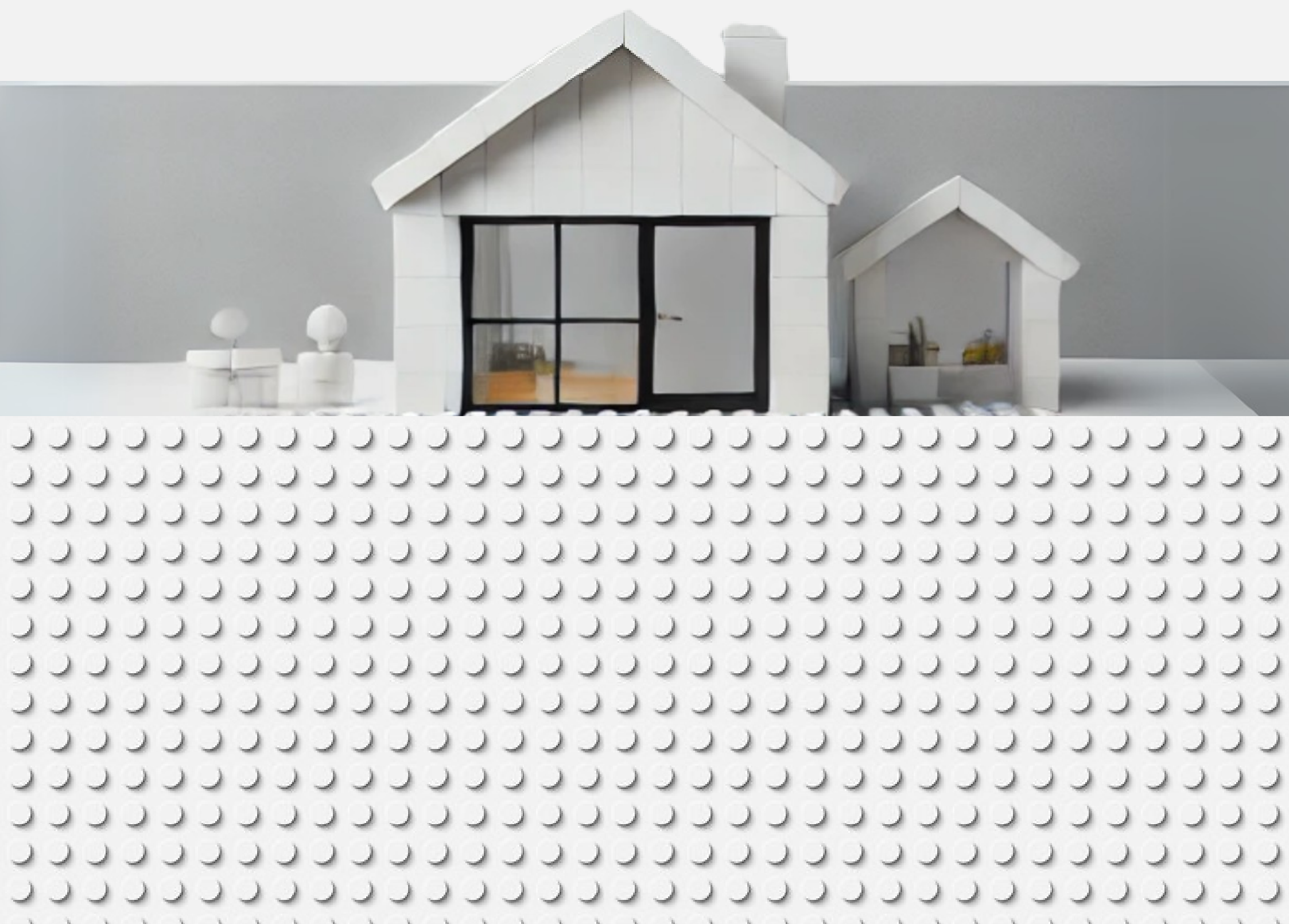




BUILD THE LIFE YOU WANT, BRICK BY BRICK

AC114 - ASSIGNMENT 2
BY EVIE TAN JIA HUI





PART 1 - BRAND VALUES AND PROPOSITION



Established in 1932 in Billund, Denmark, LEGO began as a producer of high-quality wooden toys, derived from the Danish phrase “LEG GODT” (Play Well). The company introduced its first interlocking plastic toys in 1949, which later evolved into the LEGO bricks we know today. Despite its innovation, founder Ole Kirk Christiansen initially preferred wood, stating in a newspaper interview, “You can make nice, cute things in plastic – but wood is a stronger material.” However, due to difficulty sourcing high-quality wood and a fire in 1960 that destroyed LEGO’s wooden toy warehouse, the company shifted entirely to plastic bricks. Over decades, LEGO has grown into a global icon, earning \$9.7 billion in revenue in 2023, making it the world’s largest toy manufacturer. Notably, 25% of LEGO’s sales now come from adult consumers, demonstrating the brand’s cross-generational appeal.

LEGO’s strong brand recognition among both adults and children and its heritage in modular design make it uniquely suited to expand into the home décor market. The global modular furniture market, valued at USD 81.3 billion in 2023, is growing due to urbanization and increasing demand for multifunctional living solutions. Entering this market allows LEGO to capitalize on the IKEA Effect—a psychological phenomenon where consumers place greater value on products they help create, even if assembly requires effort.

The value proposition for this extension is clear: LEGO offers consumers the option of multi-functional wooden furniture in urban homes, where space constraints drive interest for modular solution. This approach turns furniture assembly into a fun, gamified experience that taps into nostalgia while meeting practical needs. For LEGO, the benefits include revenue diversification, deeper engagement with its growing adult fanbase, and an opportunity to position itself uniquely in the competitive home décor market as a brand that blends playfulness with practicality.



PART 2 - BRANDING

LEGO LIVING BRAND KIT



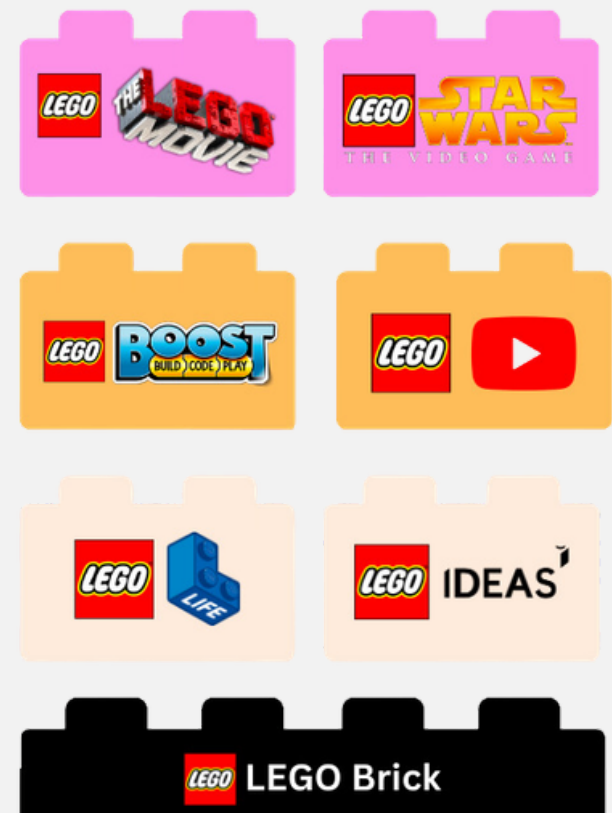
SUBMARKS



SLOGAN

"Build the life you want,
Brick by Brick."

"LEGO Living" hopes to expand the brands Mission to "Inspire and develop the builders of tomorrow" by extending its modular building blocks into the realm of home decorations and furnishings. By keeping the "LEGO," at the start, the name leverages the brands global recognition and reputation, while "Living" encapsulates the brand's focus on creating a "living" space using the customizable home décor. It is also a nod as to how other expansions are named like LEGO Architecture, which caters to enthusiast of real-world architecture, and LEGO Land, which is the company's amusement park sub-division.





The logo integrates LEGO's classic red and white design with a minimalist LEGO house, reflecting its connection to home and LEGOs. A simplified sub mark can be used in smaller packaging and digital applications. The slogan, "Build the life you want, Brick by Brick," reinforces LEGO's values of creativity and limitless customization while appealing emotionally to adult consumers.

The LEGO Brand Framework



PART 3 - TARGET AUDIENCE

The target audience for LEGO Living are primarily adults aged 25-35, particularly those who live in urban areas, renters, and first-time homeowners. LEGO Living's creative and DIY approach will also appeal to said age group with 54% of individuals aged 25-34 having engaged in creative activities within the past 12 months which shows their potential interest in products that offer personal expression. This demographic also represents a growing segment of consumers who grew up playing LEGO as 25% of LEGO users now being adults.

Demographics

● ((Household Furnishings: Big Ticket Items/ Kitchen furniture_Household owns) OR (Household Furnishings: Big Ticket Items/ Dining room furniture_Household own...
UNWEIGHTED 35,498 WEIGHTED(000) 183,793 % OF BASE 73%

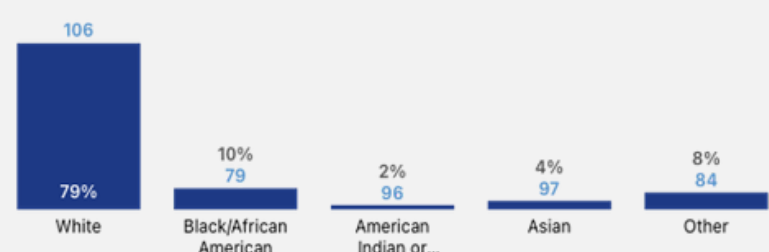
GENDER



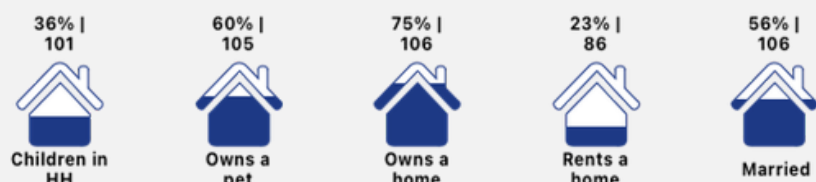
AGE: Median Age: 48.0



RACE



HOUSEHOLD



HOUSEHOLD INCOME:

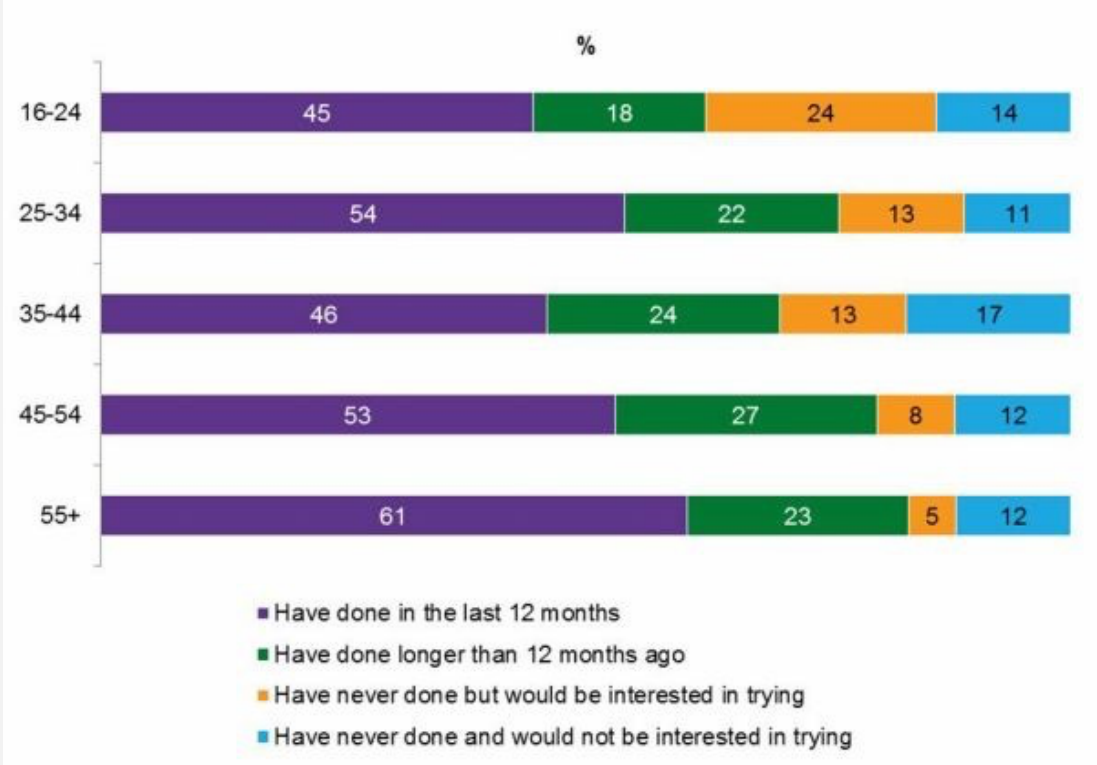
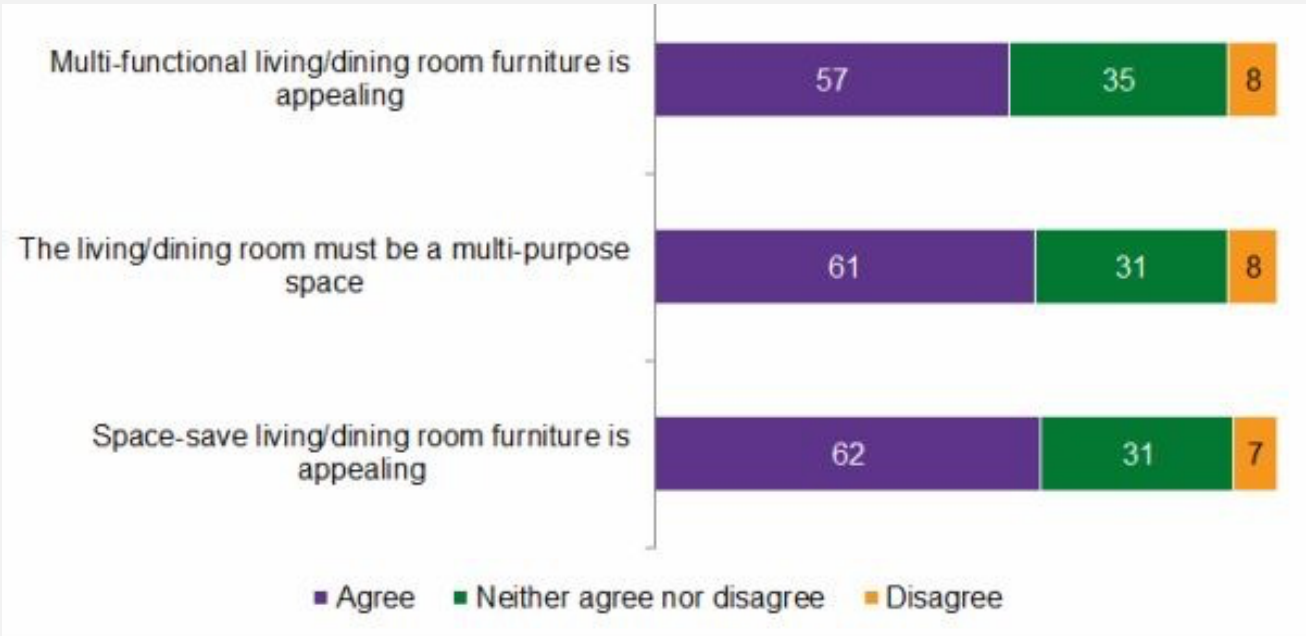
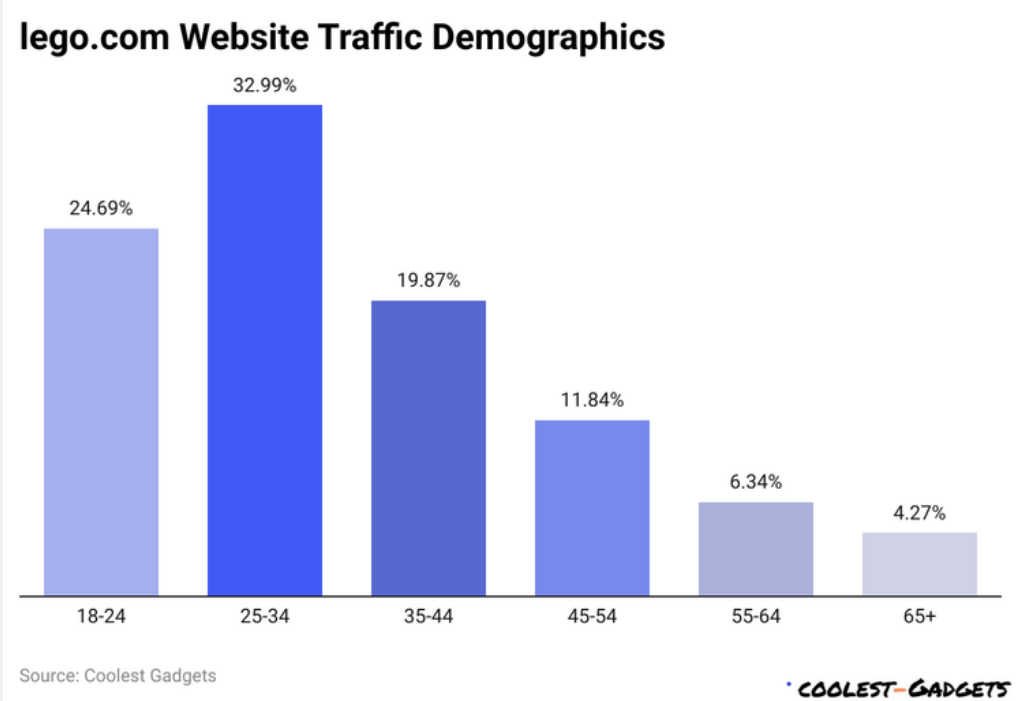
Median Household Income: \$90,398





With increasing trends in remote and flexible work, and urban homes becoming smaller and more expensive, consumers are more drawn towards multi-functional furniture with 62% of respondents in a Mintel study finding space-saving solutions such as those offered my LEGO living to be appealing.

LEGO Living also appeals to environmentally conscious buyers, many of which are young adults with the rise of the sustainability movement. Additionally, 41% of consumers earning under \$75,000 express interest in premium modular furniture, showing the potential for LEGO Living to reach a broad income range by offering accessible and customizable solutions.



MINTEL REPORTS



PART 4 - PACKAGING

To align with LEGO's sustainable initiatives, LEGO living would be using cardboard packaging as the primary material along with paper-based bags to hold the materials. Bio-based plastics should only be used when necessary, such as for internal compartments. The packaging will also adopt the brand's existing move by using 100% recyclable and renewable materials.

Additionally, the packaging should also be reusable to reflect the product line. This can be achieved by having the cardboard be easily transformed into a storage box or other products with clear instructions on how to recycle and repurpose it so that the company can help build consumer awareness on upcycling.

CURRENT
PACKAGING



LEGO LIVING
PACKAGING



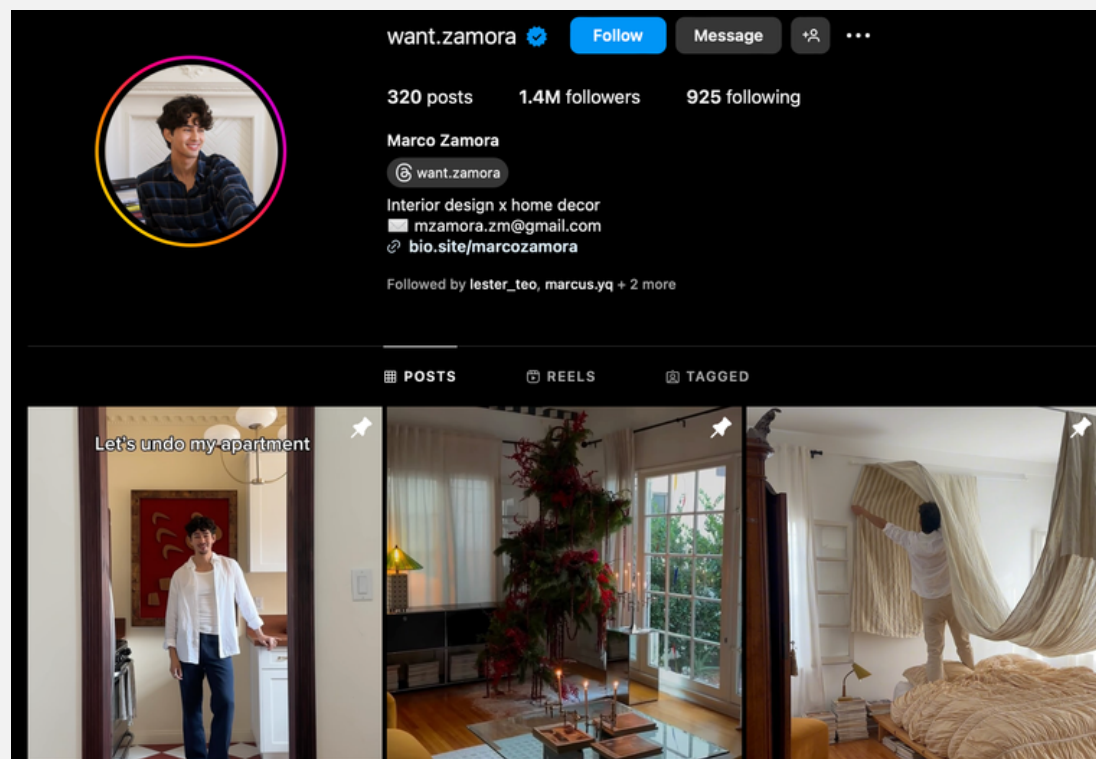


PART 5 - IMC TOOLS

BUILDING BRAND AWARENESS

Social Media Marketing

As LEGO is an established brand, it can consider partnering with interior design influencers such as Marco Zamora (@want.zamora) and Imani Keal (@imaniathome) to build brand awareness. Their followers also align with LEGO Living's target demographic of 25–34-year-old seeking creative and trendy items for their homes. Videos can be made to show the before-and-after uses as well as different uses for the products. This type of Celebrity endorsement also creates credibility as LEGOs makes its transition towards adult daily lives.



Advertising

Advertising for LEGO Living can focus on slice-of-life, story driven campaigns that touch a consumer's nostalgia while showcasing how the product can transform homes. Following the slogan "Build the life you want, Brick by Brick," ads can follow relatable scenarios such as a college student assembling a lamp in various methods to suit their needs. By using various real-life settings, the ads can emphasize on how LEGO Living can solve their everyday storage challenges and can be shown to the target audience through targeted digital ads.

Public Relations

Pop-ups in major urban areas such as New York or Los Angeles provide a better understanding to customers as they are able to directly interact with LEGO living products. The pop-up showroom could showcase a living room or workplace furnished with LEGO Living products with interactive stations where visitors and test and assemble the furniture themselves.

PR efforts should also focus on securing coverage in home design magazines, blogs and online platforms (e.g. Architectural Digest) that target early adopters into the brand who may be curious about LEGO's shift into home décor.



ENCOURAGING TRIAL

Sales Promotion

Introductory discounts, such as “20% off starter kits,” and bundle deals encourage trial purchases. Offering limited-time promotions through social media and email marketing creates urgency and drives early adoption. These promotions also reduce the perceived risk for hesitant buyers with the lower price. Exclusive influencer discount codes can also be implemented to easily track a campaigns performances as we can directly correlate sales to the amount of sales made through the discount code.

Personal Selling

Home consultants in LEGO retail stores or pop ups can help provide personalized recommendations while helping customers select pieces that fir their space and lifestyle needs. These In-store demonstrations can help address any doubts the customer may





CITATIONS

“BILOfix History - Brickbrowser.” Brick Browser,
<https://brickbrowser.com/info/bilofix/>. Accessed 18 Nov. 2024.

Darley, James. “How LEGO Is Building Towards a More Sustainable Future.” Bizclik Media Ltd, 6 Sept. 2024, <https://sustainabilitymag.com/articles/lego-h1-2024-results-growth>.

“Integrated Marketing Communication Tools Making Business Better.” HitechNectar, 12 June 2019, <https://www.hitechnectar.com/blogs/integrated-marketing-communication-tools/>.

Kiss, Trevor. “Grown-Ups Are Now a Gold Mine for Lego.” Wall Street Journal, 13 Apr. 2024, https://www.wsj.com/business/retail/850-millennium-falcons-and-680-titanics-grown-ups-are-now-a-gold-mine-for-lego-73f265cf?utm_source=chatgpt.com.

Pereira, Daniel. “Lego Business Model - How Lego Makes Money?” Daniel Pereira, 5 Feb. 2024, <https://businessmodelanalyst.com/lego-business-model/?srsId=AfmBOor3ieqYWa2wbf4fjRr5BqL3VqzjB0WCeqOVs8bZb8bZBI0QapBQ>.

Slide, Thomas. “Intel Portal.” Log In, May 2018,
<https://reports.mintel.com/display/940010/?fromSearch=%3FcontentType%3DInsight%26filters.category%3D129%26freetext%3Dmodular%2520furniture%26resultPosition%3D5>.

“Sustainable Packaging - Sustainability - LEGO.Com.” The LEGO Group,
<https://www.lego.com/en-us/sustainability/sustainable-packaging>. Accessed 18 Nov. 2024.

WORK COUNT - 1148 WORDS