

Save the Whales? A Public Relations Crisis at Lego

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Introduction

Lego Group President and CEO Jørgen Vig Knudstorp was surprised when Greenpeace activists, in an attempt to stop Arctic drilling, mounted a campaign criticizing his popular toy company for its cobranding relationship with Shell Oil. At first, Knudstorp and his team at Lego headquarters in Denmark didn't understand Greenpeace's criticism. Why didn't the group tackle Shell directly? Would the campaign be taken seriously? As Greenpeace beefed up its efforts through social media and direct action, Lego's management was left wondering how to respond and whether they should continue their business relationship with Shell.

Lego, from the Danish words "leg godt" or play well, was founded by Ole Kirk Christiansen in 1932 (Herman, 2012). Lego produced Lego-based video games, popular *Star Wars* and *Harry Potter* Lego sets (Baichtal & Meno, 2011), and manufactured 45.7 million studded plastic bricks in 2012. They also sold a series of Arctic Lego sets including a Base Camp and Snowmobile for \$89.99 and \$6.99 respectively. Lego's 2014 film, *The Lego Movie*, grossed more than \$468,000,000 worldwide ("The Lego Movie," 2014). With 2012 sales of \$4.04 billion and a corporate value of over \$14.6 billion, Lego became one of the world's most valuable toys (Metcalf & Franco, 2013) and recognized brands (Robertson, 2013). The company was committed to being socially responsible saying it was "our ambition to protect children's right to live in a healthy environment, both now and in the future."

Shell was a global group of energy/petrochemical companies headquartered in the Netherlands. The company sought "to reinforce our position as a leader in the oil and gas industry while helping to meet global energy demand in a responsible way. Safety, environmental and social responsibility are at the heart of our activities." Shell's 2013 revenue was \$451.2 billion ("Shell," 2014). Their plan to drill in the Arctic was because it was estimated that the Arctic held 90 billion barrels of oil and 1,700 trillion cubic feet of natural gas (Schmidt, 2012).

The international direct-action environmental activist group Greenpeace was founded in 1971 to challenge U.S. nuclear testing (Hunter, 2004). The group's mission was to "defend the natural world and promote peace by investigating, exposing, and confronting environmental abuse, championing environmentally responsible solutions, and advocating for the rights and well-being of all people" (Greenpeace, 2014). Recent campaigns included global warming, protecting oceans, safety from toxic chemicals, sustainable agriculture, and saving the Arctic.

The Lego/Shell Controversy

In early 2014, Greenpeace launched a campaign criticizing Lego's partnership with Shell. Greenpeace was concerned that Shell used Lego as a form of "greenwashing" to bolster its image. Under the agreement, which ran through 2014, Lego sold Shell-branded Lego sets at gas stations in 26 countries and included Shell signs in some Lego sets sold at retail outlets. Greenpeace described the campaign and their concerns on its website:

As part of the co-promotion, LEGO has branded Shell's logo on a special set of its toys. By placing its logo in the hands of millions of children, Shell is building brand loyalty with the next generation of consumers. Shell has launched an invasion of children's playrooms in order to prop up its public image, while threatening the Arctic with a deadly oil spill. We can't let Shell get away with it.

Greenpeace created a 2-minute video titled "LEGO: Everything is NOT awesome," a play on *The Lego Movie's* theme song, "Everything is Awesome." The video, which went viral and had been viewed more than 5 million times, featured views of a Lego Arctic including polar bears, icebergs, fish, and mini figures including Santa Claus. While a version of "Everything is Awesome" played, the Lego Arctic got covered with oil. The video ended with a Lego Shell sign and the message "Tell Lego to End its Partnership with Shell" and link to an online petition. By late August, more than 700,000 people had signed the petition (Reed, 2014). The campaign did not end there. Greenpeace activists dressed up as Lego mini figures tried to deliver 115,000 petition signatures to Lego's UK Headquarters ("Lego Refused," 2014). Activists in Canada created "Arctic Oil Spill" Lego sets with a Shell drilling rig, emergency helicopter, and oil-soaked polar bears and displayed the product in downtown Toronto (Speers-Roesch, 2014).

Lego's Response

In July, Lego Group CEO Jørgen Vig Knudstorp (2014) responded to Greenpeace's campaign:

The LEGO Group operates in a responsible manner and continually strives to live up to the motto of the company since 1932: "Only the best is good enough".

We are determined to leave a positive impact on society and the planet that children will inherit. Our unique contribution is through inspiring and developing children by delivering creative play experiences all over the world.

A co-promotion contract like the one with Shell is one of many ways we are able to bring LEGO® bricks into the hands of more children.

We welcome and are inspired by all relevant input we receive from fans, children, parents, NGOs and other stakeholders. They have high expectations to the way we operate. So do we.

The Greenpeace campaign focuses on how Shell operates in a specific part of the world. We firmly believe that this matter must be handled between Shell and Greenpeace. We are saddened when the LEGO brand is used as a tool in any dispute between organisations.

We expect that Shell lives up to their responsibilities wherever they operate and take appropriate action to any potential claims should this not be the case. I would like to clarify that we intend to live up to the long term contract with Shell, which we entered into in 2011.

We will continue to live our motto of “only the best is good enough” and deliver creative and inspiring LEGO play experiences to children all over the world.

Moving Forward

As Greenpeace continued its campaign, Lego executives were left wondering if Knudstorp's response was adequate. What else should they say? How would retailers respond? Finally, should Lego renew its contract with Shell beyond 2014?

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