

Recommendation of Improvement for LEGO Korea's Marketing Efforts

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LEGO



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Introduction



Introduction

LEGO?



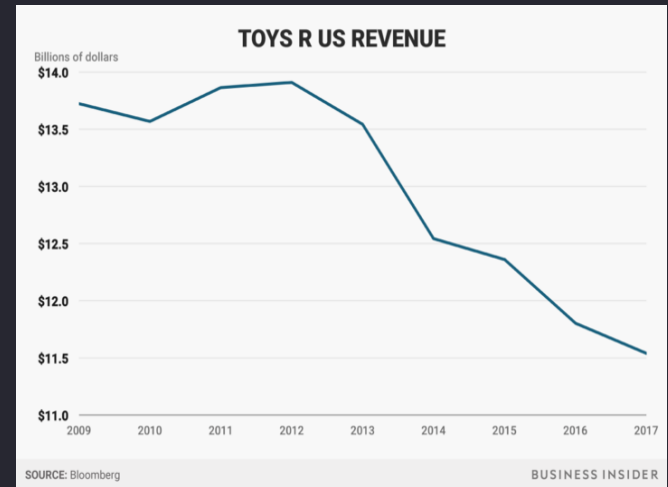
- ❖ Danish toy production company based in Billund.
- ❖ Best known for the manufacture of Lego-brand toys.



Introduction

Why LEGO?

- ❖ Interested on the international phenomenon of toy industry being on the decline
- ❖ Wondered if marketing of the companies in toy industry contributed on such phenomenon
- ❖ Chose Lego as it is the pioneering company of toy industry and one of the biggest in the world





Introduction

Problems of LEGO Korea

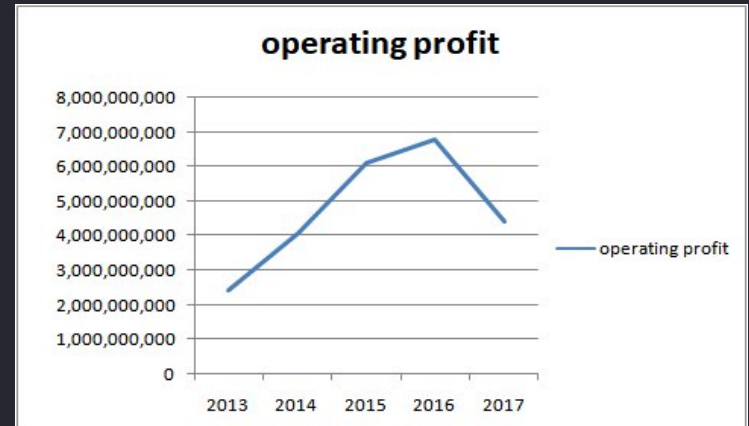
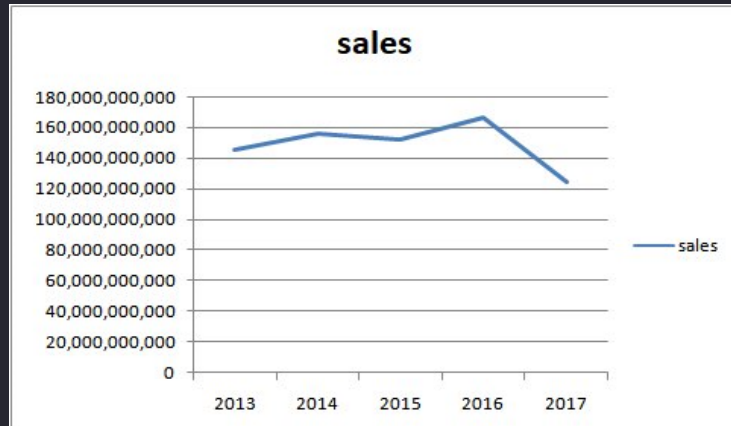
- ❖ Specifically chose to **conduct** our investigation on Lego Korea
- ❖ Problems faced by Lego Korea are that its sales and profit has **declined**
- ❖ Following the international phenomenon of **toy industry** being on **decline**
- ❖ Identified that **marketing strategies** of Lego Korea, especially the **price strategies**, contributed greatly towards such declination.





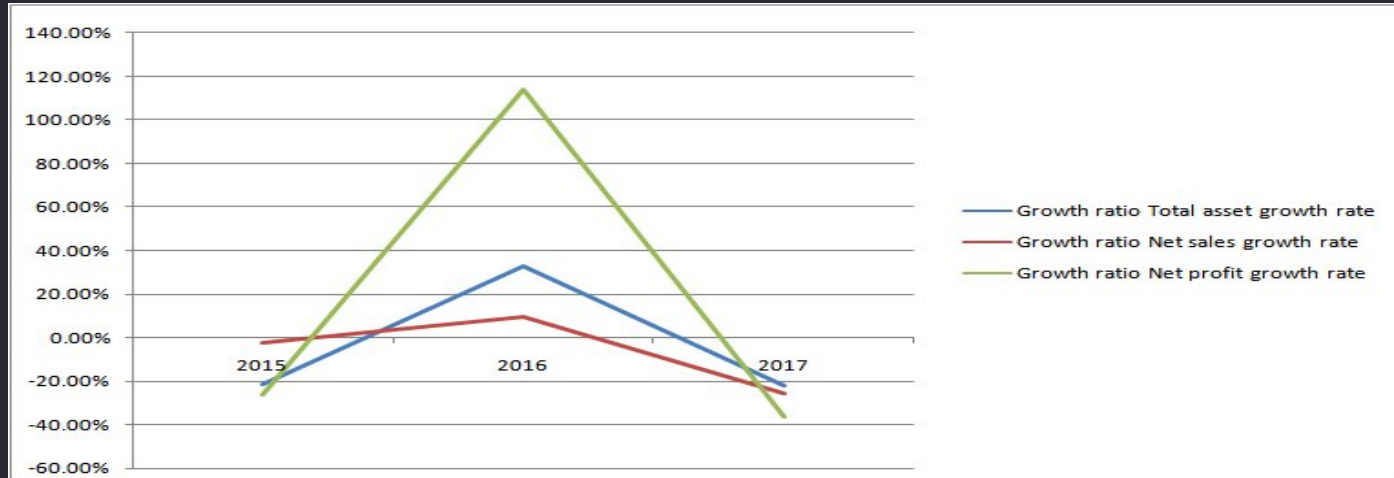
Introduction

❖ Sales and Operating Profit by Years



Introduction

❖ Growth Ratio





Introduction

Kidult Perspective

- ❖ Kidult - An adult who likes doing or buying things that are intended for children
- ❖ Accounts 20% of the whole Lego Korea's customers
- ❖ Important because has a lot of buying power
- ❖ Also important because Kidults are customers that voluntarily chose to buy Lego in their own will





3C Investigation

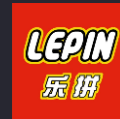
3C

Customer

- ❖ 80% **KIDS** 20% **ADULTS**
- ❖ Kidult customers are especially important as they have substantial buying power
- ❖ “Starwars”, “Ideas”, “Creator Expert”

Competitor

- ❖ Local competitor - Oxford
- ❖ Oxford's products are much cheaper than Lego's
- ❖ Chinese knock-off brands such as “Lele” or “Lepin”



Company

- ❖ Price is more expensive in Korea
- ❖ Company does not implement effective CSR in Korea
- ❖ General customers are not buying Lego anymore due to its price
- ❖ Licensing makes Lego products more expensive







The Instrument and the Target of the Measurement

The Instrument and the Target of the Measurement



❖ Methods of Data Collection

- Article Search
- Asking Questions to Kidults
- Web Browsing
- Survey Questions
 - Demographic Information
 - Brand Perception on 10 companies
 - Satisfaction on Lego Korea's Marketing strategies.

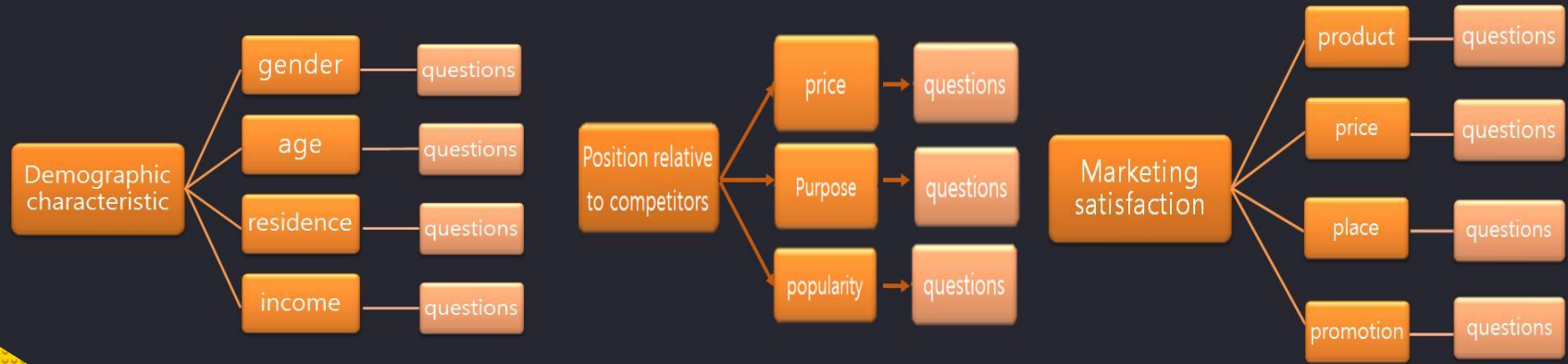
The Instrument and the Target of the Measurement

The Logical Structure that Reaches the Solution through Measurement



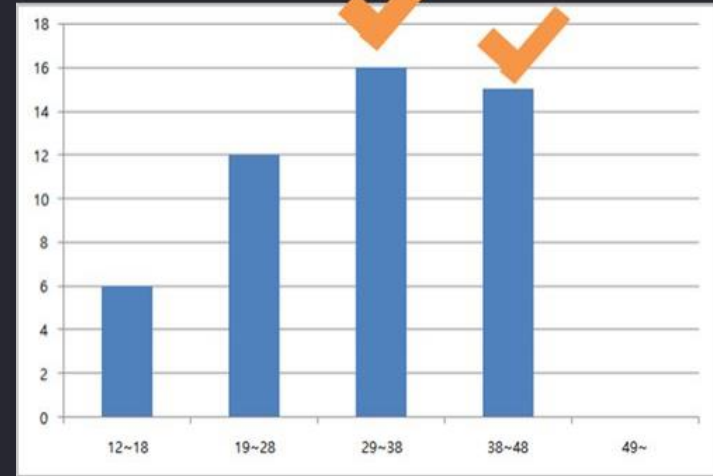
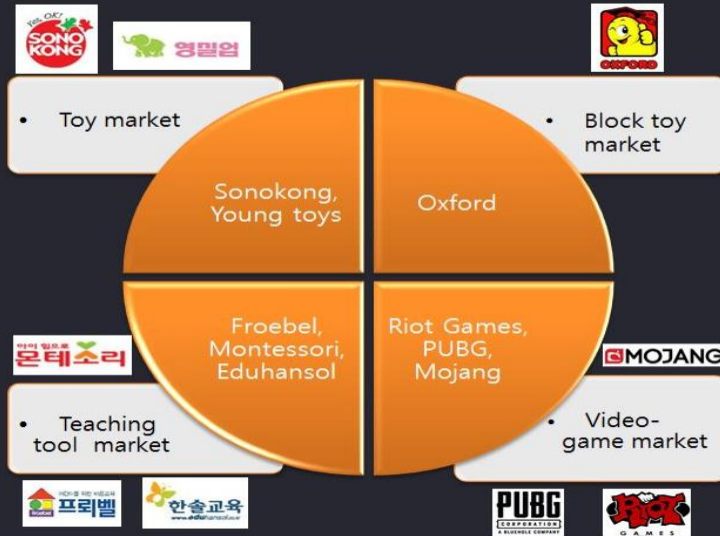
The Instrument and the Target of the Measurement

Each measurement subject is the same as the three parts of the questionnaire



The Instrument and the Target of the Measurement

Reason for selecting competitors





The Instrument and the Target of the Measurement

an example of questions

2.2 Sonokong (손오공)

Sonokong is a Korean toy company that produced many famous toys such as Turning Mecard, Helicabot, Beyblade, Vicky, and Sophie Ruby.

2.2.1. What do you think about the overall price of the brand's products?

(Very Cheap) 1 2 3 4 5 6 7 8 9 10 (Very Expensive)

2.2.2. What do you think is the overall purpose of the brand's products?

(Educational Purpose) 1 2 3 4 5 6 7 8 9 10 (For Entertainment)

2.2.3 How much domestic recognition does this brand have?

(Low Recognition) 1 2 3 4 5 6 7 8 9 10 (High Recognition)

2.2.4 How well were you able to answer these three questions?

(Not very well) 1 2 3 4 5 (Very well)

The Instrument and the Target of the Measurement

the meaning of each question

Marketing Mix





STP Analysis



STP Analysis

- **Segmentation & Targeting**

- The project's target group has been set to kidults from the outset.
- Therefore, there is no need for the *segmentation* and the *targeting*.

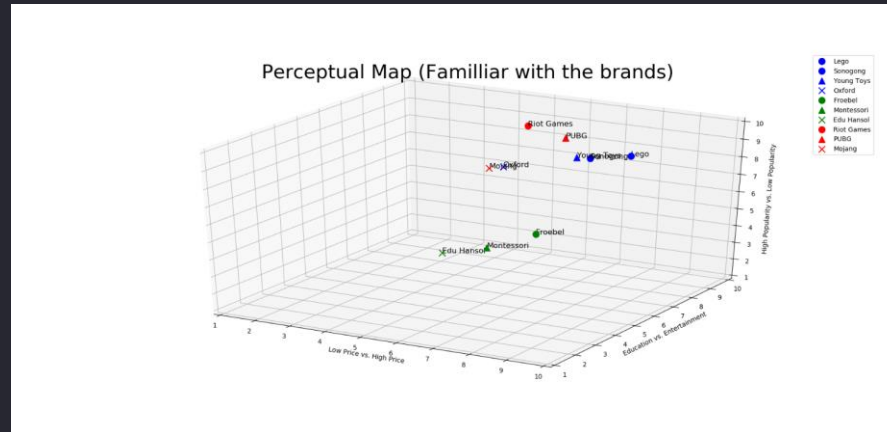
- **Positioning is the KEY!**

- Perceptual map based on the data collected.
- Three features has been considered.
 - High Price vs. Low Price
 - Educational vs. Entertaining
 - High Popularity vs. Low Popularity

STP Analysis

- 3D Perceptual Map

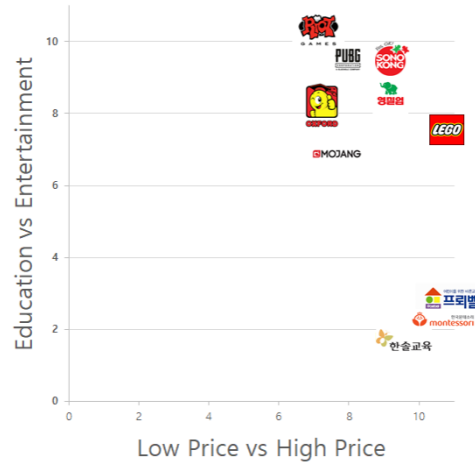
- Plotted the result of the 2nd part of the survey questions.
- Used Python modules: 'matplotlib' & 'mpl_toolkits'
- Toys: **Blue**, Teaching Tools: **Green**, Games: **Red**



-
- A scatter plot titled "Education vs Entertainment". The y-axis is labeled "Education vs Entertainment" and ranges from 0 to 10. The x-axis is labeled "Low Popularity vs High Popularity" and ranges from 0 to 10. Brands are plotted as follows:
- | Brand | X (Popularity) | Y (Education vs Entertainment) |
|---------|----------------|--------------------------------|
| 안솔교육 | ~5.5 | ~1.8 |
| 프러벨 | ~6.5 | ~2.5 |
| moncler | ~6.5 | ~2.2 |
| LEGO | ~7.5 | ~7.5 |
| 모자방 | ~7.5 | ~6.5 |
| 영리원 | ~8.0 | ~8.5 |
| PUBG | ~8.5 | ~9.5 |
| 레드불 | ~8.5 | ~9.0 |

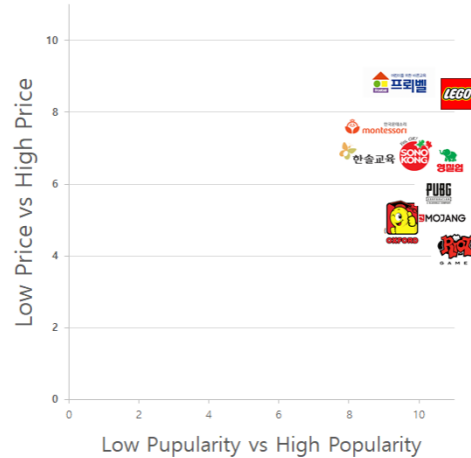
STP Analysis

- Price vs. Purpose



STP Analysis

- Popularity vs Price





STP Analysis

- To kidults, Lego is perceived as a...
- Well-known company that manufactures and sells expensive products made for entertainment.
- Then, is it well-positioned?
- Lego's brand → within top 100 brands ranked by Forbes.
- Teaching materials for adults? → maybe if they are parents
 - However, intense competition is expected with teaching material companies.
- What about the price?



4P Analysis



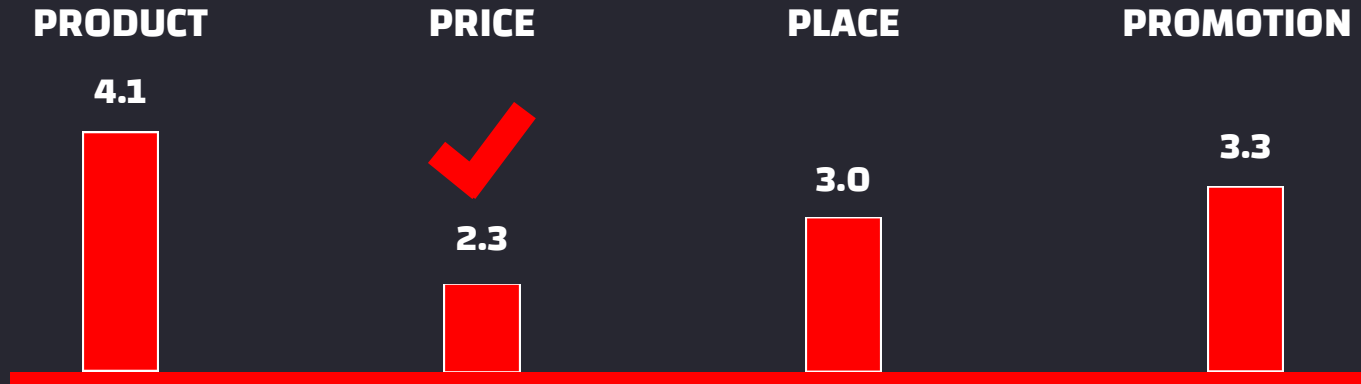
4P Analysis

- Average of Satisfaction Indexes in each “Marketing Mix of LEGO”
- Detailed Satisfaction indexes in each of 4P
- Satisfaction indexes of “Overall Marketing Strategy of LEGO”



4P Analysis

- Average of Satisfaction Indexes in each “Marketing Mix of LEGO”





4P Analysis

- Satisfaction indexes of “Product of LEGO”





4P Analysis

- Satisfaction indexes of "Price of LEGO"





4P Analysis

- Satisfaction indexes of “Place of LEGO”





4P Analysis

- Satisfaction indexes of “Promotion of LEGO”

**Variety of Media
Advertisement**

3.3



**Desire to purchase
from Advertisement
of LEGO**

2.8



**Offline
Advertisement**

2.8



**Online
Advertisement**

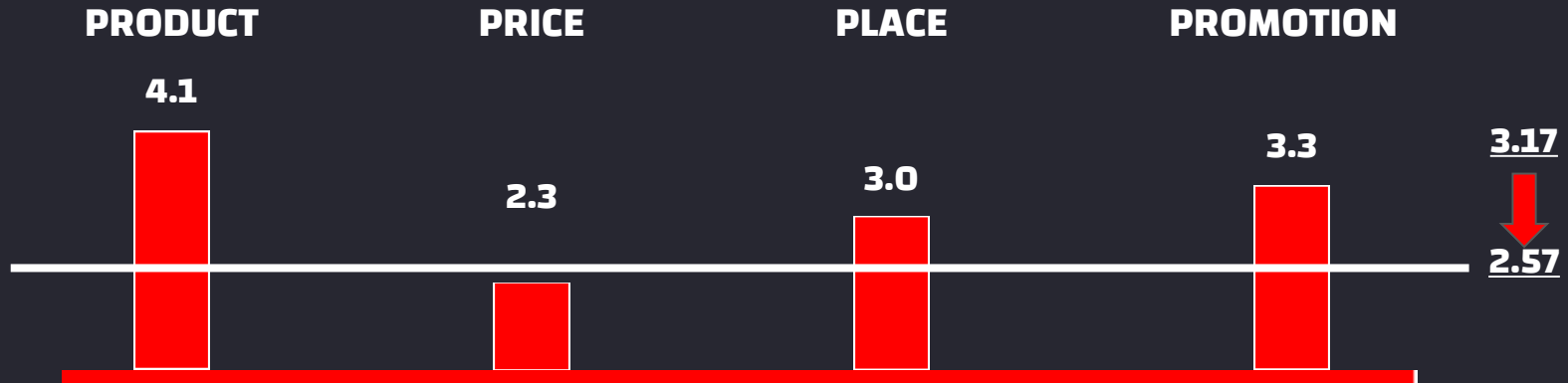
3.2





4P Analysis

- Satisfaction indexes of “Overall Marketing Strategy of LEGO”





Recommendations

SNS Marketing



Community

See All

 **Invite your friends** to like this Page

 12,954,984 people like this

 12,956,504 people follow this

Numbers of '**likes**' are considerably
low regarding **followers**!

 **LEGO** 10 hrs · 🌐 · 🌐

'레고는 단순한 브릭이 아닙니다.'
올해 크리스마스는 아이들에게 상상력을 선물해보세요~!
#레고크리스마스 #단순한브릭이아님 #추운겨울엔 #레고 #크리스마스
가온다



4 Shares 1.2K Views

  24

 16

  27

  27

 57

SNS Marketing



Lego is the product of many people's memories and creation.

Do emotional marketing!

Sale Discount Strategy

LEGO



목소포드
1:125 1/2 한남형 풍미 미요 쿠가 30
42 개달리물론
15,617 원 16,300 원
(10% 할인: 15,617 원)



신나는 에어 2591
27,300 원 99,900 원
무로비세



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비비블록 일족PLAY비비 BBI 1
81
23,655 원 94,900 원



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슬루벤 레전드워리어 난자기지 공
격 레고 호환/레고 레미플
24,500 원



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탈출 레고 호환/레고 레미플
28,000 원



슬루벤 경찰블록에 추적 대작전 레
고 호환/레고 레미플
28,000 원



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29,800 원



슬루벤 키즈드림 럭셔리요트 레고
호환/레고 레미플
33,300 원



슬루벤 경찰블록에 도시수비대 레
고 호환/레고 레미플
33,300 원



슬루벤 키즈드림 핀타자물양공원
레고 호환/레고 레미플
35,000 원



슬루벤 시티폴리스 행악기등대 추
격전 레고 호환/레고 레미플
43,800 원



슬루벤 경찰블록에 헬기추격전 레
고 호환/레고 레미플
33,300 원



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33,300 원



슬루벤 레전드워리어 킹덤 레미플
레고 호환/레고 레미플
33,300 원



슬루벤 키즈드림 사마이어왕국 레
고 호환/레고 레미플
43,800 원

Lego has too little discounts compared to its competitors!

Sale Discount Strategy



vs



.....

There are too many block companies in the market today so sale discount strategy is **essential!**

Licensing



\$480



\$570

Licensing



\$55



\$135

Used market



How much do this product trade on
used market?



Used market

\$1785 in used market !

The price of Lego is too high in the used market so it is used for financial technology





THANK YOU