



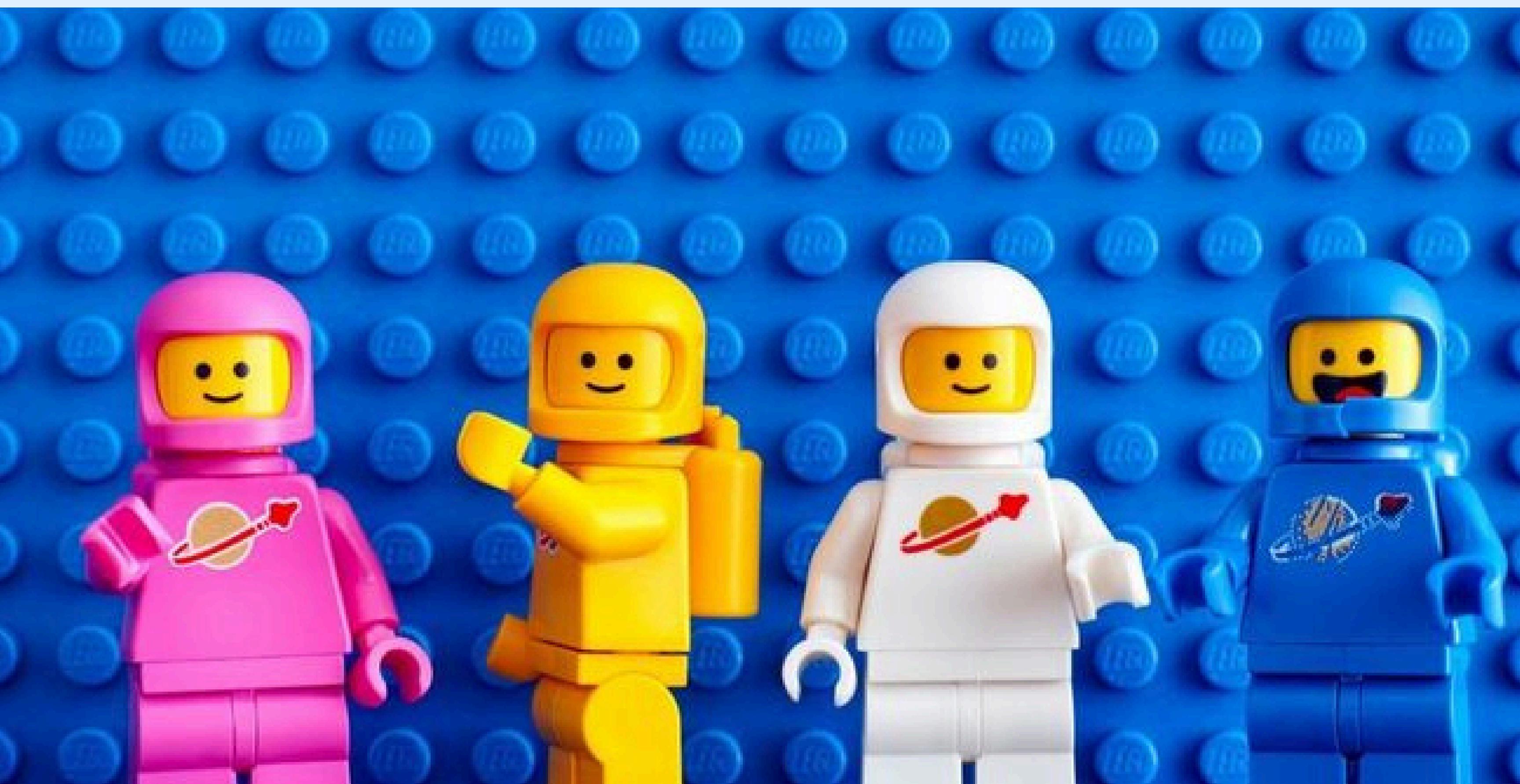
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The LEGO Group

Founded in 1932 by Ole Kirk Kristiansen, LEGO has grown from a small carpenter's workshop in Denmark into one of the world's leading manufacturers of play materials. Built around the iconic LEGO® brick, the company has transformed over the past 90 years into a global enterprise and one of the largest toy manufacturers in the world.

The LEGO brick, first launched in its present form in 1958, remains the heart of the brand. Its unique interlocking design with tubes provides endless building possibilities, encouraging creativity, imagination, and problem-solving through play. Recognized as “Toy of the Century” twice, LEGO continues to inspire generations by offering not just toys, but tools for innovation and learning.



Company Overview

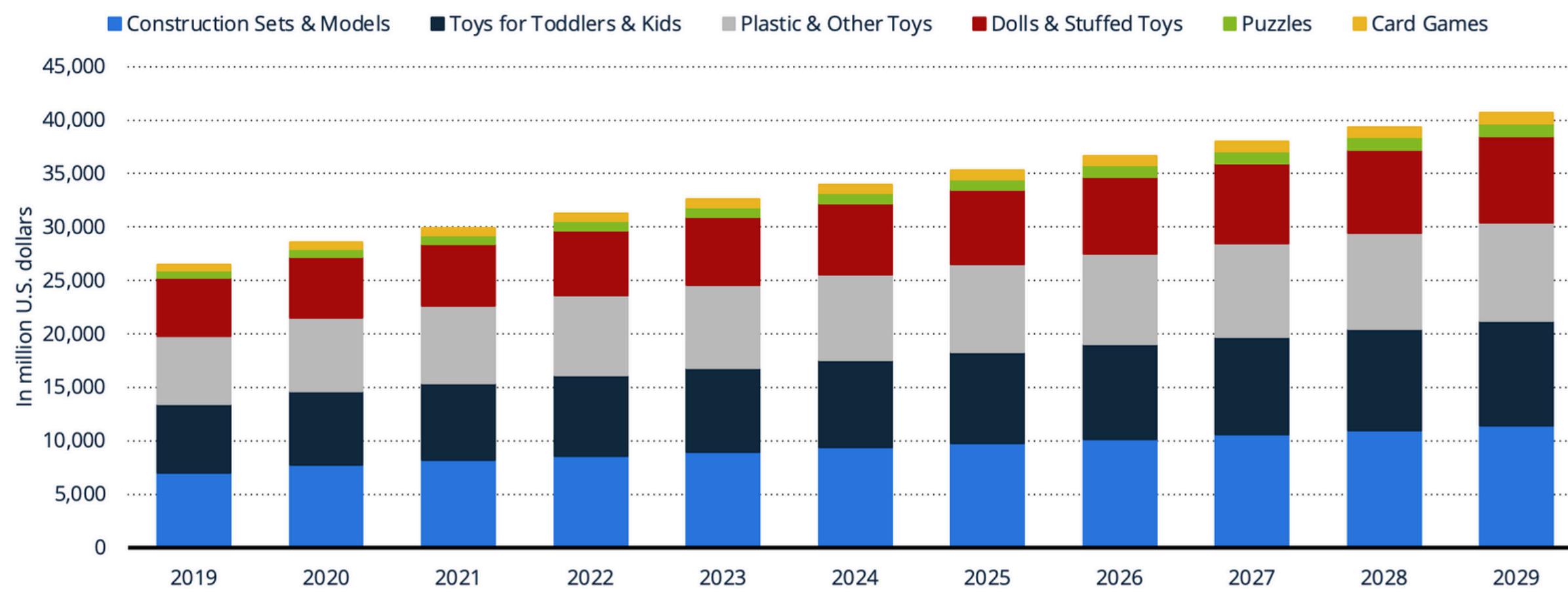
The LEGO Group continues to demonstrate exceptional performance in the global toy industry, achieving record-breaking results that outpace market trends and competitors. In 2024, LEGO achieved record revenue of DKK 74.3 billion (approximately \$10.3 billion USD), representing a 13% increase from 2023 (Statista), while consumer sales increased by 12%, growing significantly ahead of the toy market which declined one percent (LEGO.com). This remarkable performance solidifies LEGO's position as the world's largest toy company, substantially ahead of competitors like Mattel and Hasbro.

LEGO has strengthened its global presence through strategic investments in both physical and digital channels. The company operates over 1,000 branded retail stores worldwide and has significantly enhanced its e-commerce capabilities. In key markets like China, LEGO continues expanding through flagship "retailtainment" stores and planned LEGOLAND parks, while maintaining strong performance in established markets like the US and Germany. The company has also accelerated its sustainability initiatives, with certified mass balance purchases more than doubling from 18 percent in 2023 to 47 percent in 2024 ([LEGO.com](#)). This commitment to environmental responsibility, combined with consistent product innovation and community engagement, positions LEGO competitively against digital entertainment alternatives. However, the company faces ongoing challenges from counterfeit products, evolving play patterns toward screen-based entertainment, and the need to maintain growth momentum in an increasingly competitive landscape.

LEGO Market Dominance & Growth Trajectory: Revenue 2019-2029

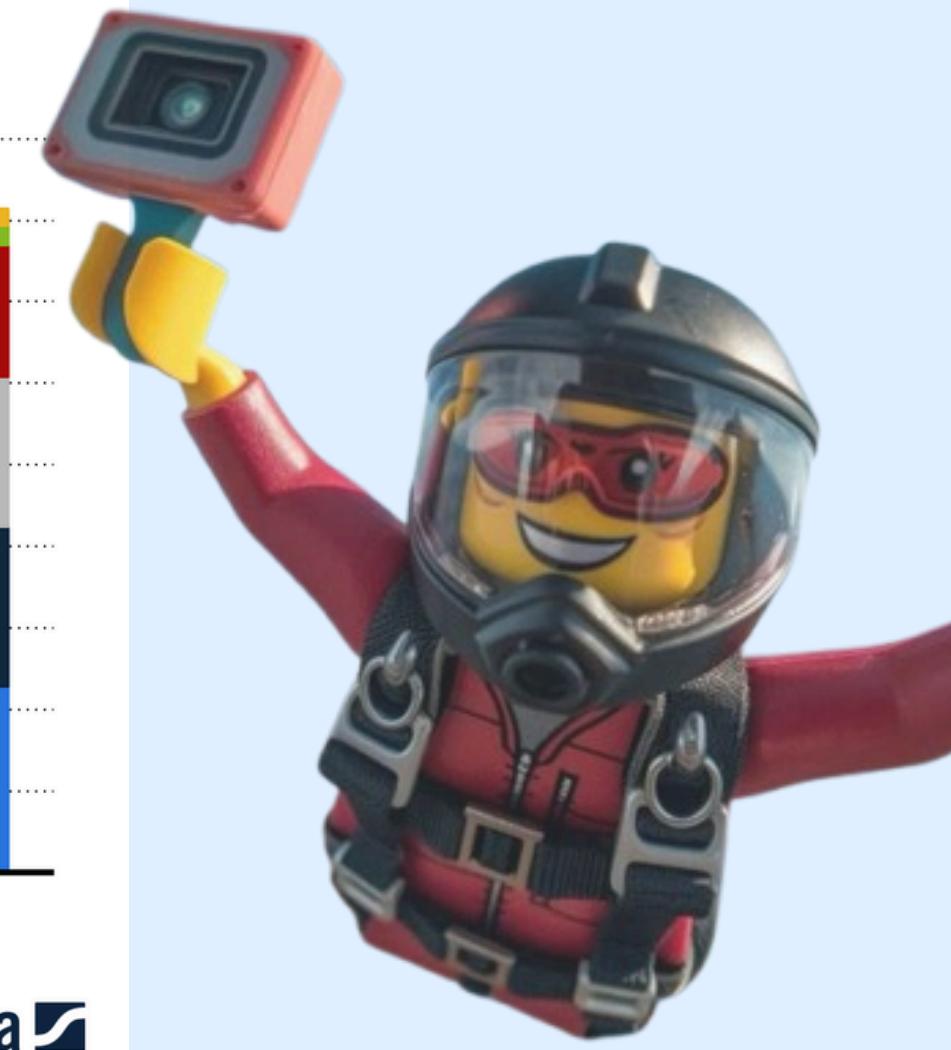
Revenue in the Toys & Games market for different segments United States from 2019 to 2029 (in million U.S. dollars)

Revenue in the Toys & Games market United States 2019-2029



8 Description: Over the last two observations, the revenue is forecast to significantly increase in all segments. The trend observed from 2019 to 2029 remains consistent throughout the entire forecast period. There is a continuous increase in the revenue across all segments. Notably, the Construction Sets & Models segment achieves the highest value of 11.4 billion U.S. dollars at 2029. [Read more](#)

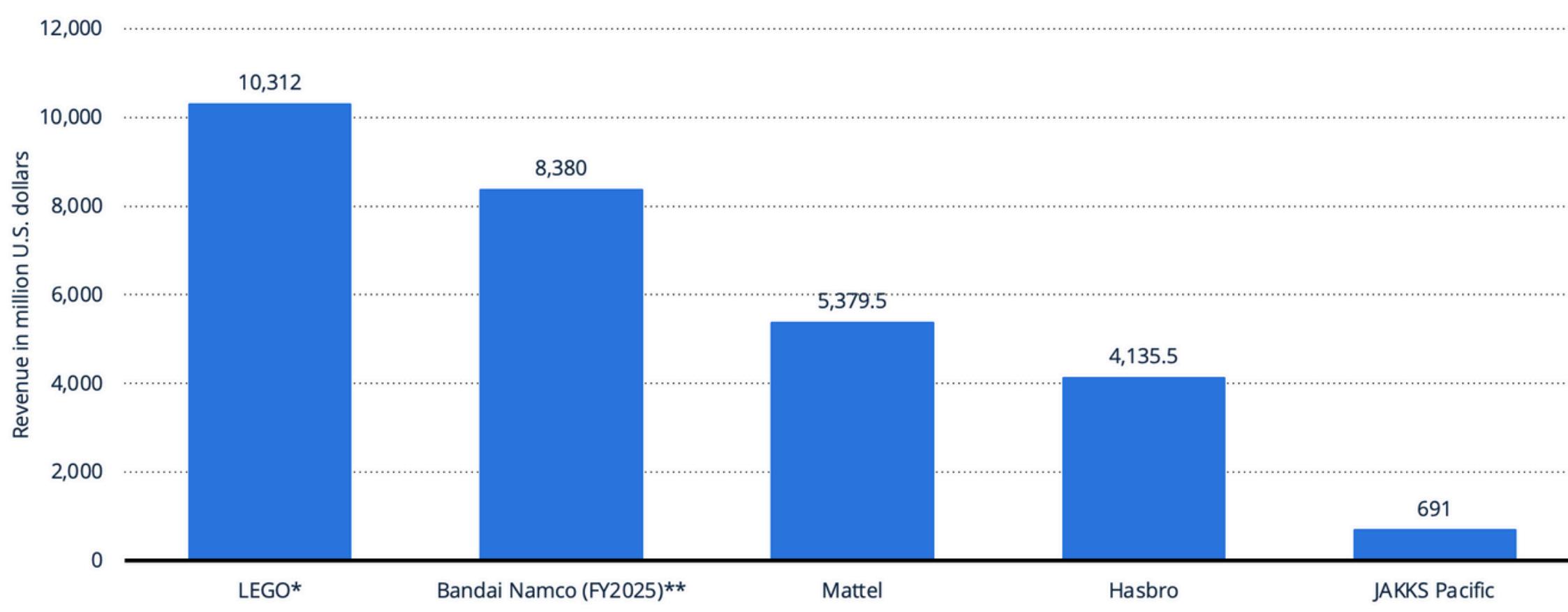
statista



LEGO's Construction Sets & Models segment (blue) shows consistent growth and represents the largest portion of the category, demonstrating strong market leadership in building toys. The segment's projected growth from approximately \$7-8 billion to over \$11 billion by 2029 indicates robust demand for complex building experiences that appeal to both children and adults.

Worldwide revenue of major toy companies in 2024 (in million U.S. dollars)

Toy companies revenue worldwide 2024



22 Description: In 2024, the Danish toy manufacturer known as LEGO had the highest annual revenue of the selected toy companies, generating revenues of more than 10.31 billion U.S. dollars that year. In its fiscal year ended March 31, 2024, Bandai Namco generated around eight billion U.S. dollars, putting the Japanese company in second place. [Read more](#)

statista



LEGO's commanding \$10.3 billion revenue in 2024 makes it the undisputed global leader in toys, generating more than Mattel and Hasbro combined. This massive revenue advantage of nearly \$2 billion over second-place Bandai Namco showcases LEGO's exceptional brand strength and market dominance across multiple demographics and product categories.

THE LEGO® BRAND MANAGEMENT

Brand Identity & values

At the heart of LEGO's brand management is a clear identity built around five core values: **Creativity, Fun, Learning, Caring, and Quality**. These values guide every decision, from product design to community engagement. The company's enduring brand promise, "*Only the best is good enough,*" emphasizes its commitment to excellence and sets a high benchmark for consistency. This strong identity ensures that LEGO is not seen as just another toy manufacturer, but as a symbol of imagination and purposeful play.

Brand positioning & Identification



LEGO positions itself not merely as a toy company but as a creative learning system. It differentiates its offerings through constant innovation (such as LEGO Technic, robotics, and LEGO Education), strong partnerships with global franchises (like Star Wars, Harry Potter, and Disney), and community co-creation platforms (LEGO Ideas). By focusing on imagination, storytelling, and education, LEGO separates itself from competitors who primarily market toys as short-term entertainment. This positioning allows LEGO to be relevant to both children and adults, ensuring long-term brand loyalty across generations.

Eliminate:

- Use of plastic dependency (moving toward plant-based/sustainable materials).
- Having only children as their target audience and expand to adults (“Kidults”) and educators.
- Excessive complexity in product lines (streamlined portfolio around core sets, themes, and successful franchises).

Reduce:

- Reduced focus on traditional retail channels, shifting towards digital/e-commerce and direct-to-consumer.
- Reduce dependence on “licensing-only” products: while partnerships are strong, LEGO should promote original themes (LEGO City, Friends, Technic) more.
- Reduce overproduction of low-performing sets

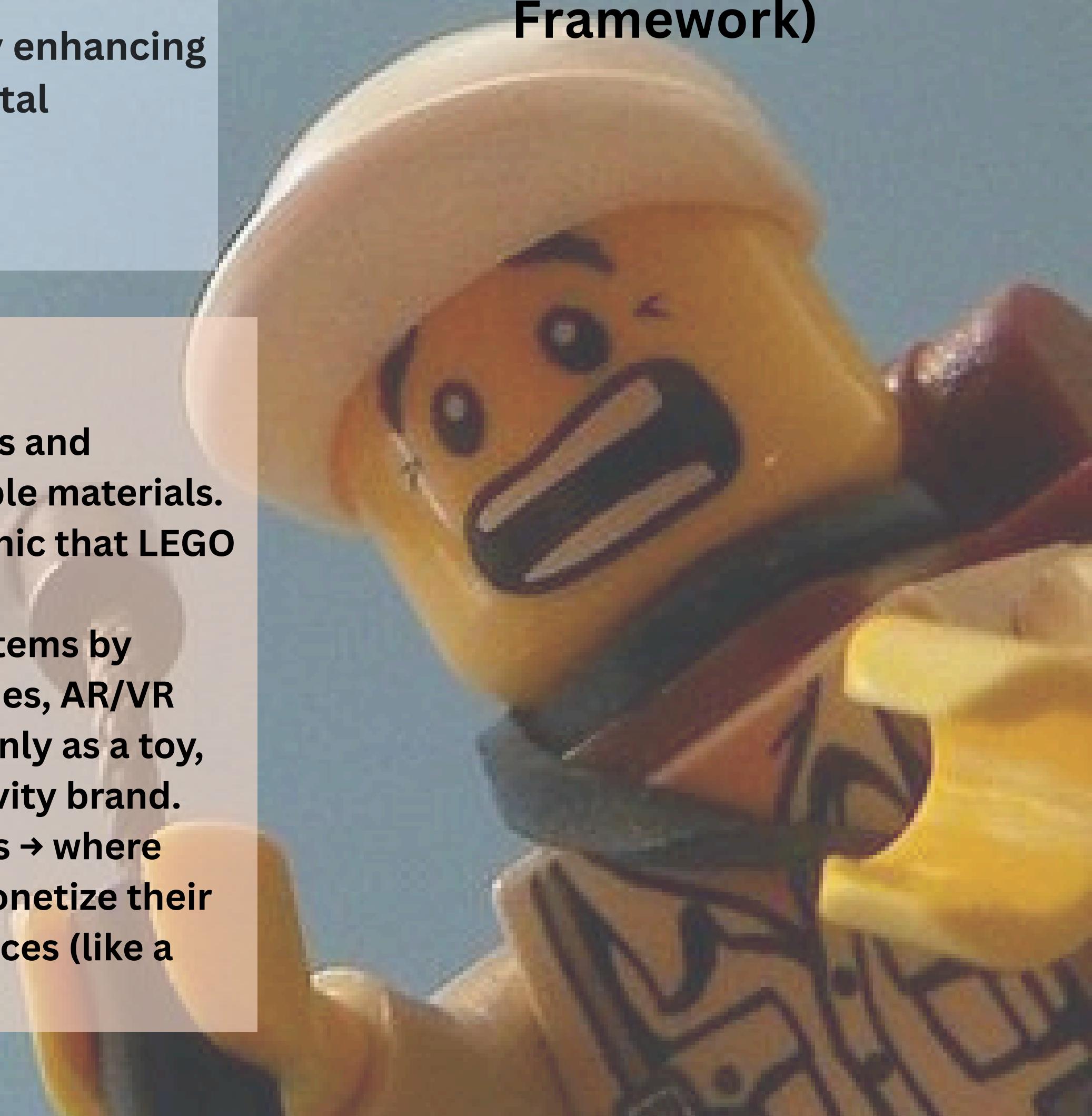
Raise:

- Raise educational and creativity value, linking play to STEM, problem-solving, and design thinking.
- Raise focus on AFOL (Adult Fans of LEGO) segment by including adults in brand communication, marketing campaigns, and product design collaborations.
- Raise integration of digital play by enhancing hybrid play (physical + AR/VR/digital platforms) to stay relevant in the gaming/tech space.

Create:

- Create a new product line for babies and toddlers using innovative sustainable materials. This opens up a younger demographic that LEGO hasn't fully tapped yet.
- Create more entertainment ecosystems by expanding LEGO Movies, video games, AR/VR experiences to position LEGO not only as a toy, but as an entertainment and creativity brand.
- Create digital co-creation platforms → where fans can design, share, and even monetize their LEGO creations in digital marketplaces (like a “LEGO metaverse”).

**NEW
VALUE
CURVE
FOR LEGO**
(Blue Ocean Four Actions Framework)



Recommendations

Launch a Baby Product Line (LEGO Squish)

Introduce an entirely new category of products for babies (0–3 years old) using safe, chewable, and sustainable materials such as silicone or bioplastics.

Risk: LEGO currently misses the earliest stage of childhood development. Parents often choose competitors like Mega Bloks or Fisher-Price when children are too young for standard LEGO bricks. Entering this market allows LEGO to start building brand loyalty earlier.

Mitigation: Focus on motor skills development, simple stacking pieces, sensory play elements, and safety certifications. This positions LEGO not just as a toy, but as an early learning tool trusted by parents.

Outcome: Expands LEGO's customer base, strengthens lifetime customer value, and builds a new growth stream in the baby/infant toy segment.

Strengthen the Adult Community (AFOLs)

LEGO's messaging, website, and retail experiences are still overly child-focused, despite AFOLs being responsible for a significant share of high-value purchases.

Risk: Adults buy large, expensive sets (e.g., LEGO Architecture, collector's editions) and are willing to spend more per transaction. Ignoring this community risks losing long-term profitability and loyalty.

Mitigation: Expand exclusive product lines targeted to adults (e.g., art pieces, advanced builds).

- Make brand communication more balanced to reflect adults as equal stakeholders in the brand.

Outcome: Reinforces LEGO's positioning as a cross-generational brand, increases revenue from high-value adult purchases, and keeps AFOLs emotionally tied to LEGO.

Expand into VR, Video Games, and AI-Powered Play

Children today are digital natives, spending significant time in virtual spaces.

Risk: Competitors in gaming and edtech are already capturing attention. LEGO risks losing relevance if it relies solely on physical bricks.

Mitigation: Create VR-based building environments where kids (and adults) can co-build remotely.

- Expand partnerships in gaming (Roblox, Minecraft-style play, VR platforms).
- Ensure balance: digital tools should complement the brick, not replace it.

Outcome: Future-proofs LEGO against technological disruption, positions it as a leader in blended play (physical + digital), and captures the growing edtech and gaming markets.

