

RESEARCH ON MARKETING STRATEGIES OF TRENDY TOY ENTERPRISES BASED ON THE AHP–SWOT ANALYTICAL MODEL: A CASE STUDY OF COMPANY A*

Ruolin Gao

International College, Panyapiwat Institute of Management, Thailand

Corresponding Author's Email: gao19141@vip.qq.com

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Abstract

The objectives of this study are: 1) To identify and quantify A Company's internal strengths and weaknesses and external opportunities and threats that influence its marketing strategy, 2) To determine the relative importance (weights) of these SWOT factors using the AHP–SWOT analytical model, 3) To construct a strategic coordinate system and identify A Company's optimal marketing-strategy orientation, and 4) To develop appropriate marketing strategies and supporting measures that align with the company's core challenges, including IP dependence, financial pressure, regulatory risk, and competition from Pop Mart. This research adopts a quantitative design. The population consists of experts and practitioners in the trendy-toy and trading-card industry, while the sample comprises 50 experts from five professional fields, selected through purposive sampling. Data were collected using a structured AHP questionnaire with a seven-point pairwise comparison scale, and

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analyzed through hierarchical weight calculation and consistency verification to derive factor weights and composite intensity values. Statistical techniques employed include descriptive analysis, AHP hierarchical weighting, and SWOT strength synthesis to determine the company's strategic orientation and corresponding marketing solutions.

The research results show that: 1) A Company's marketing strategy is influenced by multiple internal and external factors. Its main internal strengths include efficient production systems, strong supply chains, and broad distribution networks, while weaknesses involve high IP dependence, weak brand communication, and product homogenization, 2) The AHP–SWOT analysis indicates that external threats hold the greatest weight, followed by internal weaknesses, external opportunities, and internal strengths. Key influential factors include Pop Mart's monopoly potential, regulatory risk, and financial pressure, 3) The strategic coordinate model identifies the WT (conservative–defensive) strategy as the most suitable, emphasizing risk reduction, cost control, and operational stability, and 4) The recommended strategies include compliance-oriented product adjustments, cost optimization through selective channel contraction, and defensive competition focusing on user retention and financial discipline.

Keywords: A Company, Trendy Toys, AHP–SWOT Model, Marketing Strategy, Conservative–Defensive Strategy (WT)

Introduction

In recent years, China's trendy toy market has experienced rapid expansion, driven primarily by the consumption power of Generation Z and the rise of “guochao” (national trend) culture. As the boundaries between art, entertainment, and consumer goods blur, trendy toys have evolved from niche collectibles into mainstream cultural products, with derivative IP merchandise,

blind boxes, and trading cards becoming dominant categories. Among these, collectible trading cards have demonstrated particularly strong growth due to their high interactivity, community-based exchange mechanisms, and emotional engagement with consumers. The industry's development is further accelerated by digitalization, social media marketing, and cross-border cooperation between entertainment IPs and toy brands.

A Company, as a leading enterprise in China's trading card segment, achieved remarkable revenue growth in 2024 and established itself as a major player in the trendy toy ecosystem. However, its business model heavily relies on external IP authorization, with a limited number of self-owned IPs. The company faces the impending expiration of major IP licenses in 2025 and 2026, posing substantial risks to revenue stability. Meanwhile, financial challenges such as rising distribution expenses and declining net profit margins, combined with tightening government regulations and intensified competition from Pop Mart, have placed A Company in a vulnerable position. These issues highlight the urgent need for a scientific and data-driven approach to redesign its marketing strategy to ensure long-term sustainability.

Traditional marketing strategy frameworks often lack the ability to quantitatively integrate internal and external environmental factors, resulting in subjective or fragmented decision-making. To address this gap, this study introduces an AHP-SWOT model, which combines the qualitative insights of SWOT analysis with the quantitative precision of the Analytic Hierarchy Process (AHP). This integrated model enables the identification and weighting of key internal strengths and weaknesses, as well as external opportunities and threats, thereby providing a rational foundation for strategic decision-making.

This research focuses on optimizing A Company's marketing strategy under the context of industry competition and regulatory transformation. It systematically examines the company's marketing status, identifies critical

influencing factors, and constructs a strategic coordinate system to determine its optimal strategic orientation. Through the AHP–SWOT analytical framework, the study not only provides a scientific basis for A Company’s strategic planning but also contributes to the theoretical application of quantitative marketing analysis in the trendy toy industry.

Although existing studies on marketing strategies in the trendy toy industry have explored topics such as IP operation, consumer psychology, and cross-brand collaboration, most of them rely on qualitative case descriptions or traditional 4P and 4C frameworks. These approaches often overlook the quantitative evaluation of multi-factor interactions and fail to provide measurable evidence for strategic prioritization. Moreover, prior research has rarely applied the AHP–SWOT model to analyze the strategic decision-making of trendy toy enterprises, especially those facing simultaneous challenges of IP dependency, financial instability, and regulatory pressure. Consequently, there remains a theoretical gap in bridging qualitative marketing insights with quantitative strategic evaluation within this industry context.

This study addresses these gaps by applying a mixed analytical approach that integrates hierarchical weighting (AHP) with situational diagnosis (SWOT) to construct a measurable, data-driven framework for strategic decision-making. Theoretically, it enriches the application scope of the AHP–SWOT model in the field of cultural and creative industries, particularly trendy toys. Practically, it offers a replicable model for enterprises seeking to balance creative product innovation with financial discipline and regulatory compliance. Therefore, this research contributes both empirical evidence and methodological innovation to the study of marketing strategy optimization in China’s emerging cultural consumer sectors.

Objectives

1. To identify and quantify A Company's internal strengths, weaknesses, opportunities, and threats that influence its marketing strategy.
2. To determine the relative importance (weights) of these SWOT factors using the AHP-SWOT analytical model.
3. To construct a strategic coordinate system to identify A Company's optimal marketing-strategy orientation.
4. To develop appropriate marketing strategies and supporting measures that align with the company's challenges, including IP dependence, financial pressure, regulatory risk, and market competition.

Literature Review

Marketing strategy is a systematic process that enables enterprises to identify and analyze market opportunities, determine their target market, and formulate appropriate marketing mix activities to achieve sustainable competitive advantage. Foundational theories such as the 4P model-Product, Price, Place, and Promotion-and the STP framework-Segmentation, Targeting, and Positioning-have long served as the theoretical core of marketing management (Kotler & Keller, 2016). Over time, marketing strategy has evolved from a focus on transactional exchanges toward a more integrated approach emphasizing customer experience, brand value, and long-term relationship management (Rust, Lemon, & Zeithaml, 2004; Homburg, Jozić, & Kuehnl, 2017). Within the context of cultural and creative industries, marketing extends beyond product differentiation and price competition to include emotional engagement, co-creation of value, and experiential consumption (Prahalad & Ramaswamy, 2004). For trendy toy enterprises, this strategic orientation involves merging creativity, storytelling, and consumer participation to maintain competitive advantage among Generation Z consumers. China's trendy toy

industry has undergone rapid expansion in recent years, driven by Generation Z consumers, increasing national cultural confidence, and digital retail innovation (Li, 2020; Wang & Bi, 2021). According to the Trendy Toy Industry Development Report (2023), the market surpassed RMB 100 billion, and its penetration has extended across multiple age groups (Lei, 2023). The industry's success is underpinned by the emotional value of intellectual property (IP), the exclusivity of limited-edition releases, and the participatory nature of fan communities (Liu & Li, 2023). Nevertheless, this sector faces structural challenges such as heavy IP dependence, severe product homogenization, and tightening regulations concerning blind-box products (Zhou & Wu, 2023). Market leader Pop Mart has built a dominant ecosystem through large-scale retail networks, high consumer engagement, and proprietary IP development (Liu, 2018; Wu, Lin, & Xing, 2024). Consequently, smaller firms such as A Company struggle with financial pressure, limited control over licensing, and vulnerability to market fluctuations. Addressing these challenges requires data-driven marketing strategies that align compliance management, cost control, and differentiated value creation. The SWOT model-comprising strengths, weaknesses, opportunities, and threats-remains a fundamental analytical framework in strategic management since its development by Albert Humphrey in the 1960s. It allows organizations to identify internal capabilities and external conditions that shape competitive positioning (Aaker, 1996). In marketing research, SWOT analysis helps firms assess strategic alignment between their internal resources and external opportunities (Fu, 2004). However, traditional SWOT analysis is primarily qualitative, depending heavily on subjective judgment and lacking quantitative precision (Xu, 2017). This limitation reduces its effectiveness in complex, rapidly changing industries such as cultural products and creative toys, where decision-making requires objective prioritization and weight analysis. To overcome this limitation, scholars have integrated SWOT with the Analytic Hierarchy Process (AHP), a quantitative

decision-support method introduced by Saaty (1980). AHP allows for hierarchical decomposition of problems and pairwise comparisons of influencing factors to calculate relative weights and ensure consistency (Wehrich, 1982). When combined with SWOT, this hybrid model quantifies the degree of influence among internal and external factors, thereby transforming qualitative assessments into measurable data (Kajanus et al., 2012; Kangas et al., 2016). Studies have confirmed the reliability of the AHP–SWOT model in strategic planning across industries such as tourism, environmental management, and corporate competitiveness. Yet, few studies have applied it to cultural and creative industries, and almost none have explored its relevance in the trendy toy sector, marking a significant theoretical gap that this research aims to address. Previous studies on marketing strategies for trendy toy enterprises have primarily focused on three key aspects: brand culture, consumer psychology, and business model innovation. Research on brand and cultural identity emphasizes that the integration of cultural symbolism and storytelling enhances emotional connection and brand loyalty (Chen & Zhou, 2022; Liu & Li, 2023). Consumer behavior studies show that Generation Z’s pursuit of individuality, nostalgia, and aesthetic pleasure drives purchasing behavior in collectible toys (Lei, 2023; Wang & Cai, 2018). Meanwhile, analyses of business models reveal that successful companies such as Pop Mart rely on hybrid strategies combining online digital communities and offline experience stores to reinforce customer engagement (Wu et al., 2024; Zhou & Wu, 2023). However, most of these studies remain descriptive and lack empirical quantification of the interrelationships among influencing factors. Few have examined how financial pressure, IP dependency, and regulatory tightening jointly shape marketing decision-making, leaving a clear methodological gap in existing literature. The integration of the AHP–SWOT framework in this research responds directly to that gap. It allows for the systematic quantification of

internal and external factors and provides a mathematical basis for determining the company's optimal strategic direction. Within this framework, internal strengths include IP portfolio management, production and supply chain efficiency, and broad channel coverage. Internal weaknesses encompass high user concentration, IP dependency, low marketing effectiveness, and product similarity. External opportunities involve market expansion, internationalization potential, and the evolution of trading card games, whereas external threats include tightening regulatory policies, financial constraints, and competition from Pop Mart. By calculating each factor's relative weight through AHP and synthesizing their overall intensity within the SWOT matrix, the model identifies A Company's strategic position within the four-quadrant typology—SO (aggressive), WO (conservative), ST (competitive), and WT (defensive). The analytical results serve not only as a quantitative validation of the firm's strategic challenges but also as a decision-support mechanism for optimizing its marketing strategy under financial, regulatory, and competitive constraints.

In conclusion, this body of knowledge establishes the theoretical foundation for applying the AHP–SWOT model to marketing strategy analysis in the trendy toy industry. It bridges the gap between qualitative strategic diagnosis and quantitative prioritization, contributing both theoretical enrichment and practical insights. By contextualizing A Company's case within the evolving Chinese trendy toy market, this study demonstrates how data-based strategy formulation can enhance competitiveness, ensure compliance, and achieve sustainable growth amid intensifying market pressures (Homburg et al., 2017; Kotler & Keller, 2016; Li, 2020; Wu et al., 2024).

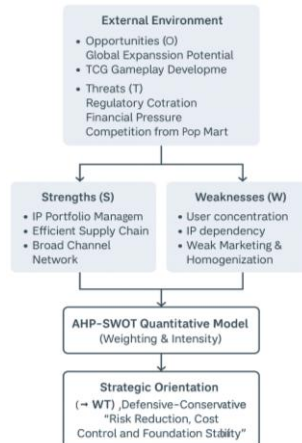


Figure 1 Illustrates the conceptual framework of the study

Methodology

This study adopted a quantitative research design utilizing the AHP-SWOT analytical model.

Population and Sample: Experts and practitioners from the trendy toy and trading card industry, with 50 participants selected via purposive sampling.

Research Instrument: A structured AHP questionnaire based on a seven-point pairwise comparison scale, designed to measure the relative weights of SWOT factors.

Data Collection: Responses were collected from five professional fields-marketing, management, finance, design, and retail operations.

Data Analysis: Hierarchical weight calculation, consistency verification, and SWOT matrix synthesis were performed. Statistical tools included descriptive analysis and AHP consistency ratio (CR) tests to ensure validity and reliability.

Result

This study applied the AHP–SWOT model to evaluate A Company’s internal and external marketing factors and determine its optimal strategic orientation. Data were obtained through expert evaluations using a seven-point pairwise comparison scale, and factor weights were calculated through hierarchical analysis and consistency testing.

Table 1 SWOT Dimension Weights

SWOT Dimension	Weight	Rank	Interpretation	SWOT Dimension	Weight
External Threats (T)	0.509	1	Most critical constraint	External Threats (T)	0.509
Internal Weaknesses (W)	0.244	2	Major internal limitation	Internal Weaknesses (W)	0.244
External Opportunities (O)	0.172	3	Moderate external potential	External Opportunities (O)	0.172
Internal Strengths (S)	0.075	4	Least influential factor	Internal Strengths (S)	0.075

Table 1 shows the calculated weights of the four SWOT dimensions derived from expert pairwise comparisons under the AHP model. External Threats (T) received the highest weight (0.509), highlighting that regulatory tightening, financial pressure, and Pop Mart’s dominance pose the greatest risks to A Company’s marketing stability. Internal Weaknesses (W) ranked second (0.244), reflecting challenges such as user concentration, IP dependence, and weak channel control. In contrast, External Opportunities (O) (0.172) indicate moderate market growth potential, while Internal Strengths (S) (0.075) offer limited strategic support. The results suggest that A Company should adopt a

defensive and risk-averse strategy, emphasizing stability, cost control, and internal optimization as the foundation for future marketing development.

Table 2 Key SWOT Factors and Composite Weights

Category	Key Factors	Weighted Score	Strategic Impact
S	Efficient production and supply chain	0.045	Moderate support for competitiveness
W	Product homogenization	-0.305	Major internal constraint
O	Market growth potential	0.420	Key opportunity driver
T	Pop Mart's monopoly risk	-1.200	Most critical external threat

The composite results show that Pop Mart's monopoly risk and product homogenization are the most influential negative factors, while market growth offers the most significant opportunity. This imbalance reinforces the necessity of a defensive strategy emphasizing internal control and external risk avoidance.

Table 3 Strategic Coordinate and Strength Coefficient

Parameter	Value	Interpretation
X (Internal Axis)	-0.189	Indicates dominant weaknesses over strengths
Y (External Axis)	-0.455	Indicates stronger threats than opportunities
θ (Angle)	67.4°	Position falls within the first quadrant (WT)
C (Strategic Coefficient)	0.062	Low positive intensity → stable, risk-averse orientation

The coordinate results locate A Company in the first quadrant (WT), confirming that the most appropriate direction is a Conservative–Defensive Strategy. The low coefficient ($C = 0.062$) reflects limited growth momentum but

stable control, suggesting the firm should prioritize compliance, cost reduction, and channel optimization to mitigate external and internal pressures.

The AHP–SWOT analysis revealed that external threats and internal weaknesses exert the most substantial influence on A Company’s marketing environment, while internal strengths and external opportunities provide limited strategic support. Quantitative results positioned the company in the WT (Conservative–Defensive) quadrant, with a low strategic coefficient ($C = 0.062$), signifying a high-risk but controllable condition.

These findings indicate that A Company should prioritize stability over expansion, focusing on risk mitigation, compliance enhancement, cost optimization, and channel restructuring. Such a strategy enables the firm to maintain operational resilience, respond effectively to regulatory pressure and financial constraints, and defend its market position against dominant competitors like Pop Mart.

Conclusions

This study aimed to optimize A Company’s marketing strategy amid challenges such as IP dependency, financial pressure, regulatory risks, and competition from Pop Mart. Using the AHP–SWOT model, the research systematically identified and quantified internal and external factors, calculated their relative weights, and developed a strategic coordinate framework to determine the most suitable strategic orientation.

The analysis results indicate that external threats (weight = 0.509) and internal weaknesses (0.244) are the dominant determinants of A Company’s strategic direction, while external opportunities (0.172) and internal strengths (0.075) have relatively minor influence. The positioning results show that A Company falls within the WT (Conservative–Defensive) quadrant, with a strategic coefficient of 0.062, signifying a cautious and stability-oriented market posture. Consequently, the company should adopt a risk-controlled,

compliance-driven, and cost-optimization strategy to sustain market presence and financial resilience.

To support this direction, the study proposed three major strategic initiatives:

1. Product compliance adjustment to mitigate regulatory risk.
2. Channel contraction and cost optimization to ease financial burden and improve control efficiency.
3. Defensive competition with low-cost user retention mechanisms to maintain customer engagement and protect core market share.

From a theoretical perspective, this research contributes to integrating the AHP model with SWOT analysis to enhance decision-making precision in strategic marketing. Practically, it provides a reference for other IP-based cultural or toy enterprises facing similar market constraints, demonstrating how analytical modeling can guide conservative yet sustainable marketing strategies. This research provides both theoretical and practical implications for marketing strategy development in the trend-toy industry. Theoretically, it expands the application of the AHP–SWOT integrated model by demonstrating its capability to quantify qualitative strategic factors and translate them into actionable marketing insights. This methodological framework enhances the analytical rigor of strategic decision-making, particularly in industries characterized by high uncertainty, IP dependency, and volatile consumer trends.

Practically, the findings offer strategic guidance for enterprises operating under regulatory and competitive pressure, especially those within China’s collectible and IP-driven markets. The results emphasize the importance of compliance management, financial control, and defensive differentiation as key survival strategies. Moreover, the study highlights that even in a growth market, companies with structural weaknesses and concentrated revenue sources must prioritize stability before pursuing aggressive expansion.

However, this study also faces certain limitations. The analysis focuses on a single enterprise-A Company-using expert judgment for AHP weight calculations, which may introduce subjectivity. Future research could expand the sample size to include multiple firms across different scales or business models to enhance generalizability. Additionally, integrating quantitative validation methods, such as regression analysis or Structural Equation Modeling (SEM), could help examine causal relationships among SWOT factors. Finally, future studies may extend the time frame and include dynamic market data to assess how changes in consumer preferences or regulatory policies reshape strategic priorities over time.

Discussion

The findings confirm that external threats and internal weaknesses dominate A Company's strategic environment, consistent with previous research emphasizing the vulnerability of IP-dependent firms (Wu et al., 2024; Liu & Li, 2023). The identification of a Conservative–Defensive (WT) strategy aligns with the principle that organizations facing high risk and low opportunity should focus on stability, compliance, and cost control (Kotler & Keller, 2016). This supports the notion that defensive strategies can enhance organizational resilience in uncertain environments (Homburg et al., 2017). Compared with prior case studies on Pop Mart, this study provides quantitative validation of strategic decisions, bridging the gap between qualitative marketing insights and measurable outcomes.

Recommendations

Practical Recommendations:

Implement compliance-oriented product adjustments to mitigate regulatory risk. Optimize operational costs through selective channel

contraction and process automation. Strengthen brand communication and IP diversification to reduce dependency.

Suggestions for Future Research:

Expand the sample size to include multiple enterprises for broader generalization. Combine AHP–SWOT with regression or SEM to validate causal relationships. Conduct longitudinal studies to assess strategy evolution under changing market conditions.

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