marketing strategies by replacing young consumers' over-reliance on random draws or hidden models with membership points and other means, allowing them to gain a sense of achievement and satisfaction from non-gambling consumption behaviors. For minors, introduce controllable limit consumption mechanisms, such as limiting the amount of daily or monthly purchases on a single account, to prevent excessive consumption by underage consumers.

4) Encourage families to discuss consumption planning with young consumers: Family conversations on consumption planning are essential for guiding young consumers' spending habits. Social organizations and government non-profit agencies should provide psychological counseling and support to help parents and young consumers develop rational purchasing behaviors. These efforts can include educational workshops and resources to enhance financial literacy and mitigate impulsive spending.

5) Develop Alternative Activities: Provide young consumer groups with a wealth of non-consumption entertainment options, such as developing handmade activities or creative sharing activities related to trendy toy culture, allowing young people to replace the urge to consume trendy toys by experiencing other forms of fulfillment. Encourage young people to focus on the cultural and artistic value of collections rather than simply pursuing the scarcity of goods or hidden models.

It is expected that the above suggestions will address the problem of blind consumption of trendy toys caused by reference dependence, obsession with small probability events, sunk cost effects, and psychological accounting, providing learnable experiences and inspiration for the sustainable development of the trendy toy industry and the consumer market.

6. Conclusion

At present, the phenomenon of addictive consumption of trendy toys by young consumer groups has attracted much attention in society and academia, but most related concerns have been explored from the phenomenon itself.

To systematically and theoretically study the problem, this paper not only analyzes the theoretical connotation of the issue but also examines its practical implications through practical investigations supplemented by case studies and other methods. From the perspective of behavioral economics, the paper explores the addictive behavior of young consumers in trendy toy consumption, analyzing the psychological mechanisms and consumption motivations behind it. It reveals the theoretical interpretation of young consumers' addiction to trendy toys under behavioral economics theory. The irrational behavior of young consumers in trendy toy consumption is examined in terms of prospect theory, sunk cost effect, psychological accounting, and other behavioral economic theories, and the irrational and continuous purchasing behavior caused by the consumer psychology of randomness, scarcity, and obsession with small probability events is investigated. Compared with existing studies, this paper provides supporting evidence from a practical level through the research method of combining real-life interview cases and text cases.

Based on the above theoretical and practical analyses, this paper provides targeted solutions in terms of strengthening consumer education, formulating industry regulatory policies, optimizing corporate consumption incentive mechanisms, and encouraging family and social guidance on consumption planning. These solutions aim to effectively help young consumers establish rational

consumption concepts, reduce the negative impact of overconsumption on their financial and psychological health, and provide theoretical support and practical basis for the healthy development of the trendy toy industry.

It is expected that this research will provide both theoretical and practical support for the cultivation of healthy consumption habits among young people and the sustainable development of the trendy toy industry, as well as offer theoretical value for academic research.

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