



LEGO GROUP

MARKETING PLAN

MARKETING



ABOUT THE COMPANY

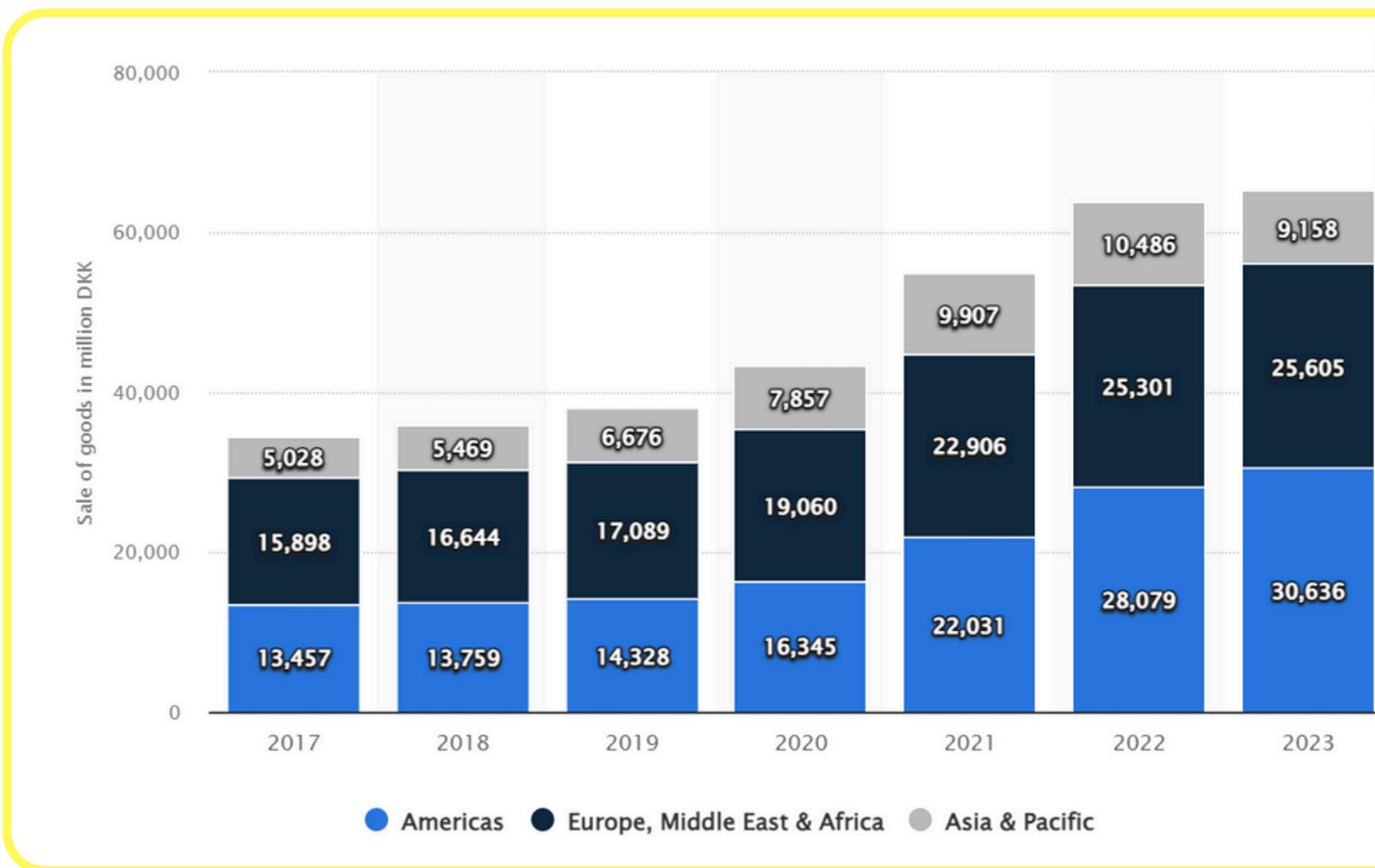
The name LEGO comes from the Danish language: Leg-godt - "play well".

Foundation date: August 10, 1932.

Head office: Denmark, Billund.

Markets: LEGO products are sold in many different stores: toy supermarkets, specialty stores, national chains and department stores.

Net sales of the LEGO Group worldwide from 2017 to 2023, by region (in million Danish kroner)



Initially, the company **did not produce construction sets**, but ordinary wooden toys.

The Lego Corporation **began producing plastic bricks in 1949**. Since then, Lego has expanded its reach to include films, games, competitions, and seven theme parks, **the first and largest** of which is **Legoland** in Denmark.

The company's **mission is to inspire and develop** the builders of tomorrow.

The **goal is creating** modern **construction sets** and **toys** that benefit children by helping to develop their imagination, creativity and practical skills.

The **vision** of the company can be described by **phrase 'rebuild the world'** which means **to inspire children** to use their imagination to build a better world for tomorrow.

THE RANGE OF PRODUCTS AND CONSUMERS OF THE COMPANY



TRENDS

CURRENT

01 Digitalization: Lego integrates digital technologies into its products, for example, mobile applications and video games are created that complement Lego sets;

02 Sustainable development: Lego follows global trends, for example, the company uses more environmentally friendly materials in production;

03 Diversity and exclusivity: Lego constantly updates its products, for example, a new **Lego Wednesday** set was released **in 2024**;

04 Educational activities: Lego also develops its **Lego Education products**, which allow children to immerse themselves in sciences such as technology, engineering and mathematics;

05 Relationship with users: In 2008, the **Lego IDEAS** series was created, which was developed **based on fan feedback**;

06 Family Traditions: Lego creates sets for families with children aged 4-12, which helps strengthen families.



POTENCIAL

01 Brand collaborations

02 Audience impact: Lego can create sets that focus on environmental protection or animal welfare;

03 Educational trend: developing sets that focus on education, as well as collaborating with educational organizations to integrate Lego into the educational process;

04 Cultural adaptation: creating sets that reflect cultural diversity and local traditions;

05 Adult Generation Kits: Developing more complex and detailed kits aimed at adults.



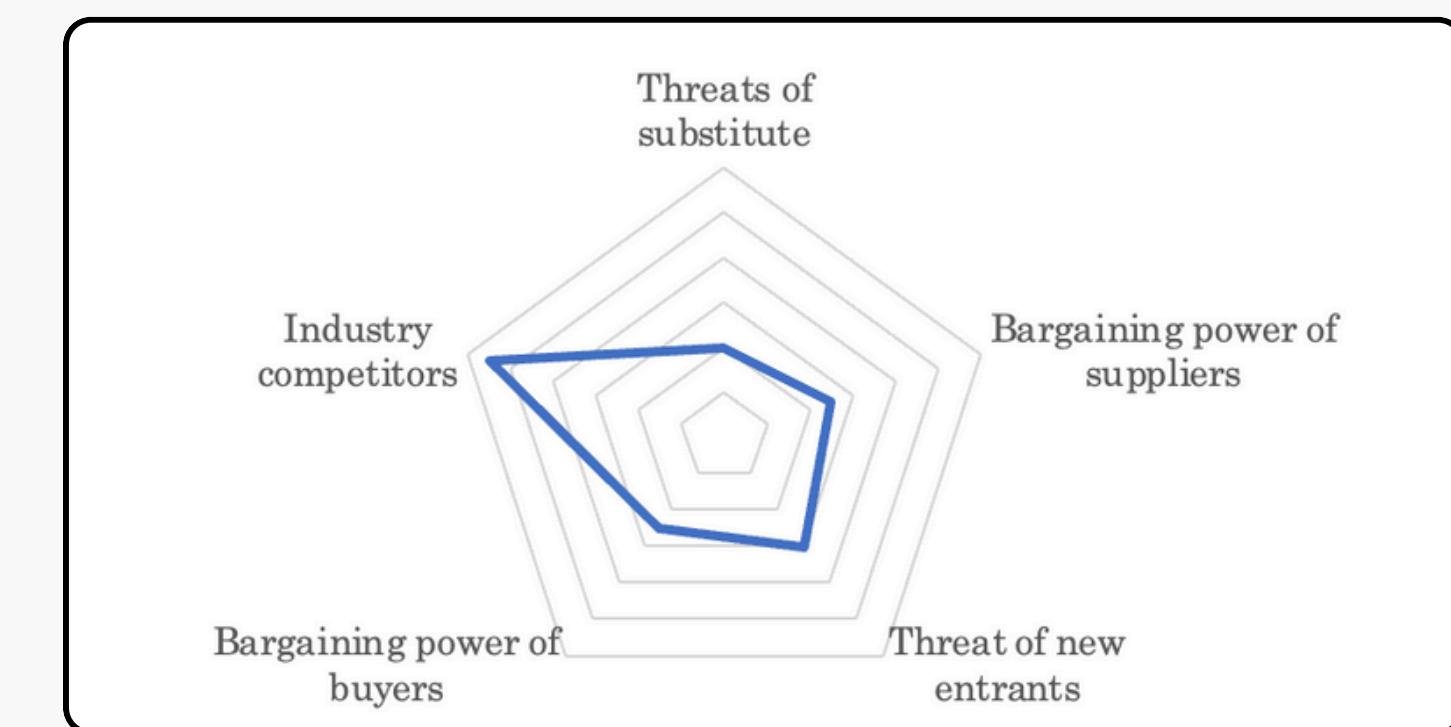
POLITICAL	ECONOMICAL	SOCIAL	TECHNOLOGICAL	ENVIRONMENTAL	LEGAL
Political Stability	Interest Rates	Cultural Significance	Digital Play Integration:	Manufacturing Emissions	Product Safety Standards
Taxation Policies	Inflation Rates	Gender Norms	Manufacturing Technologies	Waste Management	Advertising and Marketing Laws:
Government Initiatives	Availability and Cost of Raw Materials	Generational Nostalgia	3D Printing	Supply Chain	Anti-competitive and Monopoly Practices
COMPETITIVE FORCE			DEGREE OF INFLUENCE		
Threats of substitute			4		
Bargaining power of suppliers			5		
Threat of new entrants			6		
Bargaining power of buyers			5		
Industry competitors			11		

CONCLUSION ON PESTEL

The future of LEGO depends on its ability to meet the changing gaming preferences of children, solve growing environmental problems and adapt to an ever-changing digital world, while navigating complex global regulations and economic trends. Successfully navigating these factors through innovation, sustainable development and responsible business practices will ensure Lego's continued market leadership.

CONCLUSION ON PORTER'S ANALYSIS

Lego Group faces intense competition (11) as the most significant market force. Buyer's and supplier's power also exert considerable pressure, potentially limiting profitability and pricing flexibility. Substitutes pose a moderate threat. Low new entrant threat suggests market entry barriers. Lego must prioritize competitive strategies and manage buyer/supplier relationships for sustained success.



COMPETITOR ANALYSIS

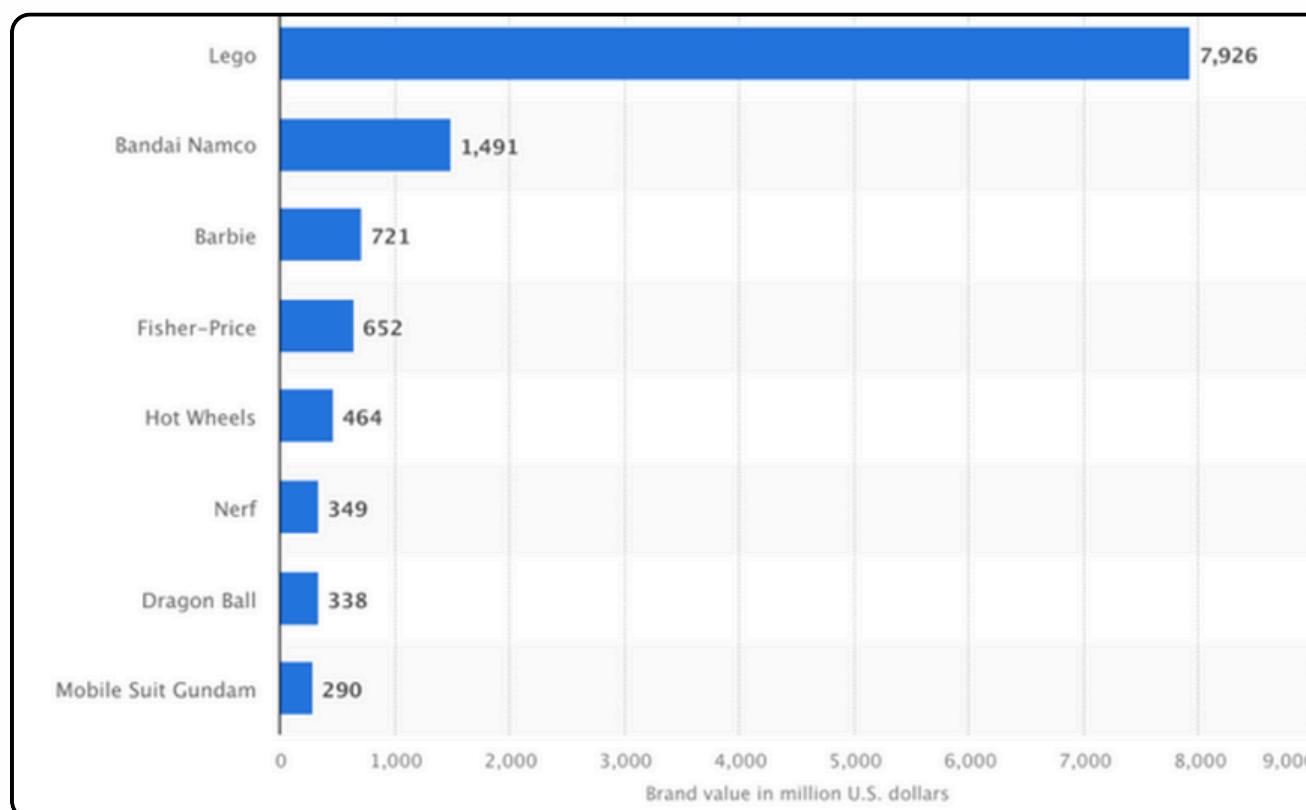
Of the major players in the toy industry, **LEGO** accounted for the highest annual revenue, followed by **Bandai Namco, Hasbro, and Mattel**.

Bandai Namco Entertainment Inc. is **a Japanese video game developer and publisher**, and also produces video and music products related to its intellectual property.

Hasbro is **an American toy and board game company; the world's largest toy company**.

Mattel Inc. is **a toy manufacturer, scale model maker, and producer** of Barbie dolls, Monster High, Ever After High, and Hot Wheels. In 2024, Lego was unequivocally the most valuable toy brand in the world with a brand value of nearly eight billion U.S. dollars. The Japanese brand known as Bandai Namco ranked second that year and was worth about 1.5 billion U.S. dollars

Brand value in million U.S. dollars



Entertainment



MATTEL®



HASBRO



Advantages

- Wide range of games;
- Ownership of famous franchises such as Tekken, Dark Souls, Dragon Ball;
- Cross-platform (PC, PS4, Xbox One and others);
- International network (North America, Europe, Asia, characters, logic games);
- Oceania;
- Interaction with the audience through social networks;
- Product quality.

- Owning famous brands such as Barbie, American Girl, Hot Wheels and others;
- Longevity (founded since 1945);
- Wide range of products (dolls, cars, cartoon, characters, logic games)
- Worldwide sales;
- Social responsibility;
- Stable position in the market.

- A stable position in the market due to its recognition, ownership of such brands as Monopoly, Transformers, My Little Pony, Nerf;
- A wide range of products (board games, video games, toys, collection sets);
- A global brand;
- Partnership agreements with the film industry;
- Social responsibility, use of environmentally friendly materials;
- Educational trend (Hasbro offers educational products).

Disadvantages

- Low quality releases or technical bugs when launching games;
- Insufficient and limited support for old products (lack of updates or re-releases of old games);
- Using old elements in new games without introducing innovations (copying the mechanics of old games);
- Dissatisfaction of users with the microtransaction system within the game, which disrupts the balance between users;
- Dissatisfaction with the cultural characteristics of Japanese culture, reflected in the plots/visualization

- Lead time issues due to late deliveries;
- Unsustainable production leading to consumer making due to the presence of a huge number dissatisfaction;
- Lack of ability to quickly adapt to consumer needs;
- Lack of innovation

- Limited flexibility of the company in decision-of franchises and various licenses;
- The presence of significant defects and defects in toys;
- The use of non-ecological materials in the production of products;
- Lack of innovation in new products and copying of existing ones.

KEY SUCCESS FACTORS

Degree of the factor						
KSF	What client's need do we try to close?	LEGO Group	Mattel Inc.	Hasbro	Bandai Namco	
Strong brand identity	A globally recognized brand that stands for quality, creativity	+++	++	++	+++	
Innovative product development	Continual product innovation and expansion of themes	+++	+	+++	+++	
Engagement with consumers	Active engages with its customer base through community events, social media, and interactive platforms	+++	+	+	++	
Quality of the product	High product quality that reinforces customer trust and satisfaction	+++	+	+	+++	
Eco Friendly Commitment	Using sustainable materials and being environmentally initiative	++	+	+	++	
Collaborations with popular companies	Partnerships with popular franchises that attract a broader audience	++	+	+	+++	

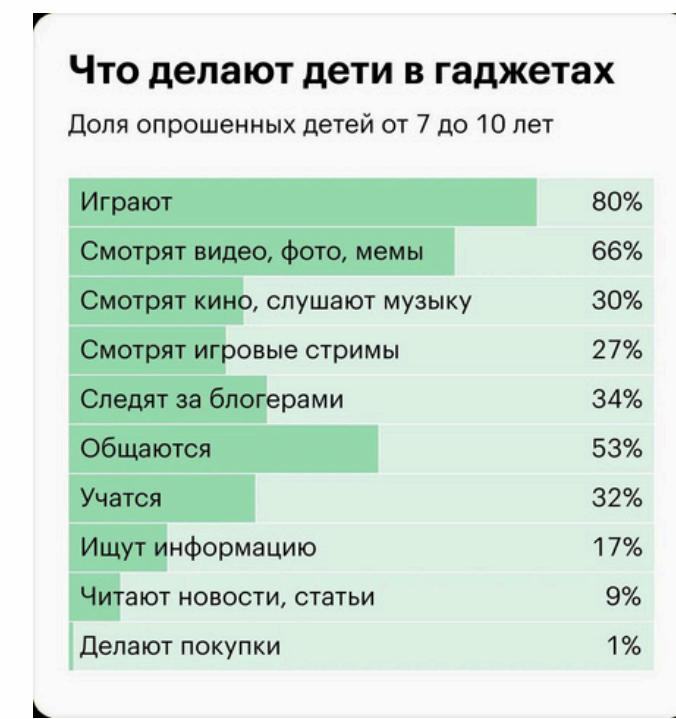
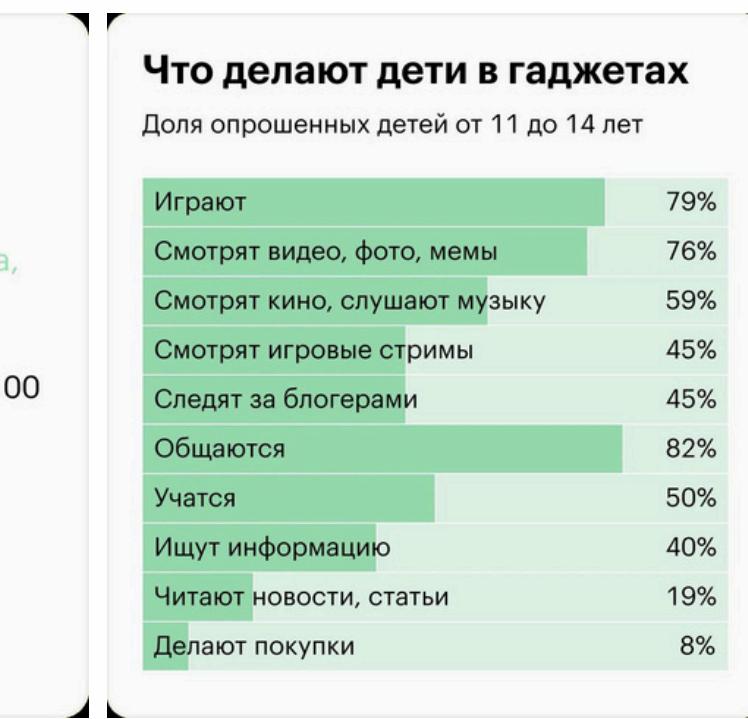
CONCLUSION ON KSF

Based on the KSF analysis, it can be concluded that Lego occupies a leading position in important industries on a par with Bandai Namco, which indicates that Lego has a competitive advantage over other toy companies.

IDENTIFYING THE PROBLEM

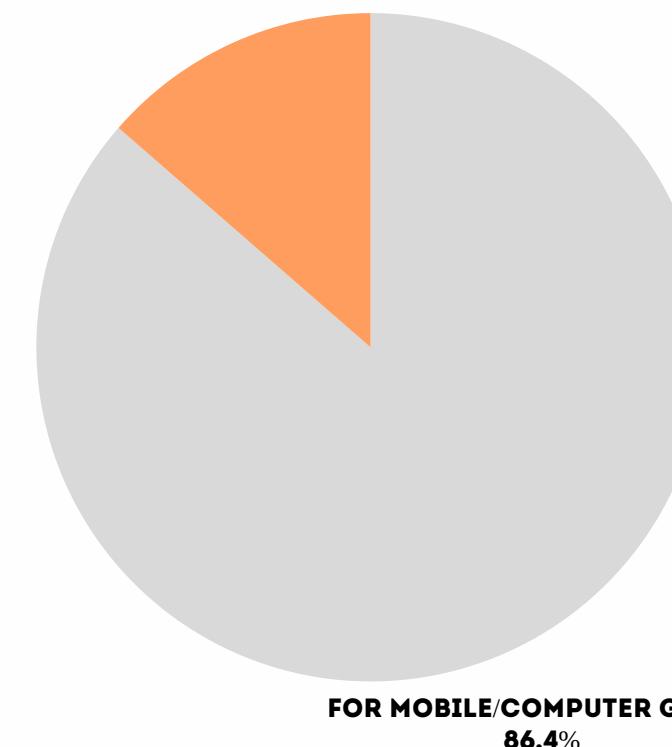
To identify the problems that Lego faces and may face, we turned to statistics and conducted a social survey among people 18-24 years old.

The impact of gadgets on children is becoming a subject of active discussions among parents and specialists in the field of psychology and education. According to a sociological survey by the analytical center NAFI, children in the digital environment can face many risks, so it is extremely important for children to separate the time spent on a gadget from the time spent on other activities.

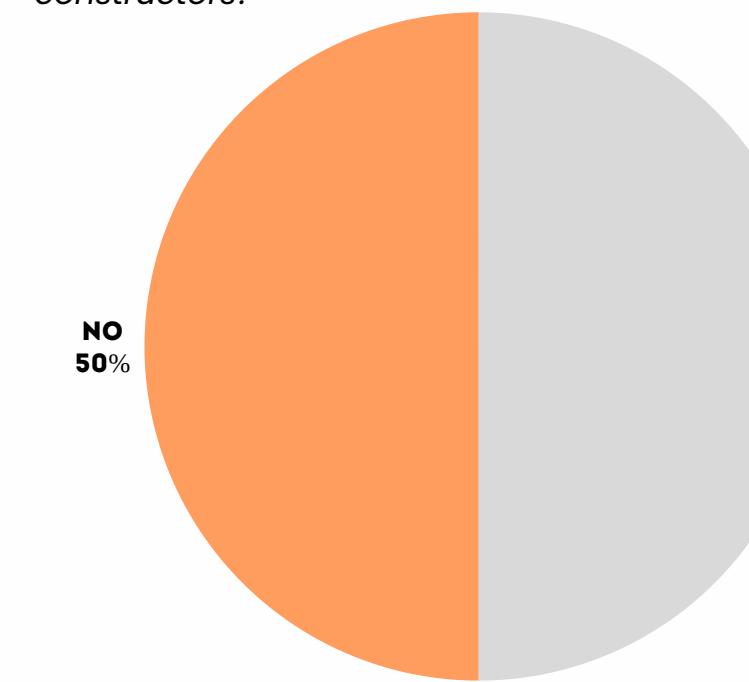


What games do you think the Zoomer and alpha generations prefer?

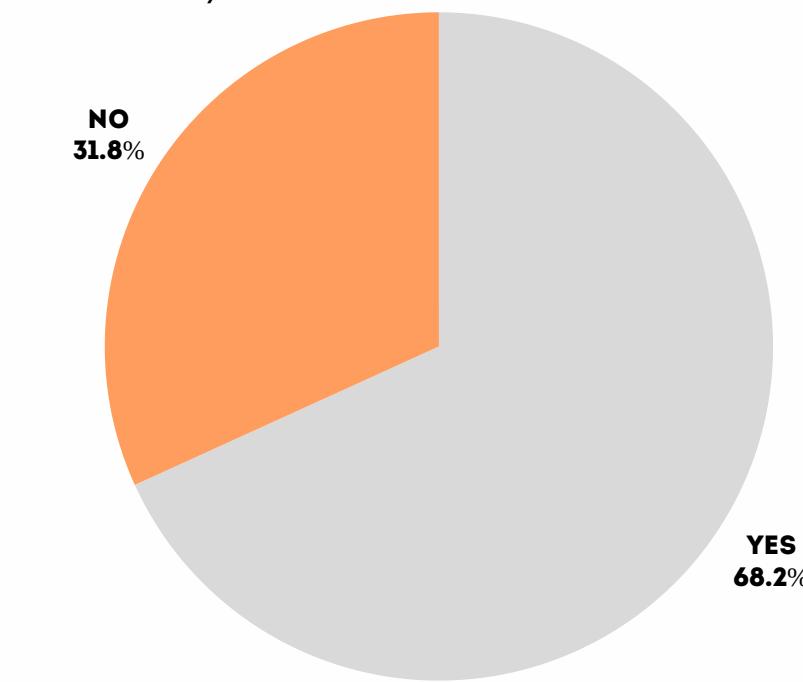
TRADITIONAL GAMES (BOARD GAMES, BUILDING BLOCKS, ETC.)
13.6%



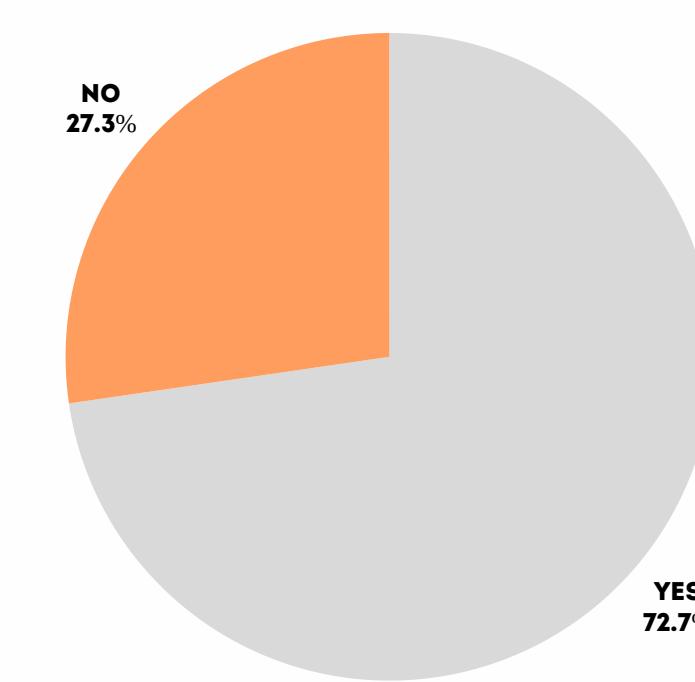
Do you think it would be useful to introduce a subject/extracurricular activity in primary/secondary schools, where students will collect sets of Lego constructors?



At your current age, would you like to purchase those legendary Lego sets in a more advanced format, with a more detailed and complicated assembly?



Would you like, as a future employee of any company, to be able to assemble a Lego set in a coworking area?



DEFINING GOALS

Company challenges and opportunities:

01

The company may face a potential threat from competition in the form of mobile and video games, as more and more teenagers begin to prefer gadgets. Moreover, the modern generation is much closer to phones and computers than to construction sets, so Lego needs to pay attention to attracting new "users" to its construction set universe;

**02**

In addition to current and exclusive Lego sets, it is necessary to focus on making the sets more complex, because adult buyers want to assemble not only something new, but also something that will be interesting to them due to the level of complexity. Among other things, this will allow Lego to retain its customer base of "old" buyers.



Goals:

Attracting new, young customers aged 8–18 who prefer gadgets to construction sets;

Improving play sets for adults with a more complex assembly stage.

PRIMARY SWOT ANALYSIS

STRENGTHS

- S1. Strong customer base
- S2. Powerful (strong) brand
- S3. The uniqueness of the company
- S4. High-quality products for all ages
- S5. Skilled employees
- S6. Stable improvement in the developing fields of technology and mechanics
- S7. High quality environmental materials

WEAKNESSES

- W1. High cost of production
- W2. The difficulty of assembling kits for a certain age category

THREATS

- T1. The growing popularity of the digital entertainment market
- T2. Major competitors are manufacturers of toys and substitutes for goods on the market
- T3. The company's heavy dependence on toy production
- T4. Inability to completely refuse to use non-ecological materials

OPPORTUNITIES

- O1. Expansion in new digital technology market
- O2. Using innovations and new technologies for creating new products
- O3. Good relations with other brands (clothes, cosmetics)
- O4. High interest in collection set
- O5. Positioning of toys as developing thinking

EXTENDED SWOT ANALYSIS

STRENGTHS-OPPORTUNITIES

- Cooperation with well-known brands (cars, clothes) (S2, O1, O3)
- 2. Creating unique collectible sets in a single copy (S1, S2, S3, S4, O4)
- 3. Development of educational programs for the creation of toys based on science and positioning of toys as a type of training (S4, S5, S6, O1, O2, O5)

WEAKNESSES-OPPORTUNITIES

- 1. Creating unique sets using digital technologies (W1, O1, O2, O4)

STRENGTHS-THREATS

- 1. Creating game sets based on digital technologies (S4, T1)
- 2. Using environmental materials to create products and positioning this fact as a distinctive feature from other companies (S7, T2, T4)

WEAKNESSES-THREATS

- 1. Creating an inexpensive new product for ordinary people
- 2. Changing the material from which products are created

CONCLUSION:

Lego has huge advantages in the market and great opportunities for development, but it should take into account market trends to avoid shifting from a leading position

CONCLUSION:

The SO1, SO3 and ST3 strategies are best suited for these goals. Cooperation with new brands, the creation of educational products related to science and creating game sets based on digital technologies will attract a new audience. In addition, complicated versions of products that are related to science and technology will help keep the current audience.

PARTNERSHIP WITH UNIVERSITIES AND LYCEUMS

The main ideas of the strategy:

- 1) to create interactive recreation areas in famous universities where students can gather, communicate and develop their creative and technical skills through the assembly of Lego
- 2) the introduction of subjects or electives on Lego assembly into training programs in lyceums that will focus on the development of engineering and design skills.
- 3) to release of unique sets inspired by partner-universities and school subjects (e.g sets for chemistry, physics, biology classes)

The strategy will help to attract an audience of children and youth aged 8-22 years and increase brand awareness.



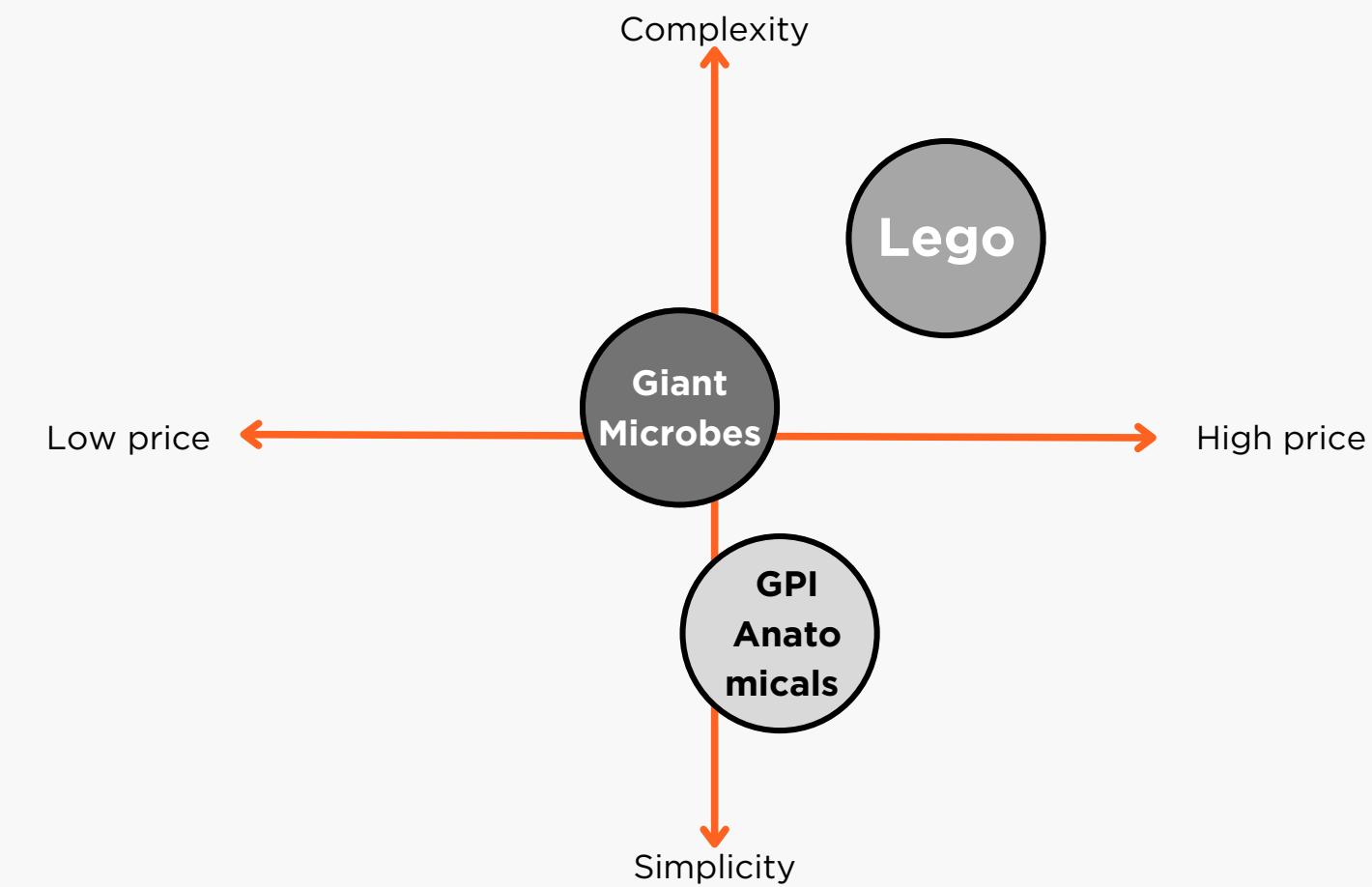
STP

Targeting:

Age: 8-22 years old
 Gender: 52% male and 48% female
 Interests: Construction and building block toys
 Skill level: Average/ above average(lyceums and school students)

Positioning:

We assumed that Lego had introduced a strategy and created sets for biology lessons. In this diagram, we compared the Lego company with two popular companies on Amazon (Giant Microbes and GPI Anatomicals) that produce 3D models for lessons



Partnerships

-Collaboration with well-known universities such as MSU, HSE, University of Oxford as well as with private and government schools and lyceums

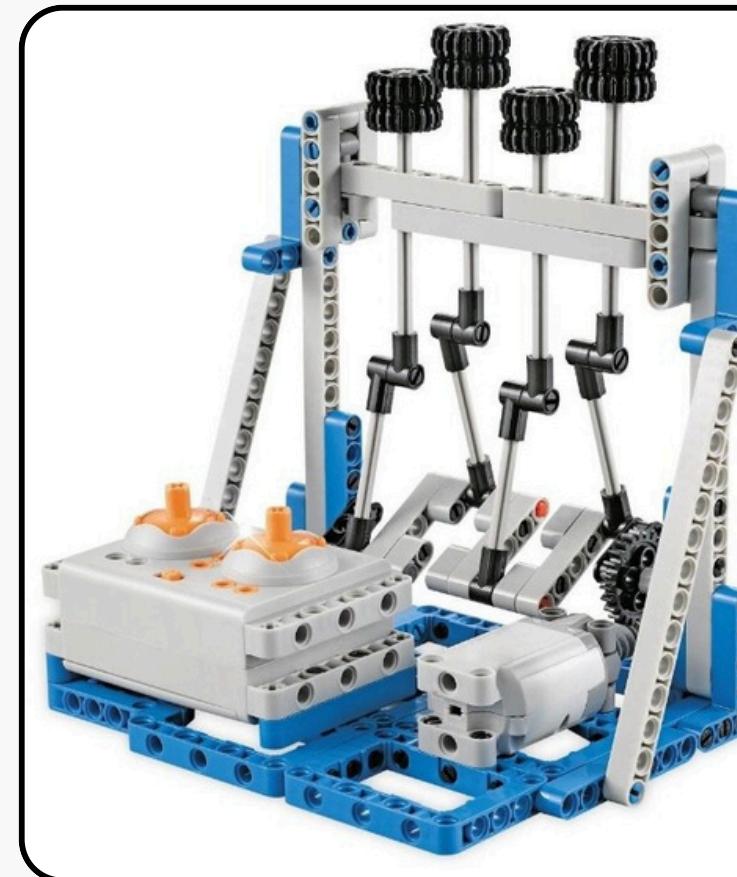
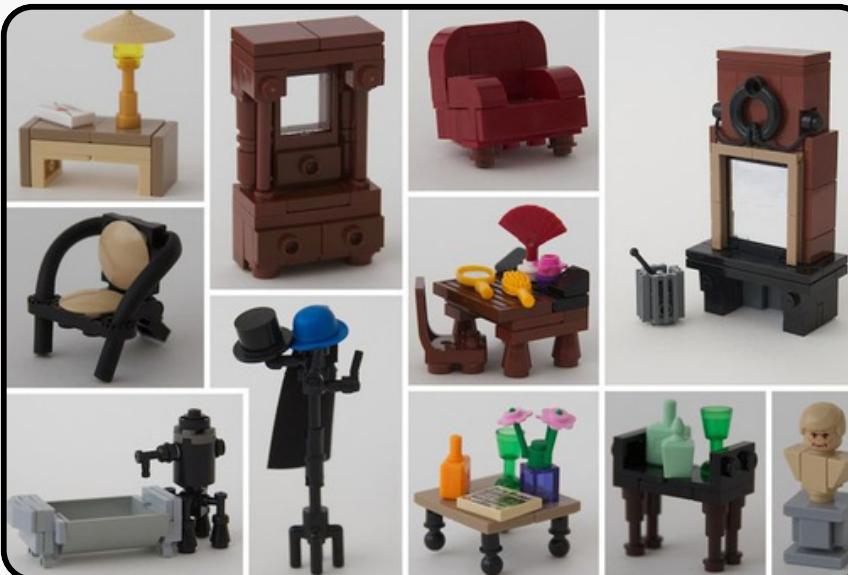
RELEASE OF COMPLICATED SETS FOR AN ADULT AUDIENCE

The strategy of releasing legendary Lego sets in a more advanced format, with a more detailed and complicated assembly can effectively engage adult audience by evoking the sense of nostalgia.

The main ideas of the strategy:

- 1) Kits for studying science (physics, chemistry), robotics, electronics
- 2) Kits for creating famous personalities, famous buildings, and so on (things that make people nostalgic)
- 3) Kits for creating things with functionality in the household sphere (lawn mowers, vacuum cleaners, dish dryers)

The strategy will help to keep the current audience, who might no longer be interested in the usual sets.



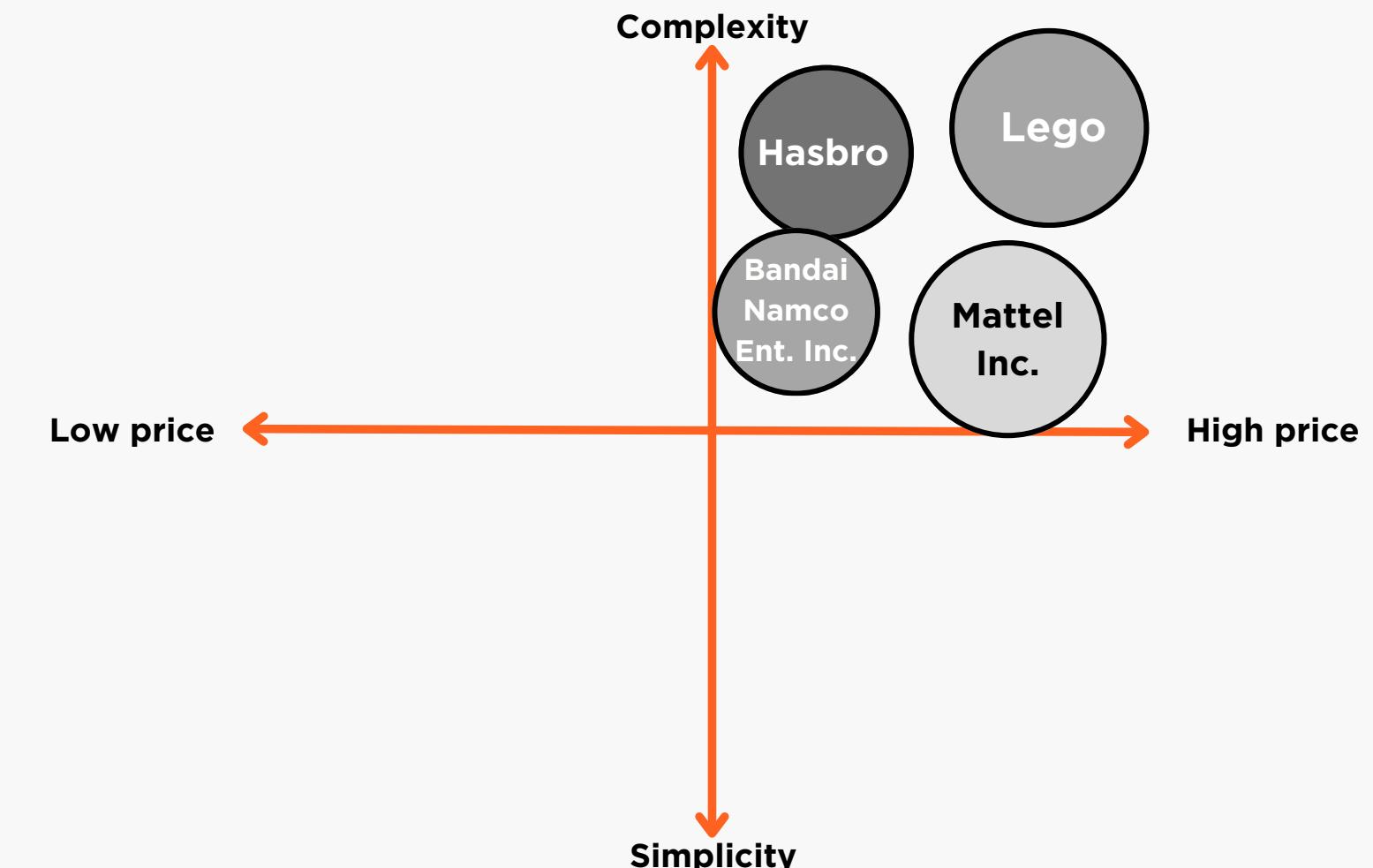
Targeting:

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STP

Country	Brand Awareness	Popularity	Usage Share	Loyal Customer
United States of America	89%	53%	44%	39%
United Kingdom	93%	65%	49%	42%
Germany	93%	66%	54%	48%

Positioning:



PRODUCT MANAGEMENT

Our strategy is based on attracting a young audience aged 8 to 22 years, who spend a lot of time on gadgets, and an older segment that was interested in construction sets before, but are already losing interest in construction sets.

The main component of the strategy is **“business to business” interaction**.

- + for students: developing their design and engineering skills.
- + for employees: spending their free time or relax not scrolling on phone, but doing something useful for the brain without ‘brain rot’.
- + for adults: scientists have proven that our mental abilities become worse not because of age, but because of the lack of constant development.



IDEA

PARTNERSHIPS WITH UNIVERSITIES, SCHOOLS AND COMPANIES

RELEASE OF COMPLICATED SETS FOR AN ADULT AUDIENCE

Functionality

- Creating interactive recreation areas in famous universities where students can gather, communicate and develop their creative and technical skills through the assembly of Lego;
- The introduction of subjects or electives on Lego assembly into training programs in lyceums that will focus on the development of engineering and design skills;
- Releasing of unique sets inspired by partner-universities and school subjects (e.g., sets for chemistry, physics, biology classes).

Advantages

- New customer base for LEGO
 - Increasing confidence
 - Design and engineering skills development
 - No “brain rot”

Disadvantages

- Limitations due to strict standards and regulations of schools and universities
- Different goals for companies and Lego
- Significant time and money costs

- Improvement of brain function, development of neural connections
- Creating useful things
- Nostalgic atmosphere

- Significant time and money costs
- High price
- Strategic risks
- High consumer expectations
- Development complexity

PRICING STRATEGY

The average cost of a Lego set is \$203. The average cost of complecated sets or sets related to famous films or famous buildings is \$462.

For universities and schools: batches with 25% discount:

$\$203 - 25\% = \150 and $\$462 - 25\% = \350 > sell sets costing approximately \$150 to \$350 depending on the complexity of the set.

For organizations: sets with discount of 5%, since in this case there will not be such a strong collaboration as with schools and universities.

For individuals: no discounts are expected.

Set	Name	Price
1	Santa's Post Office	\$99,99
2	The Botanical Garden	\$329,99
3	Christmas Table Decoration	\$39,99
4	X-Men: The X-Mansion	\$329,99
5	Retro Radio	\$99,99
6	Poinsettia	\$49,99
7	Bumblebee	\$89,99
8	Minifigure Factory	\$11,99
9	The Burrow – Collectors' Edition	\$259,99
10	Imperial Dropship vs. Rebel Scout Speeder	\$39,99
11	The Dark Falcon	\$179,99
12	Mystery Minifigure Mini Puzzle – Christmas Edition	\$8,95
13	The Lord of the Rings: Barad-dûr™	\$459,99
14	McLaren P1™	\$449,99
15	Imperial Star Destroyer™	\$159,99
16	Vincent van Gogh - The Starry Night	\$169,99
17	Dungeons & Dragons®	\$4,99
18	Jabba's Sail Barge™	\$499,99
19	Ferrari F40 Supercar	\$26,99
20	Dungeons & Dragons: Red Dragon's Tale	\$359,99

21	Avengers Tower	\$499,99
22	Mini Disney Castle	\$39,99
23	Mosaic Maker	\$79,99
24	Christmas Tree Puzzle	\$17,95
25	Magic of Disney	\$99,99
26	Batman: The Animated Series Gotham City™	\$299,99
27	Disney Castle	\$399,99
28	Disney Castle	\$109,99
29	Mona Lisa	\$99,99
30	Tiny Plants	\$49,99
31	The Force of Creativity	\$149,99
32	Welcome to Emerald City	\$99,99
33	Notre-Dame de Paris	\$229,99
34	Eiffel tower	\$629,99
35	NINJAGO® City Markets	\$369,99
36	Castle Nocturnia	\$199,99
37	Robot World Roller-Coaster Park	\$99,99
38	Yellow Mobile Construction Crane	\$109,99
39	Millennium Falcon™	\$849,99
40	2023 McLaren Formula 1 Race Car	\$26,99

Distribution Channels and Communication strategies for LEGO product

Complicated Sets for Adults

Distribution Channels:

1. Direct-to-Consumer (DTC)
2. LEGO Stores
3. Retail Partners

Communication Strategy:

Main strategy: Drive awareness and sales of the complex LEGO sets amongst adult consumers.

Target Audience: Hobbyists and individuals interested in challenging and rewarding creative activities.

Messaging:

- A slogan for the section of complicated sets: "Challenge your mind".

Collaboration with Universities and Schools:

Distribution Channels:

1. Direct Sales to Institutions
2. Educational Partnerships

Communication Strategy:

Campaign Goal: Increase interest in LEGO amongst students, faculty, and educators.

Target Audience: University and school students.

Messaging:

- Show the educational value: Demonstrate how LEGO sets can be used as tools for hands-on learning and engagement.
- Project-based learning potential

Communication Tools:

A) Digital Marketing:

- Targeted Social Media Ads
- Influencer Marketing
- Email Marketing
- LEGO Website & Events

B) Traditional Marketing:

- Print Advertising

Communication Tools:

- Educational Webinars & Workshops
- Case studies

1. The implementation of strategy “Release of complicated sets for an adult audience”

The plan:

1. Market research (Analytics Department)
2. Developing a new product idea (Product Manager)
3. Product concept development (external and internal appearance)
4. Making a prototype (Production Department)
5. Product Testing (third-party people)
6. Changing the product according to the tests
7. Compilation a financial plan (Finance Department)
8. Marketing and promotion (Marketing Department)
9. Launching a product on the market (Project Management and Development Department)
10. Collecting feedback and further improvement (Customer Insights or Research Department)

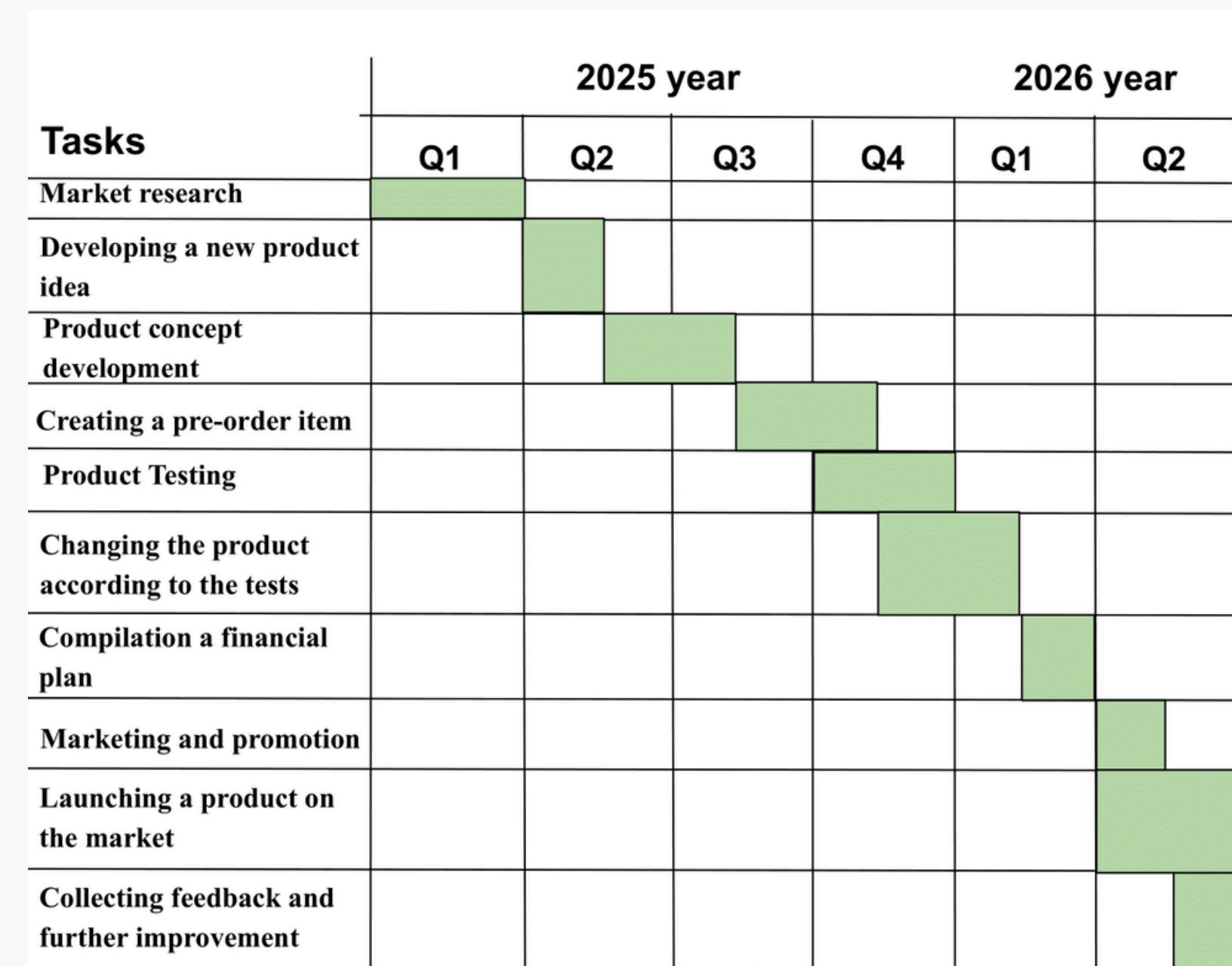
Budget

The expenses of the strategy for implementation of one complicated sets for an adult audience:

1. Market research: \$5000
- surveys;
- interview.
2. Salaries for employees: \$20000
- product manager;
- designer;
- engineer;
- financier.
3. Making a prototype: \$20
4. Product Testing: \$2 000
- attracting an audience for testing.
5. Changing the product according to the tests: \$20
6. Marketing and promotion: \$5 000

Total Estimated Budget: \$ 33000

Gantt chart



1. The implementation of strategy “Partnership with universities and lyceums”

The plan

1. Identification of target universities and lyceums;
2. Development of the concept and design;
3. Find sources of financing;
4. Marketing and promotion;
5. Collection of feedback;
6. Project Expansion.

Budget

The expenses of the strategy for implementation in one educational institution include:

1. Building Lego assembling area (materials, salary of workers): \$15 000
2. The provision of areas and classes with LEGO sets (5 sets): \$2 000
3. Curriculum Development: \$3 000
4. Marketing and Promotion: \$2 000
5. Unique Set Development: \$10 000
6. Staff Training and Incentives: \$24 000

Total Estimated Budget: \$ 56 000

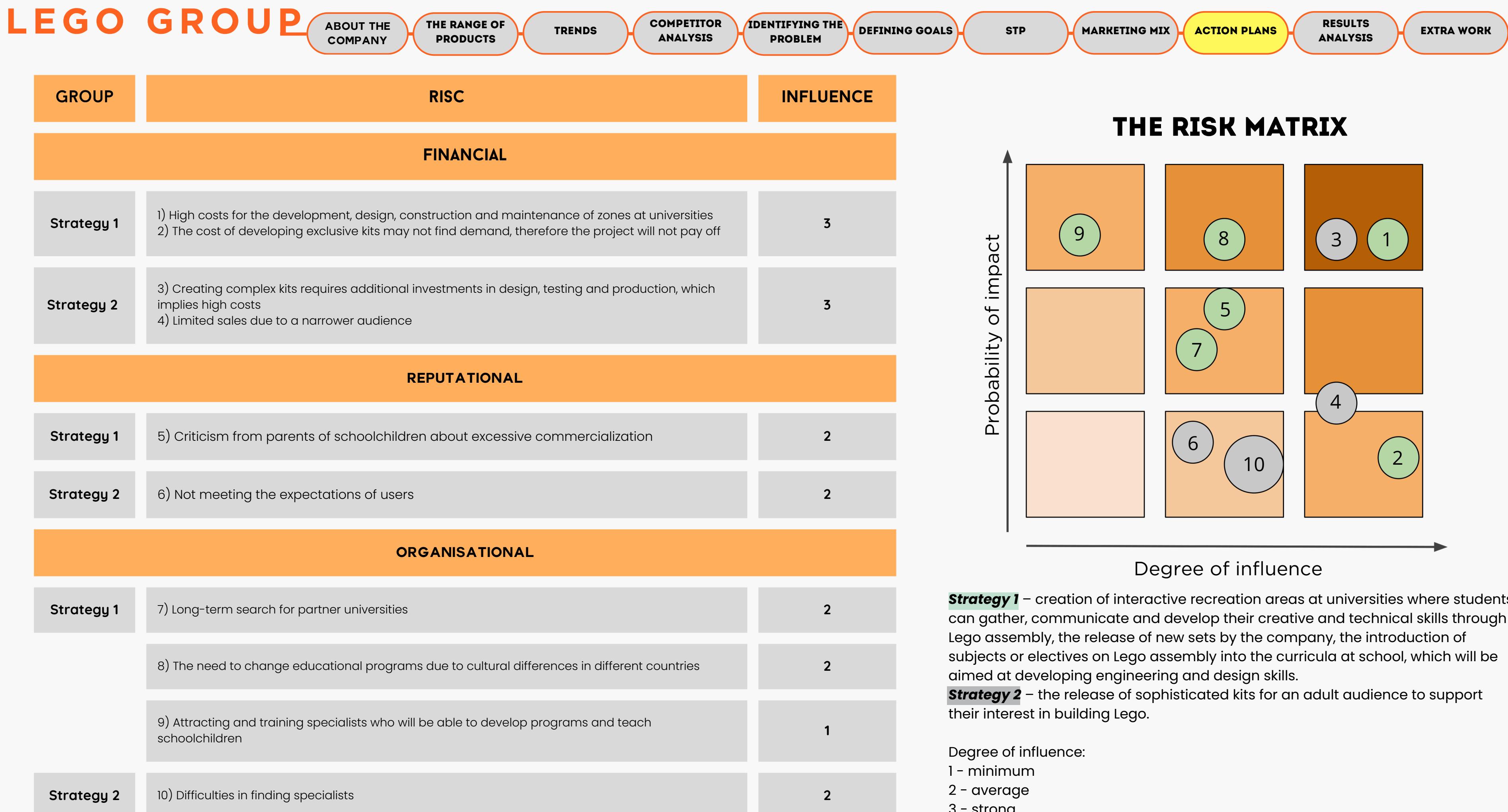
Gantt chart

Tasks	2025 year				2026 year	
	Q1	Q2	Q3	Q4	Q1	Q2
Identification of target universities and lyceums						
Development of the concept and design						
Find sources of financing						
Marketing and promotion						
Collection of feedback						
Project Expansion						

People management

To implement strategies, it is necessary to make small changes in internal marketing:

1. Identify and train staff members knowledgeable in engineering and design;
 2. Conduct internal marketing to motivate staff about the program's benefits;
- Collaborate with educational experts for curriculum development



Metrics to analyze results

Goal 1: Attracting new, young customers aged 8-18 who prefer gadgets over construction sets by 20% by the end of 2025 - early 2026

Reach and awareness through university partnerships:

- We can track reach from campus events, digital campaigns, and joint webinars. Monitor the number of students and faculty exposed to Lego.

Conversion rate from university campaigns to purchases:

- We can track product sales using promo codes or links tied to university campaigns.

Collaborative Content Effectiveness (CTR, views, shares) for measuring how well content resonates with the target audience:

- We can measure the performance of co-branded content created through university partnerships, such as online ads, videos, or collaborative workshops. Track metrics such as click-through rates (CTR), views, and shares for content associated with university collaborations.

Social media mentions and user-generated content (UGC):

- We can track the volume of social media mentions and user-generated content (UGC) related to Lego, specifically from university students. Analyze mentions on platforms like Instagram, Tiktok, and twitter using branded hashtags or campaign tags (e.g., #LegoUniversityChallenge). A 20% increase in UGC would demonstrate high student engagement.

Retention and loyalty via university networks:

- We can track repeat purchases among students who initially engaged via university campaigns. A retention rate of 30% or higher indicates success in fostering long-term loyalty.

Goal 2: Expanding the Lego product range for adults by 20% by creating more complex sets by the second half of 2026

Sales of new complex sets for adults:

- We can track sales data for newly released complex sets targeted at adults.

Customer satisfaction and perception:

- We can conduct surveys and focus groups with adult Lego users to understand their satisfaction with the new sets. Utilise Net Promoter Score (NPS) surveys to measure customer loyalty.

Product reviews and media coverage:

- We can monitor product reviews, social media mentions, and press coverage related to the new sets.

Innovation in New Product Offerings:

- We can evaluate the level of excitement and engagement generated by the new complex sets through social media discussions, reviews, and media coverage.

Repeat purchases from adults:

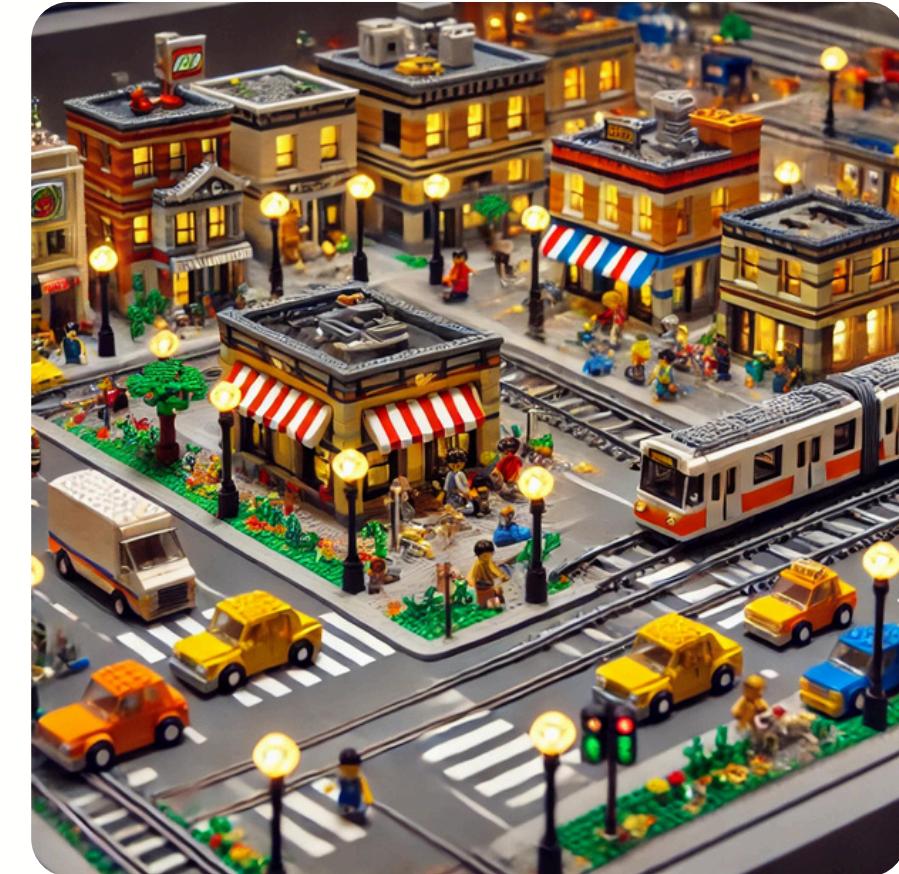
- How to measure: track the frequency of repeat purchases from adult customers who buy the complex sets.

EXTRA WORK

"LEGO: Future City" is a unique educational set that allows children to take on the role of architects and engineers. The set offers the opportunity to build their own intelligent city using various building blocks and technology elements.

What the set will look like:

- City structures: The set includes blocks for constructing buildings (homes, schools, hospitals, offices), as well as vehicles (cars, buses, trains) and environmental elements (trees, parks, solar panels).
- Interactive elements: The set has LED lights for illuminating buildings and small speakers that reproduce the sounds of city traffic and the surrounding environment.
- Programmable modules: Includes special modules that can be programmed to simulate the operation of various city elements, such as traffic, street lighting and opening/closing doors.



LEGO set: Future City

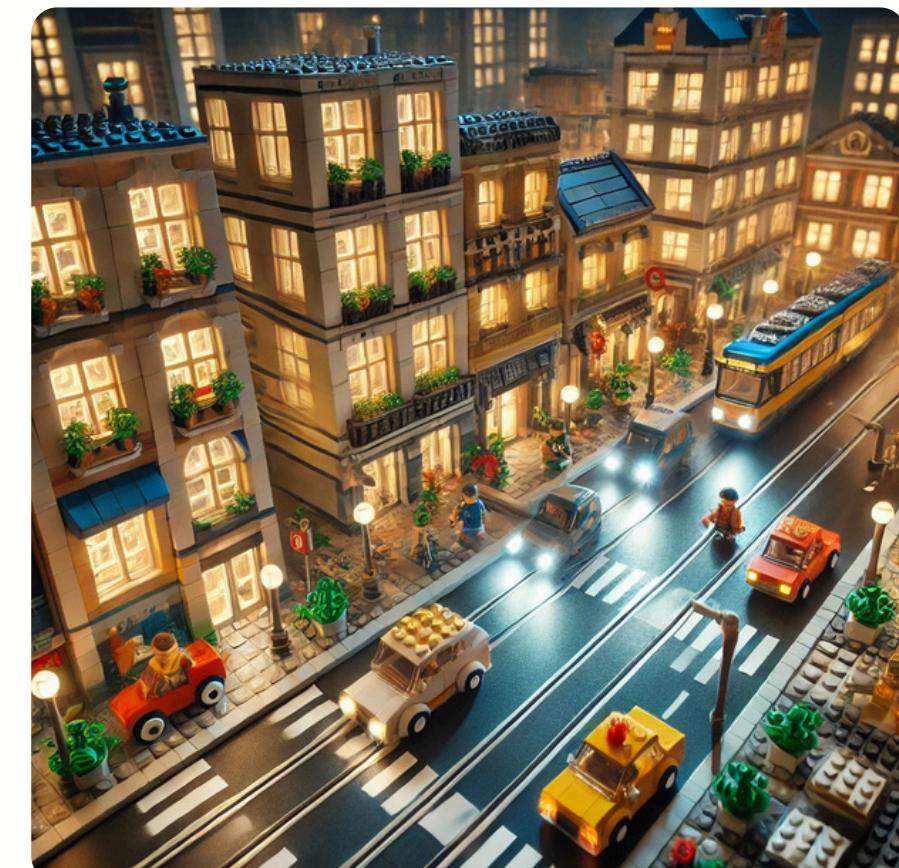
Kit Features:

- Hands-on Learning
- Teamwork
- Environmental Aspects
- Interactive Tasks

Educational Objectives:

- STEM Skills Development
- Creativity and Innovation
- Social Skills

LEGO Future City is more than just a building kit, it's an educational experience that gives kids an understanding of urban planning and technology.



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