



# Building Lego's Marketing Strategy

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# Lego Data Exploration



Family-owned company  
HQ in Denmark  
Over 80 years old

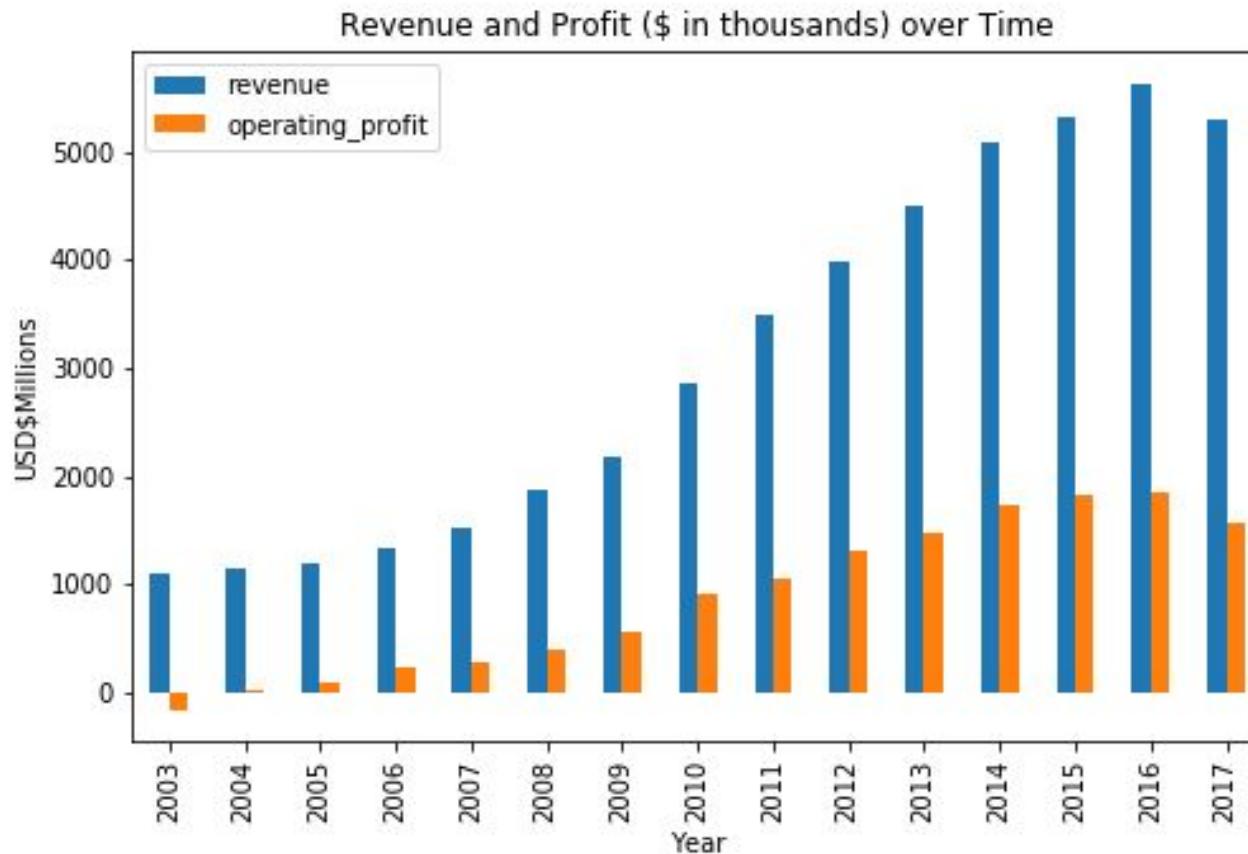
We will construct an analysis of Lego's themes, colors, movie strategy and financial success.

## Building Blocks



- Kaggle data on themes, sets, colors, year and inventories since 1970
- Financial data from 2003 published by Lego company
- Top movies scrapped from [boxofficemojo.com](http://boxofficemojo.com)

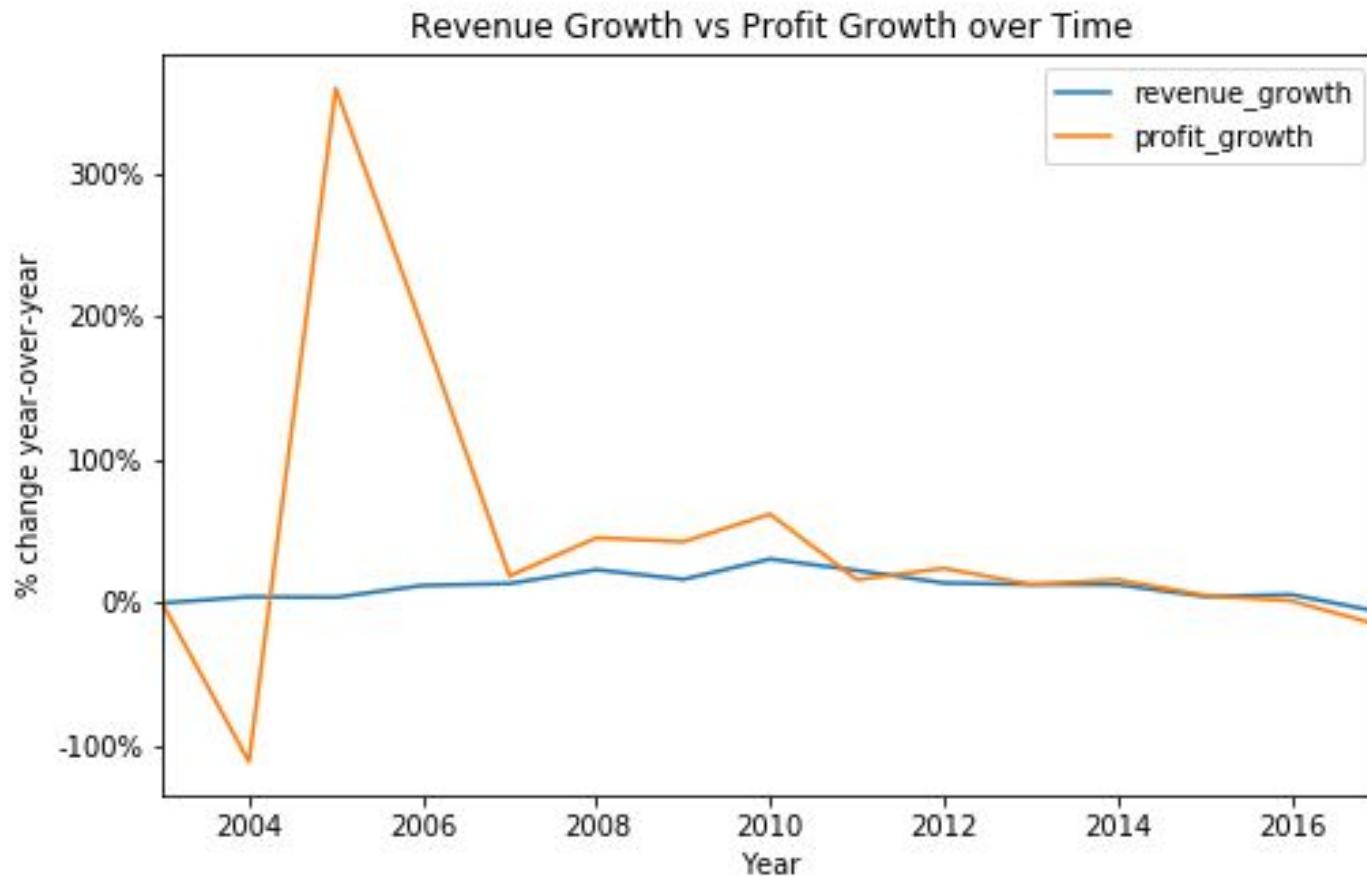
# Impressive revenue growth and more profitable than peers



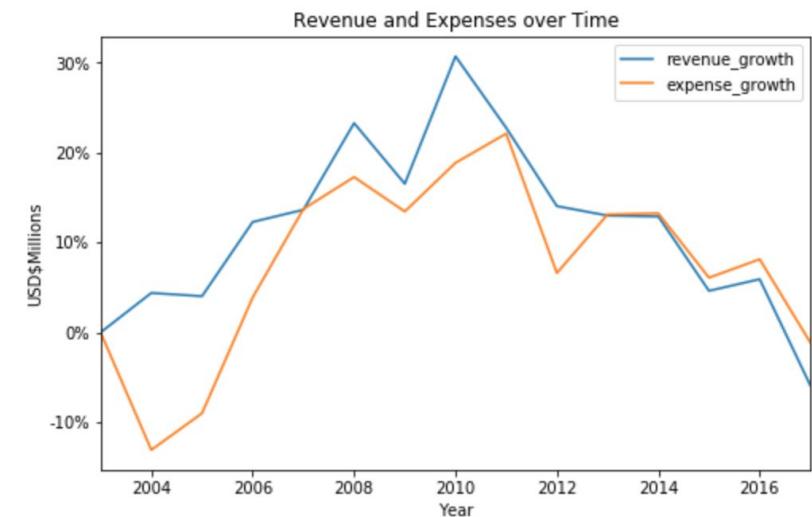
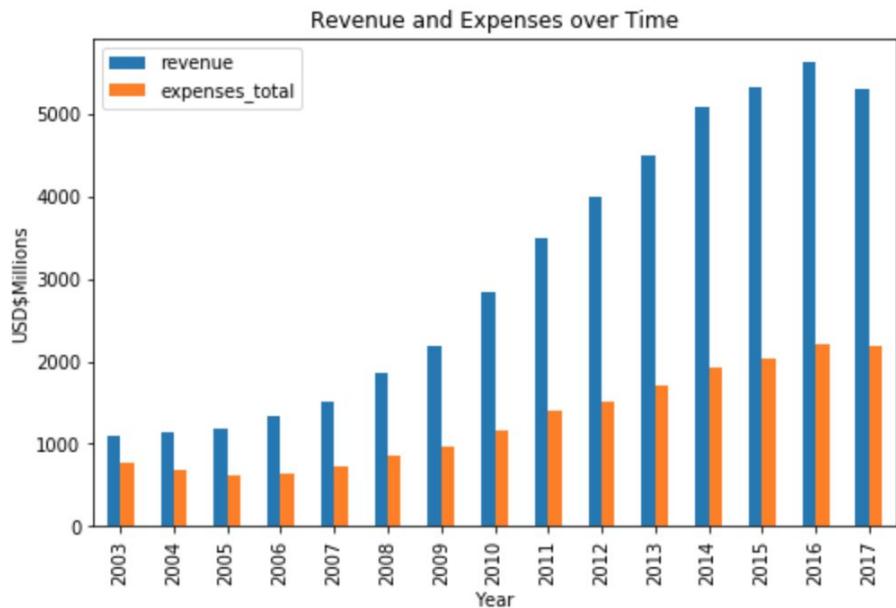
Revenue grew 12% every year for past 15 years  
High profit margin of 24% of revenue



# “Break-through” point for profitability: sales requirement of \$1.2billion



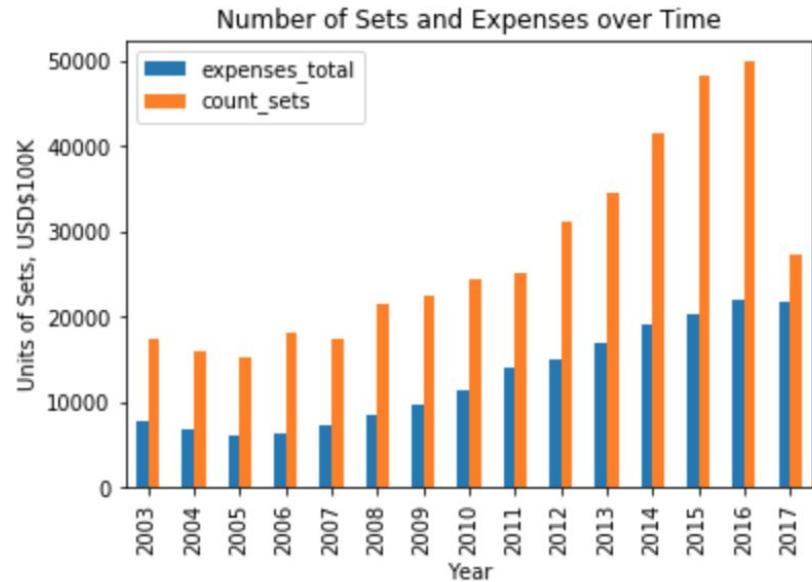
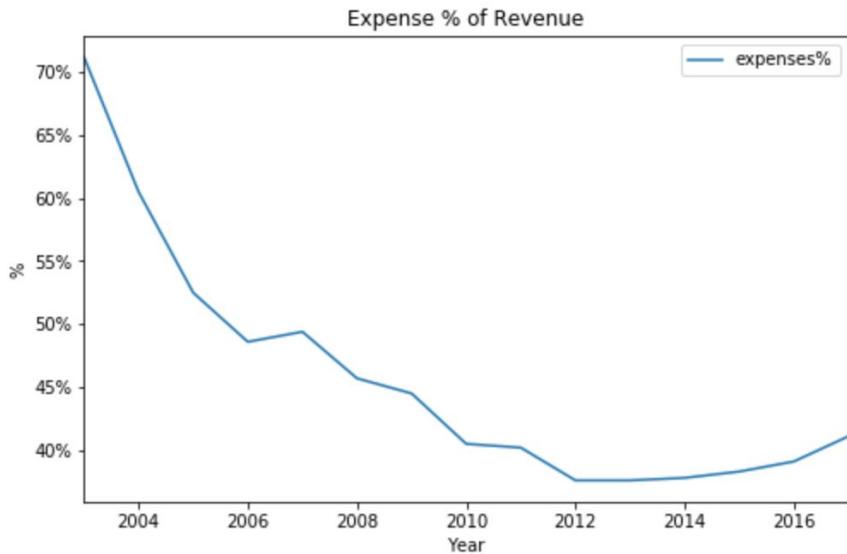
# Disciplined spending is a building block of increasing profits



Revenue pulls away further from expenses.

Expenses always increase less than revenue change

# Efficient operations even as complexity of managing many sets increases

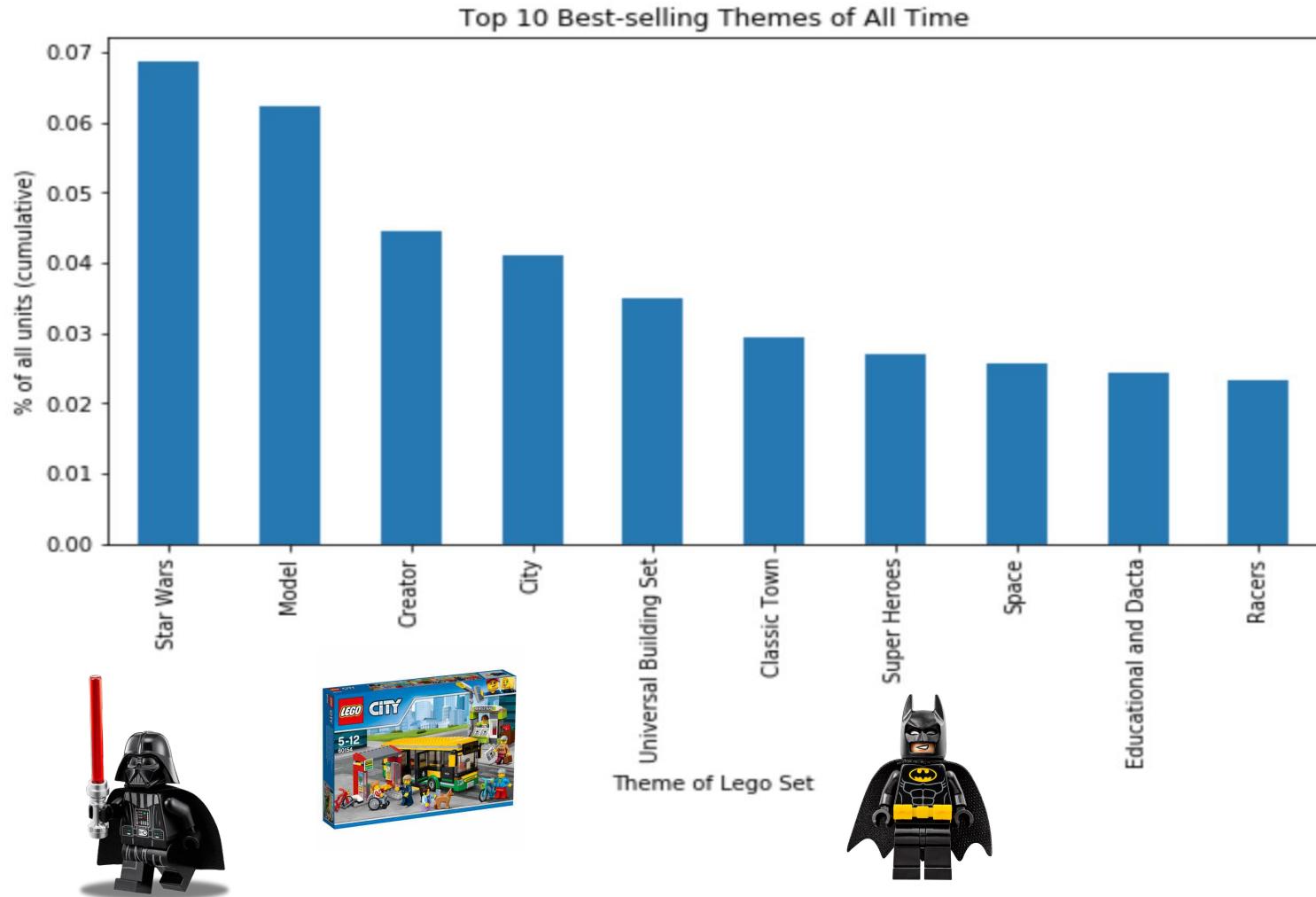


Lego gets better in scaling revenue with same amount of resources.

Lego has to manage a growing number of sets.



# Top 10 Bestsellers of All Time

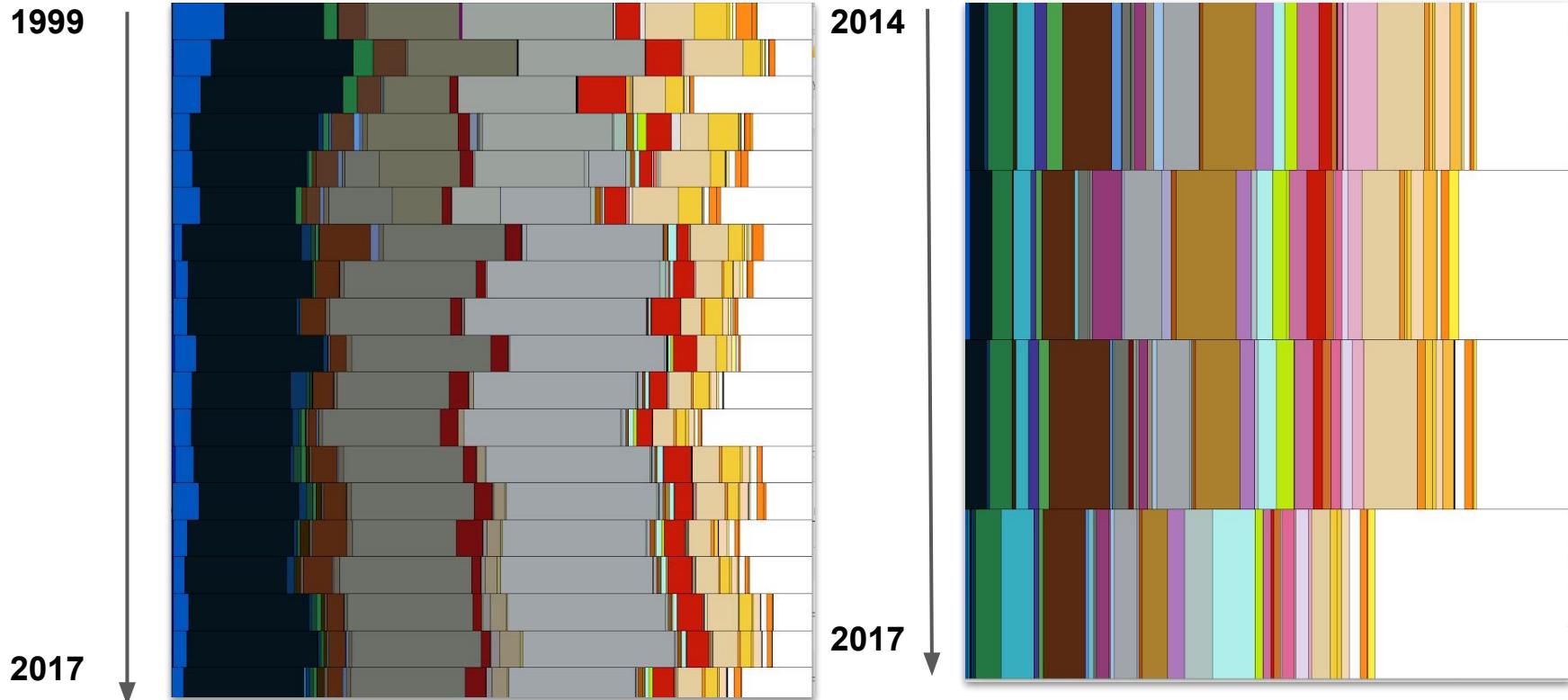


Star Wars (since 2009) has overtaken classic themes such as Model (since 1983) and Creator (since 2001).

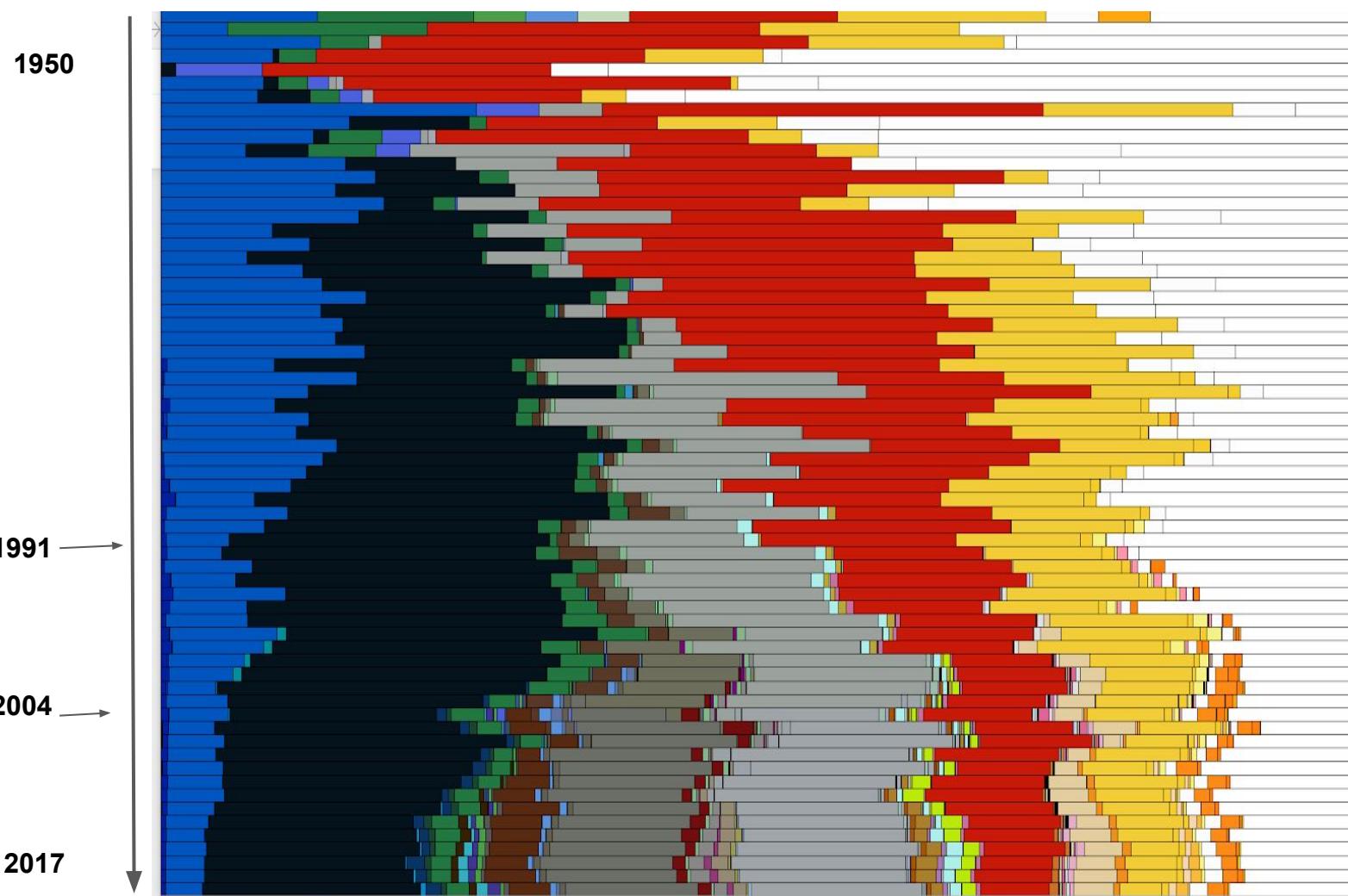
# Colors, Themes and Strategy

**Theme:** A multi-year brand encompassing multiple Lego sets, each of which can have many parts..

**Guess these themes:**

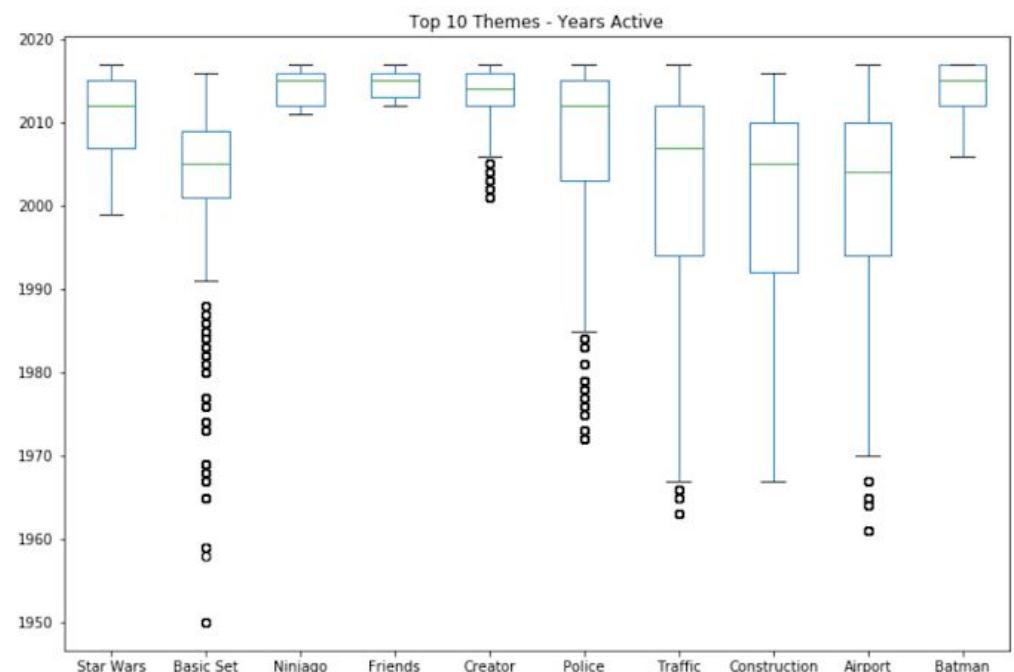
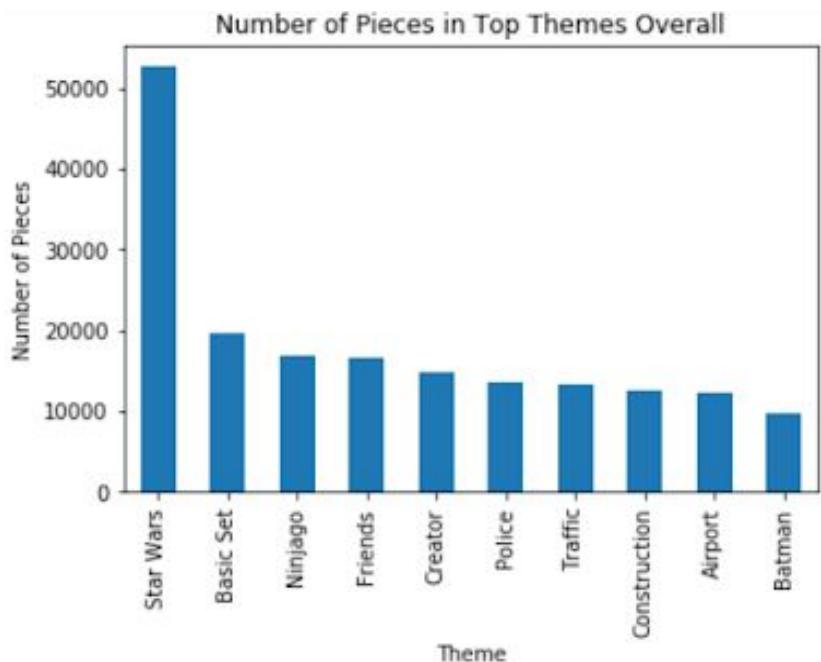


# Lego Colors Over Time - All Legos

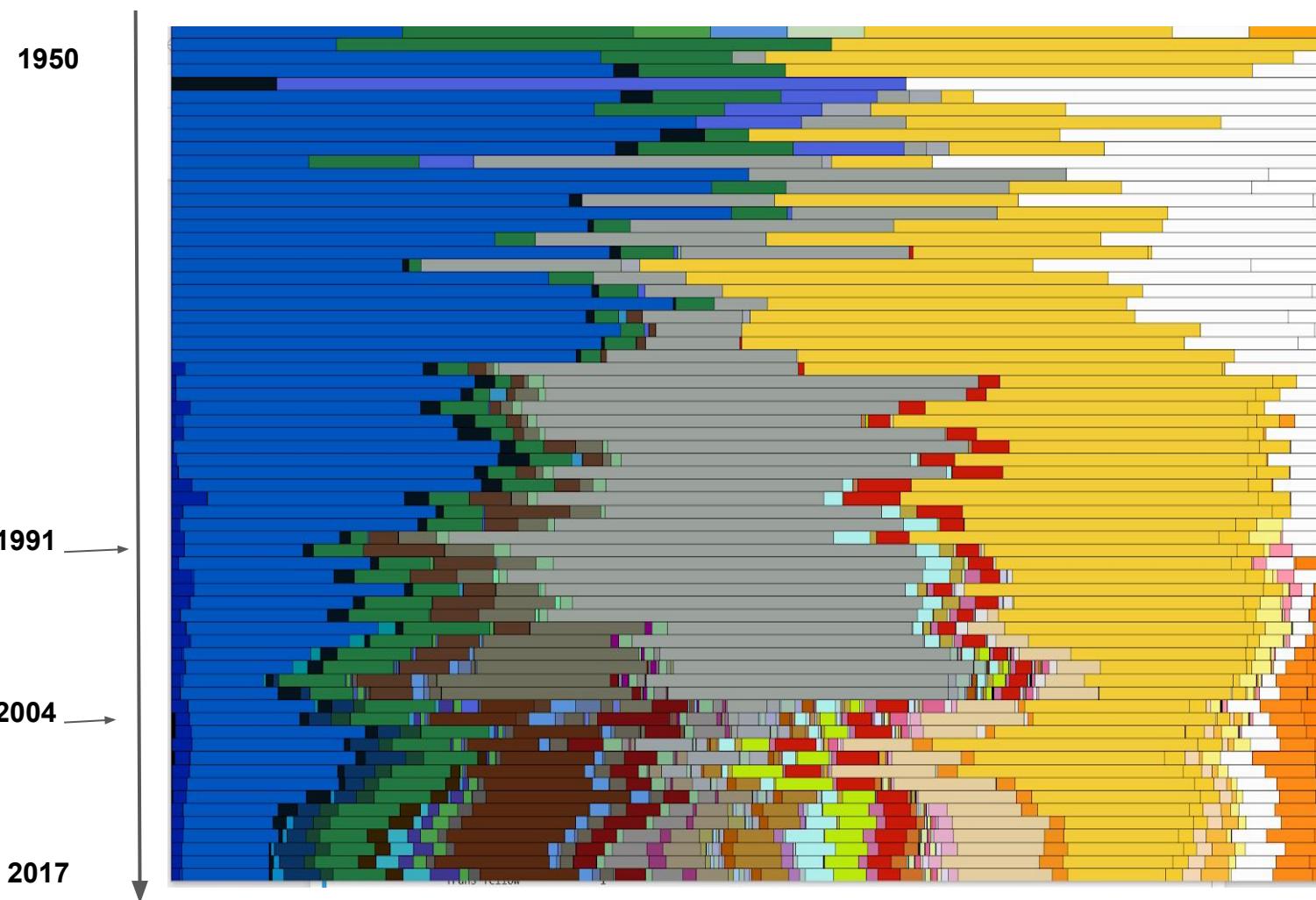


# Top 10 Lego Themes of All Time

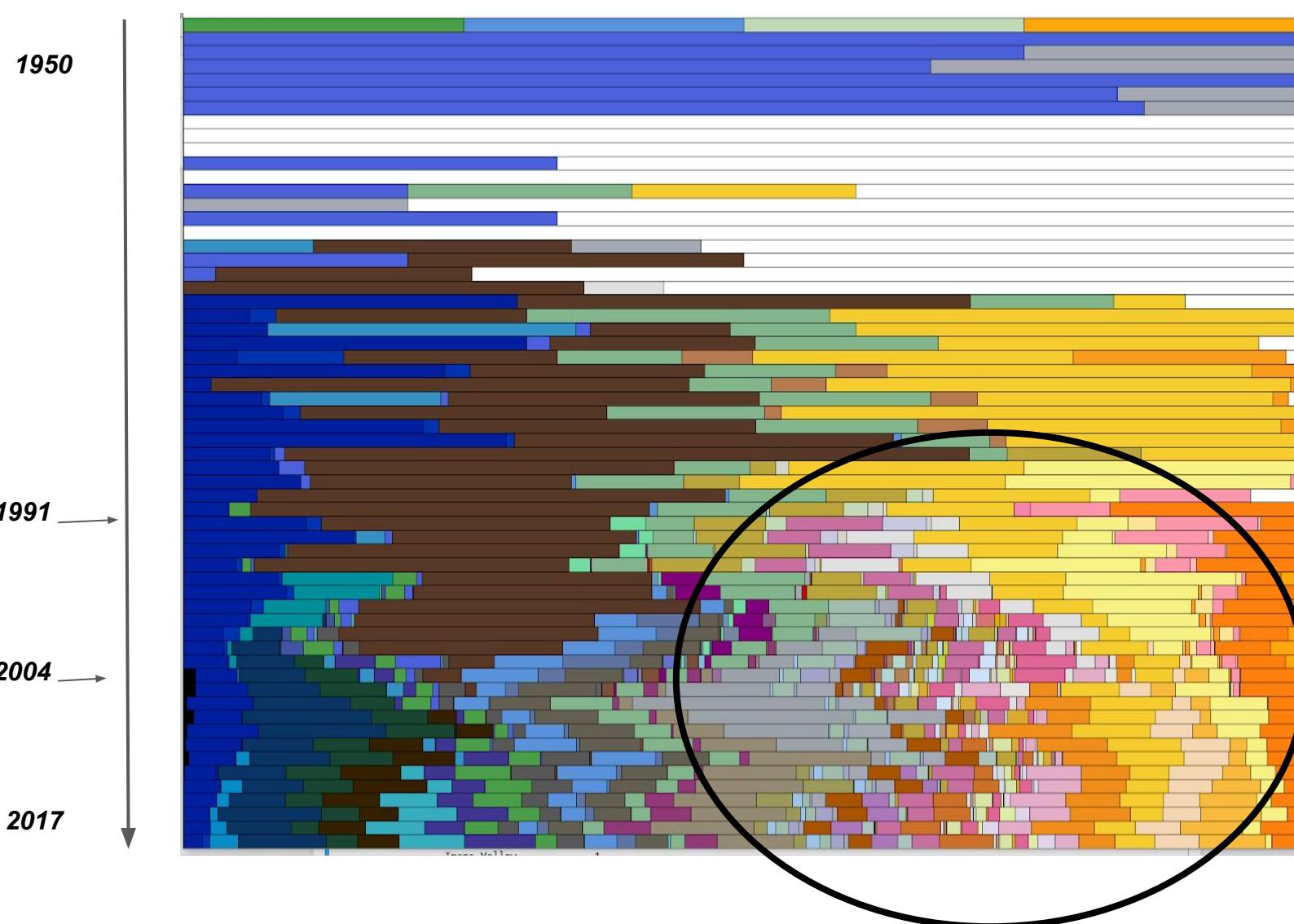
(based on total number of unique parts)



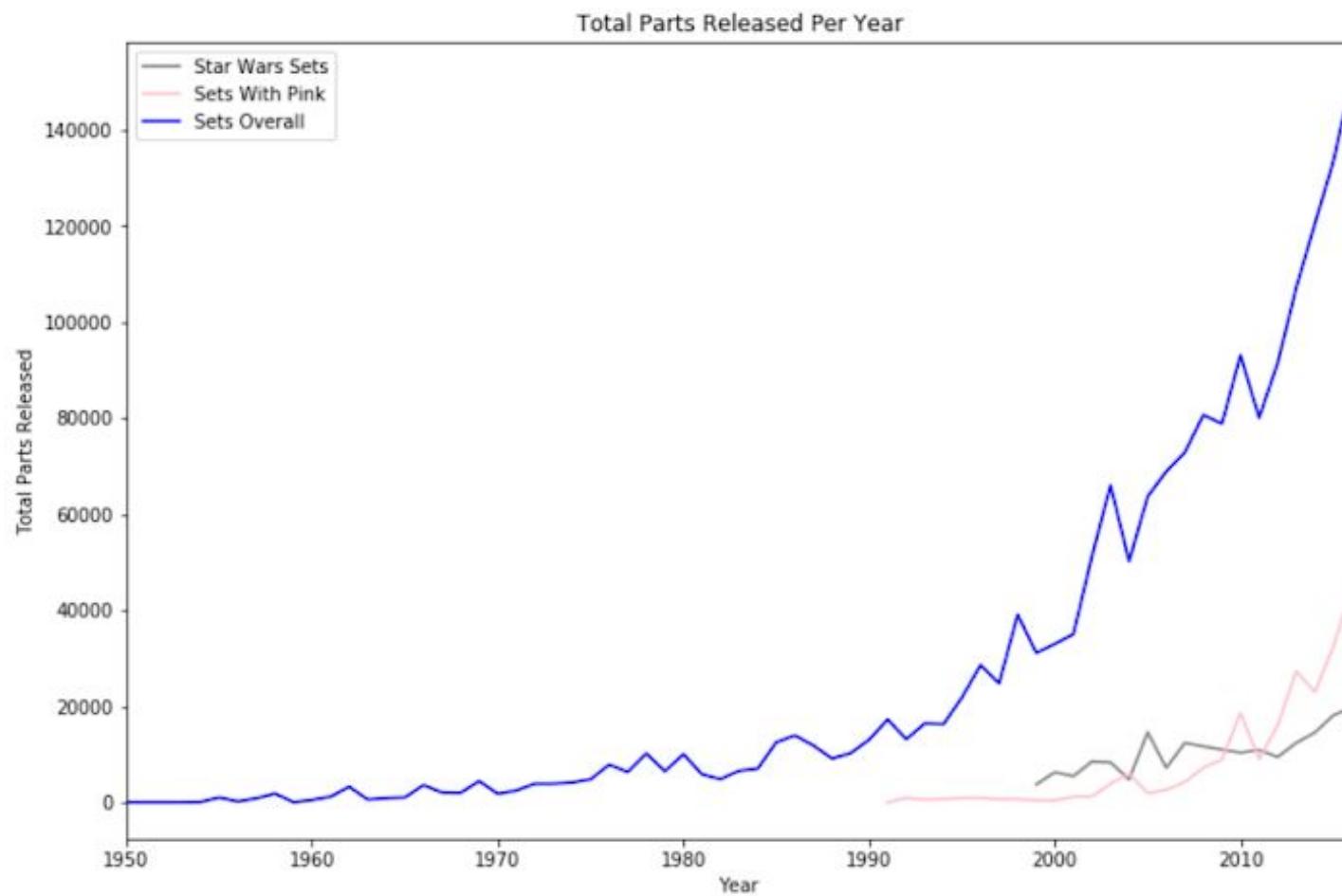
# Lego Colors Over Time, Revisited



# Lego Colors Over Time, Zoomed In

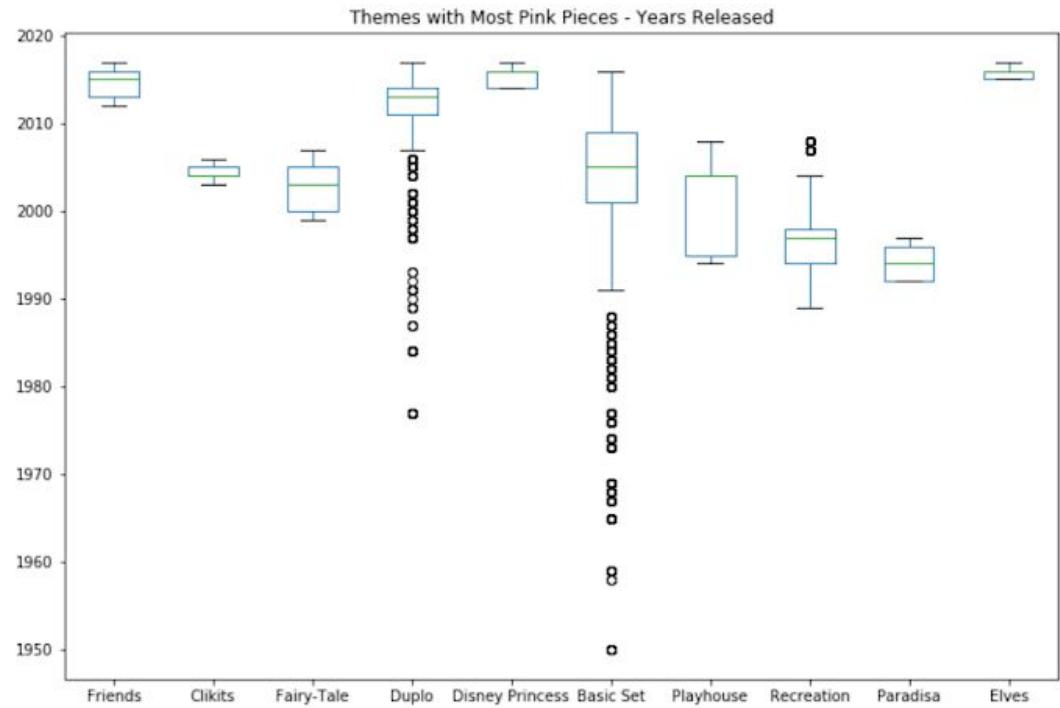
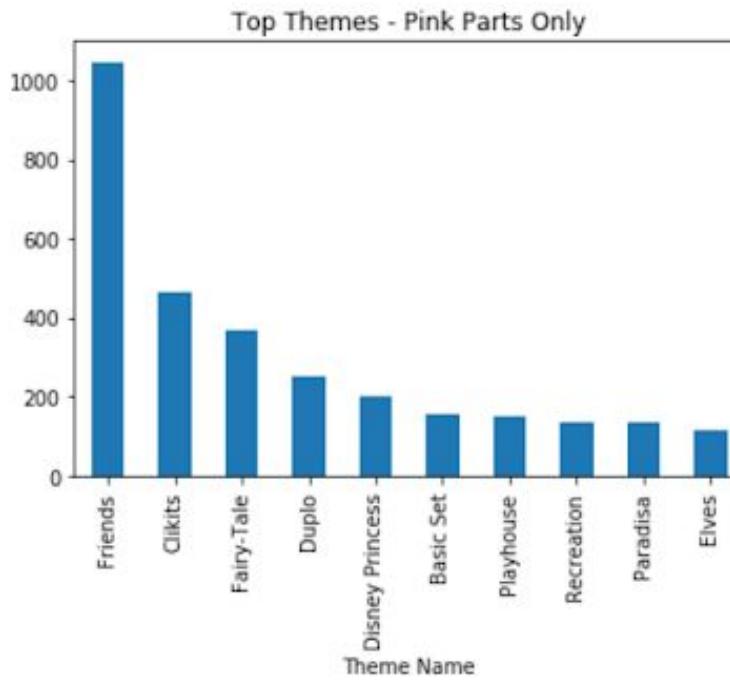


# Overall Trend



# Top 10 Pink Lego Themes

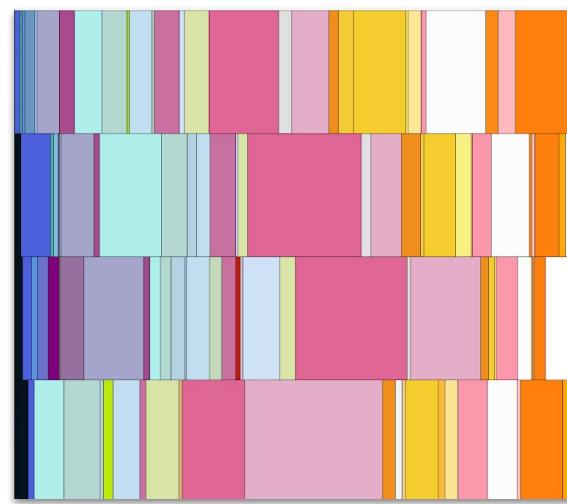
(Total Pink Parts With Theme in Dataset)



# Highest Percent Pink

Clikits

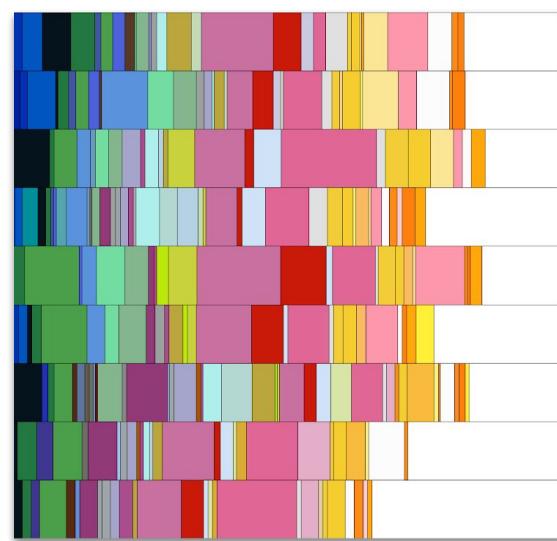
2003



2006

Fairy-Tale

1999

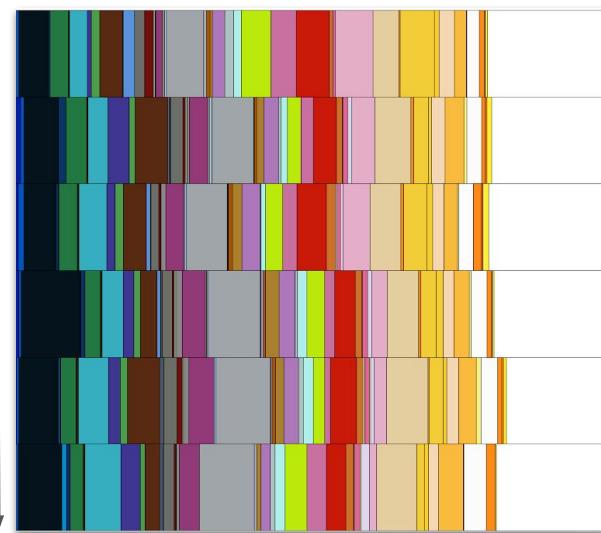


2007

# Highest Total Pink

Friends

2012

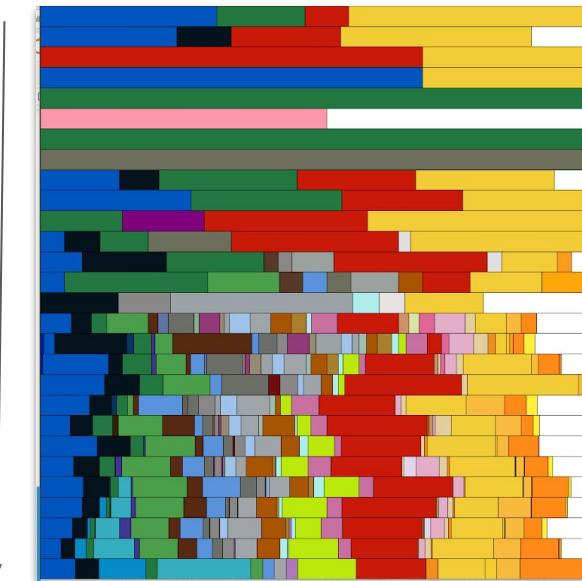


2017

Duplo

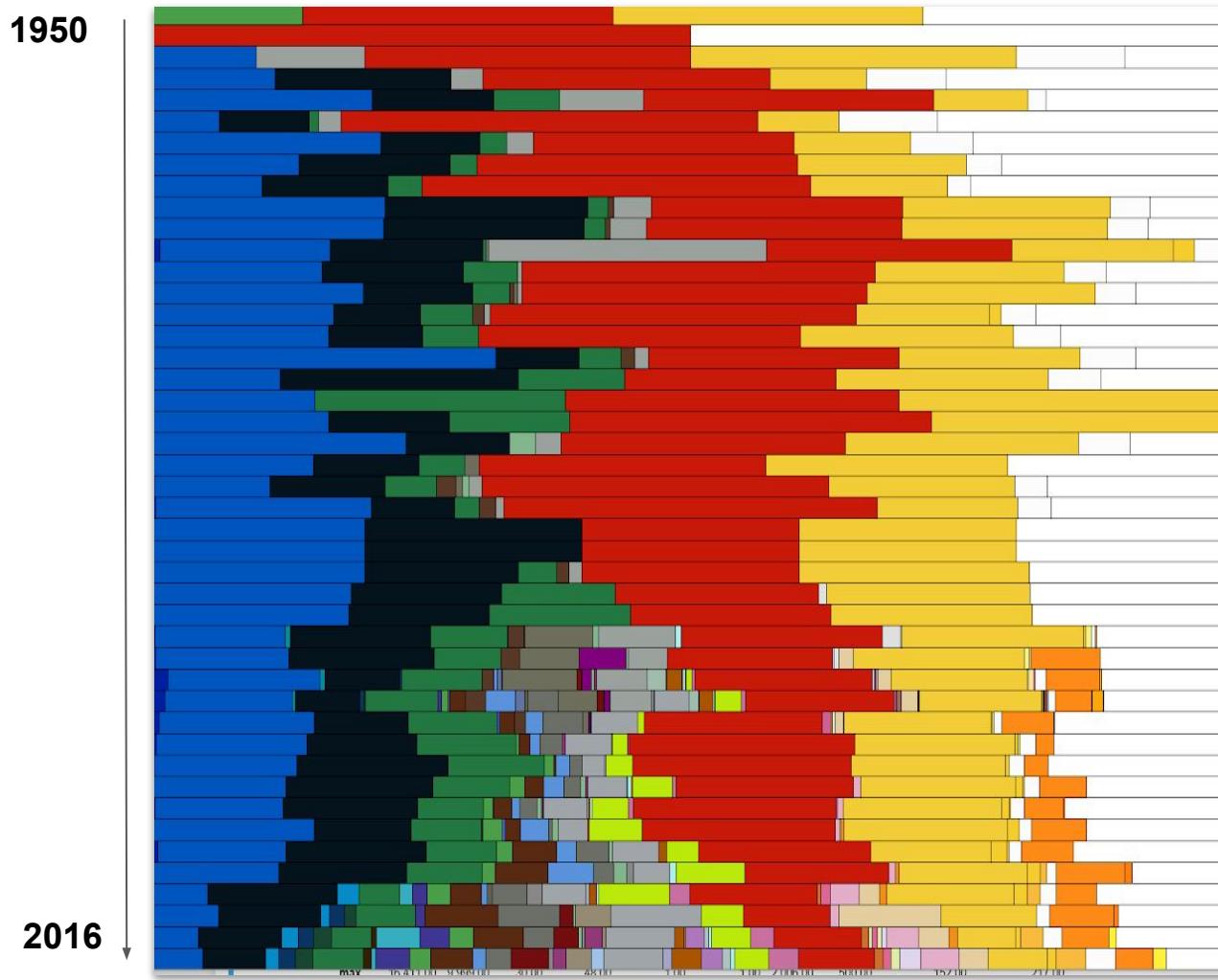
1977

1991

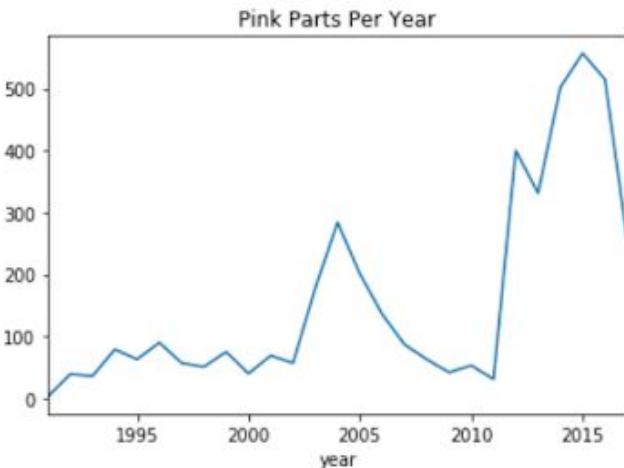


2017

# Basic Set Gets Less Basic

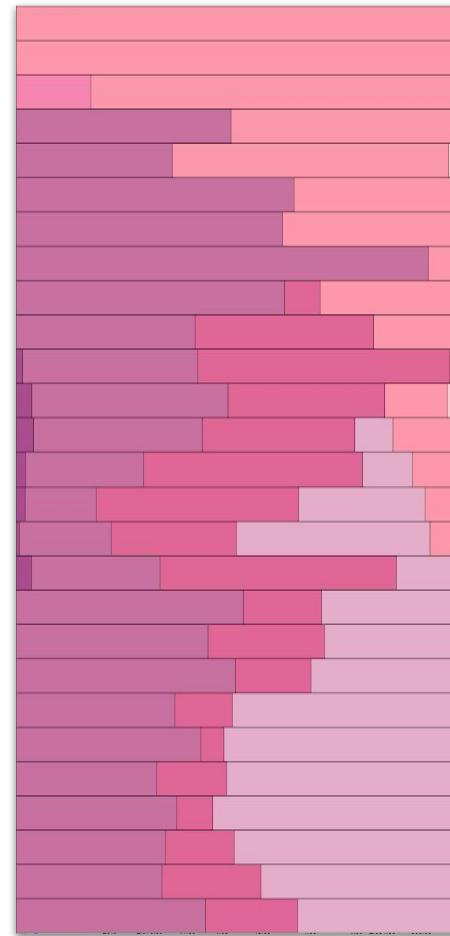


# Pink Lego Parts Over Time

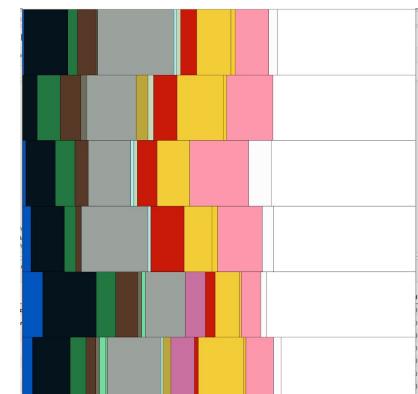


1991

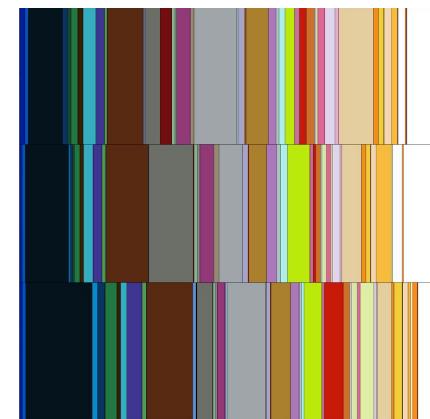
2017



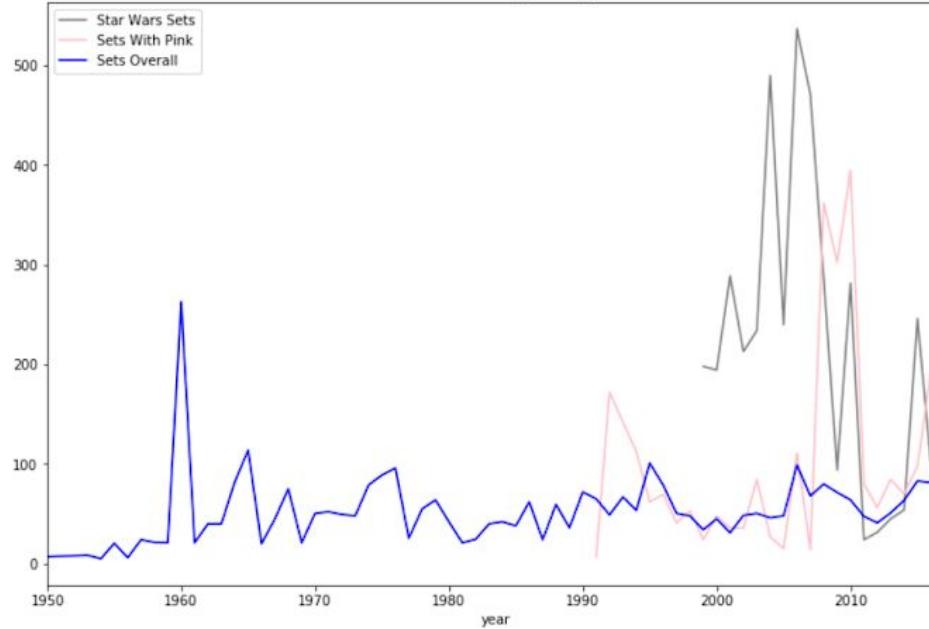
Paradisa: 1992-1997



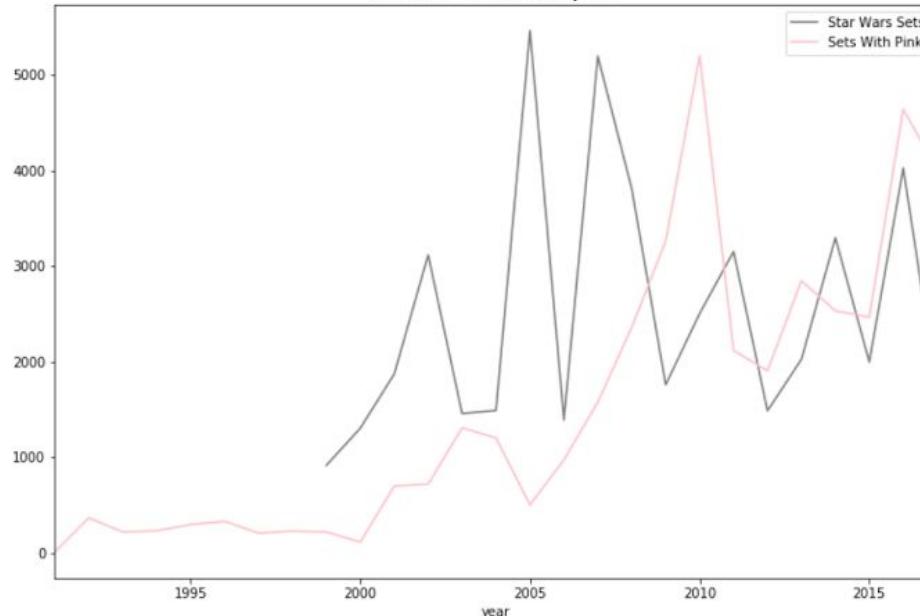
Elves: 2015 - 2017



Median Parts Per Lego Set By Year



Maximum Parts Per Set By Year



# Colors and Themes: Why It Matters



1981



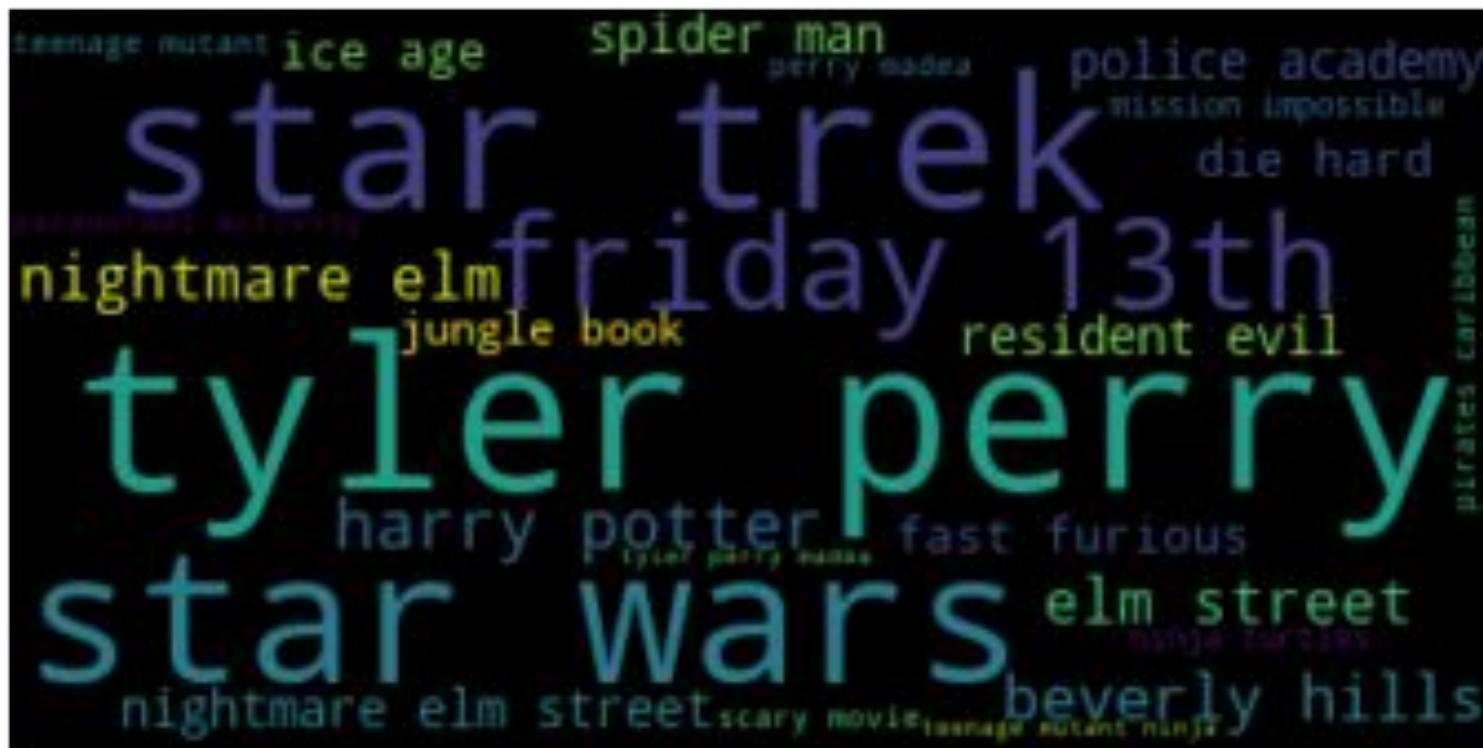
2005



2017



# Popular Franchises

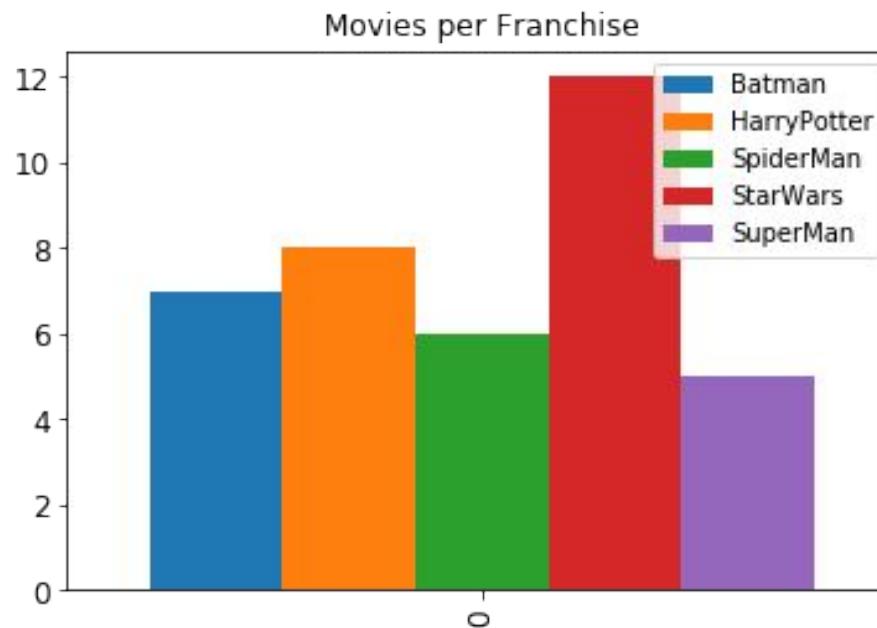


# Popular Lego Sets



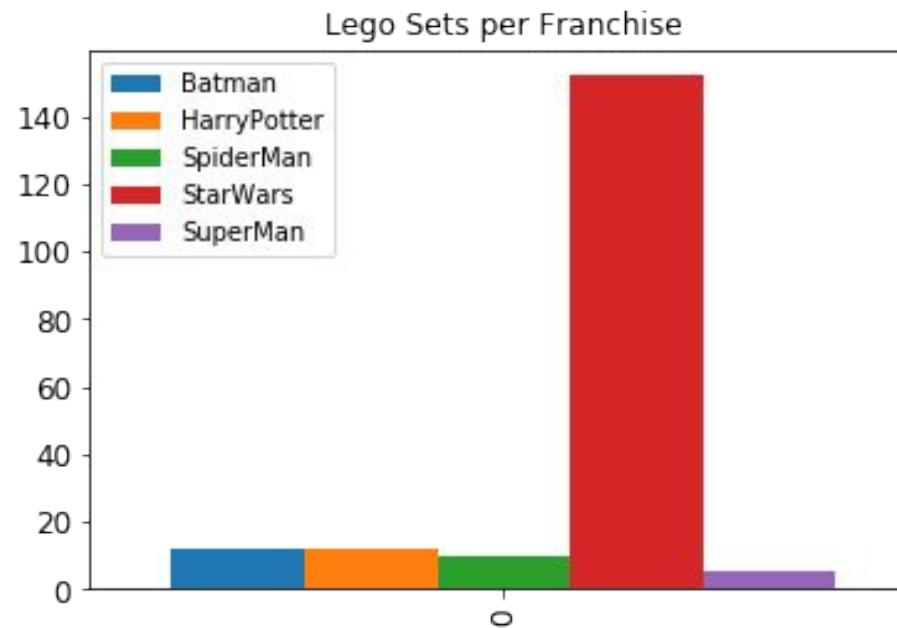
# Popular Franchises by Set

Hypothesis: More movies in a franchise leads to more Lego sets for those franchises

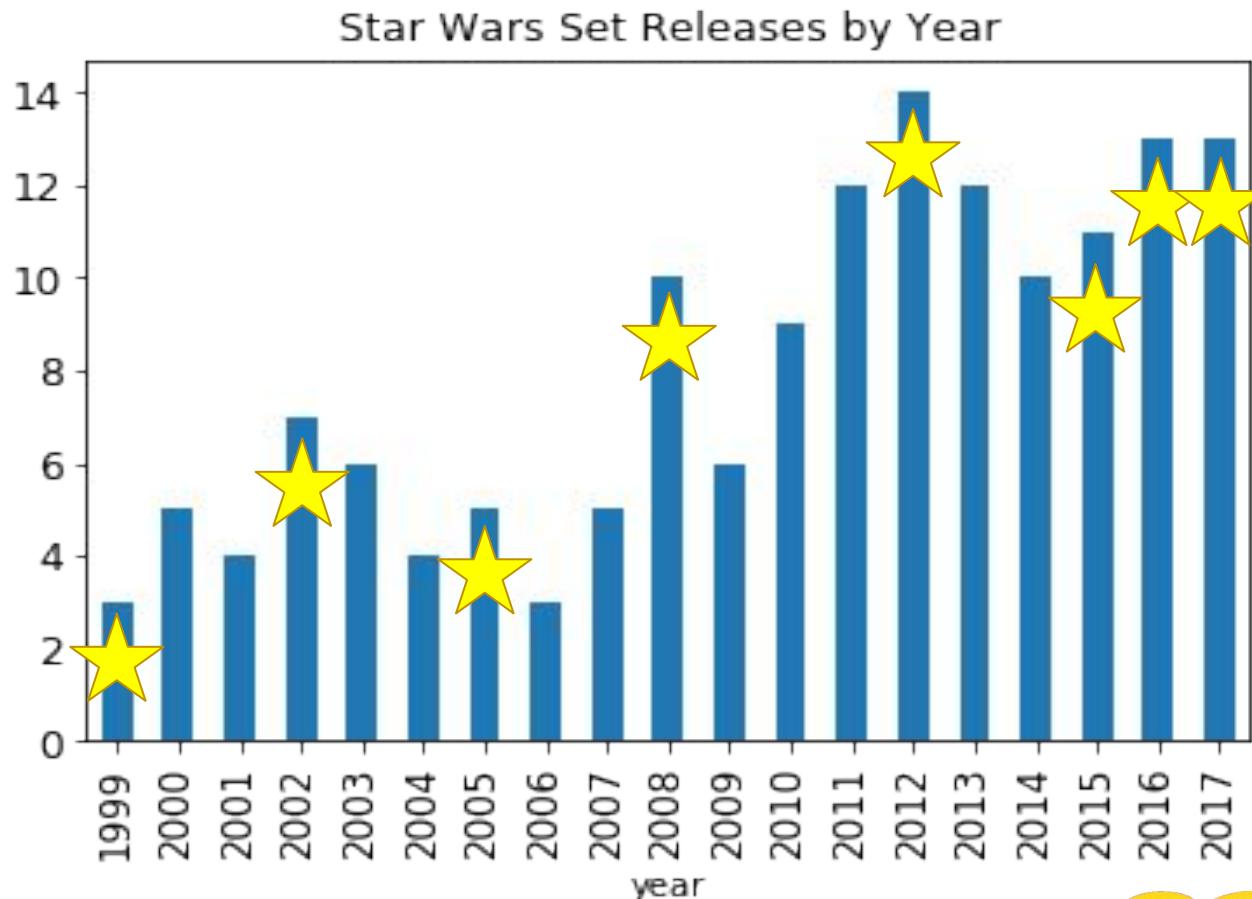


# Popular Franchises by Set

Reality: There was a clear favorite...



# Star Wars Releases



★ = Movie release



# Conclusions

Revenue and profitability have been growing steadily since 2003, but what lead to this growth?

- Colors
- Movies
- STAR WARS



# Thank you

Thank you for your time. We welcome your questions.

Image citations:

<http://www.ign.com/articles/2005/04/05/lego-star-wars-the-video-game-3>

[http://lego.brickinstructions.com/en/lego\\_instructions/set/7527/Pretty\\_in\\_Pink\\_Beauty\\_Set](http://lego.brickinstructions.com/en/lego_instructions/set/7527/Pretty_in_Pink_Beauty_Set)

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