

Case Study



REBUILD THE WORLD - Part A: REINVENTING CREATIVITY IN PLAY

This case examines the LEGO Group's 2019 "Rebuild the World" campaign, the company's first global-scale brand initiative in more than three decades. Following a 2016–2017 stall-out, which was driven largely by low-affinity parents who did not view LEGO play as creative, the company sought to reframe its value proposition by emphasizing creativity and rebuilding. By tracing the LEGO Group's historical evolution, shifts in buyer-user dynamics, and the growing influence of parents in toy purchasing decisions, this case covers and illustrates a broad set of core marketing concepts, including perception, segmentation and targeting, positioning, and brand versus product strategy.

Authors

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It was July 2019. As the warm Danish breeze drifted through the open windows of LEGO Group's headquarters in Billund, Denmark, Julia Goldin, the Chief Marketing Officer, sat in her office with a sense of anticipation. She was meticulously reviewing the final cut of the anchor piece for LEGO's upcoming campaign, "Rebuild the World," which was set to launch in a few months. This ambitious initiative aimed to reinforce the LEGO brand as a catalyst for creativity, with a particular focus on engaging parents who valued creative toys for their kids but did not view LEGO play as creative.

Julia leaned closer to her screen and pressed the play button again. On the computer monitor, a vibrant, whimsical chase scene she knew well began to play:[1]



A knight on horseback pursued a clever rabbit driving a carrot car. As they raced through bustling cities, enchanted forests, and colorful landscapes, obstacles transformed into playful solutions using LEGO bricks. A river turned into a makeshift bridge, and a dead-end morphed into a whimsical vehicle, showcasing the limitless potential of LEGO play to rebuild the world in imaginative and unexpected ways.

Exhibit 1: Rebuild the World

"This looks promising," Julia reflected quietly as she turned away from her computer, "but the storyline is so creative and the pace so frenetic. Will it achieve our goal?" As the company's first integrated global brand campaign in over 30 years, its success would be vital to sustaining LEGO Group's recovery following the 2016-2017 stall-out (a sudden plateau in sales growth). Yet, Julia was aware of internal reservations about the campaign. Critics questioned whether the campaign's unconventional approach would resonate.

[1] The full video can be accessed at <https://www.youtube.com/watch?v=W-L0n5KUvJQ>.



The LEGO Group: From Wooden Toys to Plastic Building Sets

The renowned Danish toy company, the LEGO Group, has a rich and fascinating history dating back to 1932, when Ole Kirk Christiansen founded it in Billund, a small town in Denmark with a population of about 300 people. It began as a small carpenter's workshop, initially focused on the production of quality wooden toys. In 1936, Ole Kirk Christiansen settled on the name LEGO for his company, combining the two Danish words "Leg Godt," meaning "play well." To his surprise, he also discovered the term "LEGO" means "I assemble" in Latin. Nevertheless, Ole Kirk Christiansen chose this name for his company because it embodies a commitment to quality and development through play. His son, Godtfred Kirk Christiansen, joined his father and started making wooden toys at the age of seventeen.

Despite tough times during the Great Depression and World War II, Christiansen never stopped producing toys, finding that the demand for his toys was greater than ever during these crises. However, by the end of the war, the company faced increasing difficulty sourcing wood. Embracing new materials, Christiansen acquired a plastic injection-molding machine in 1947, making the company's transition to plastic toys. One of its earliest plastic products was the "Automatic Binding Brick," the precursor to their iconic interlocking plastic bricks, i.e., LEGO bricks.

Another significant development occurred in 1955 with the introduction of the LEGO System in Play by Godtfred Kirk Christiansen, who initially saw plastic production as detrimental to their family business and tried to persuade his father to switch back exclusively to wood products. However, he later became a strong advocate for the new material. The LEGO System in Play ensured that all elements fit together and could be used in multiple ways, ensuring that bricks bought years ago would fit perfectly with those bought in the future. This idea led to the introduction of their LEGO bricks in their current form in 1958. These bricks form the foundation of LEGO's extensive range of themes and sets and revealed the unlimited potential of building with LEGO products.

With the foundation of LEGO bricks and the LEGO System in Play, along with successful branding and marketing activities, the LEGO Group transformed into a global powerhouse in the toy industry. The versatility of these bricks and the play system made the LEGO brand synonymous with creativity and innovation. By 1960, the LEGO Group ceased the production of wooden toys to focus entirely on plastic building sets, solidifying LEGO bricks as the company's core product.



The LEGO Customer

As a player in the toy industry, the LEGO customer base is unique because it consists of two distinct groups: the buyers and the actual users. While some buyers are also users—such as adult LEGO fans purchasing sets for themselves—LEGO sets are most often bought as gifts for others to build. The primary scenario involves parents purchasing LEGO sets for their children, with boys accounting for a larger share of the customer base than girls. This duality adds an interesting dynamic to the toy industry, where the purchaser and the builder are often different individuals.

LEGO blocks and the philosophy behind them, “playing by building,” offer a unique value proposition in this industry by providing a fun experience via creative and original building. This has a strong potential to appeal to both children and their parents—children think they are having fun while parents see it as educational, training their kids’ creativity, critical thinking, and problem solving. This notable potential for brand positioning, when properly executed, enabled the company to enjoy more than a decade of double-digit annual growth since recovering from its 2004 crisis (arguably due to a lack of focus on its core and poorly executed brand extensions) until the 2016-2017 stall-out that we will discuss. Exhibit 2 shows the LEGO Group revenue growth from 2004 to 2017.

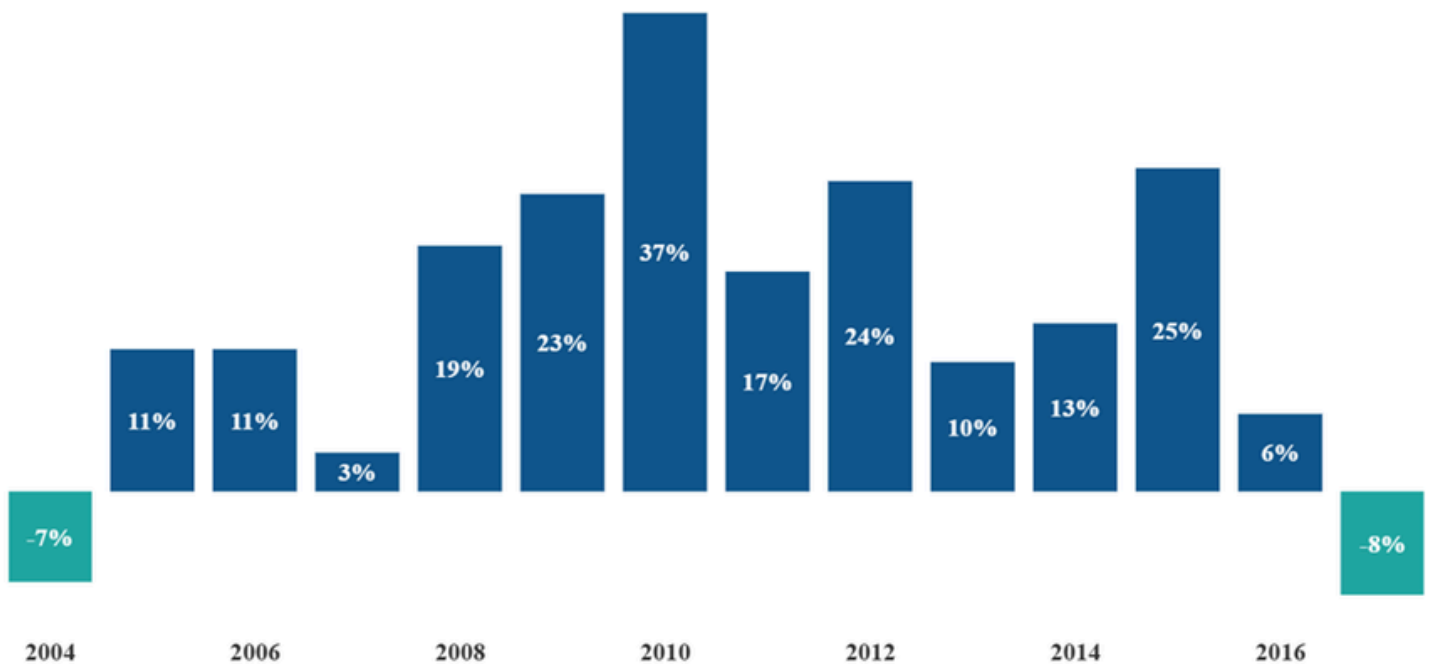


Exhibit 2: The LEGO Group Revenue Growth 2004-2017



Traditionally, between children and their parents, the LEGO Group's marketing campaigns primarily targeted children, with a strong focus on convincing kids to ask for their products. This approach can be observed through several key strategies and tactics. In addition to popular culture and innovative themes that were highly appealing to kids, such as Harry Potter, Star Wars, and various superheroes, this approach was most notable through vibrant, action-packed advertisements designed to captivate children's imaginations. Those LEGO advertisements were broadcast heavily on children's television networks and during programming blocks specifically aimed at young audiences. While there were elements that indirectly appealed to parents, the primary goal was to convince children to desire LEGO products, which in turn influenced parental purchasing decisions.

The 2016-2017 Stall-Out

Beginning in the 2010s, there has been a significant shift in the role of adults and parents in the toy decision-making process. According to the LEGO Group's market research, the newest generation of parents adopted a more engaged and protective parenting ethos, resulting in more directive and involved parenting styles. Consequently, parents have had an increasing influence over decisions that kids make, particularly related to toys, video games, and entertainment. Furthermore, parents were increasingly concerned with their children's educational development. As such, educational value, developmental benefits, and STEM (Science, Technology, Engineering, and Mathematics) learning, have become more important to parents when selecting toys.

In addition to the major consumer behavior shift, the LEGO Group's competitive landscape has also changed with the emergence of new, non-traditional competitors. In many regions, children are now engaged in more structured activities, resulting in less free time for play. Moreover, the rapid advancement of digital technology introduced a variety of digital toys and entertainment options that are highly appealing, such as educational APPs and online video games. These new competitors have greatly influenced parents' decisions regarding toy purchases. Many digital toys, along with popular after-school structured activities like playing musical instruments (e.g., piano, drums, and keyboards), engaging in creative arts (painting, drawing, and pottery), and participating in STEM activities (e.g., coding clubs, robotics workshops, and science clubs), are seen by parents as ideal for nurturing their children's creativity. This viewpoint could weaken the appeal of LEGO playsets for some parents, particularly those who do not strongly view LEGO play as a tool for creativity in the first place.

While the LEGO Group had begun to shift its strategy to engage parents more actively in response to these trends, their revenue experienced a stall-out in 2016-2017 after more than a decade of double-digit annual growth (see Exhibit 2). Sales data showed that the decline in demand primarily came from their main customer group in terms of age: boys aged 0-11 (see Exhibit 3).

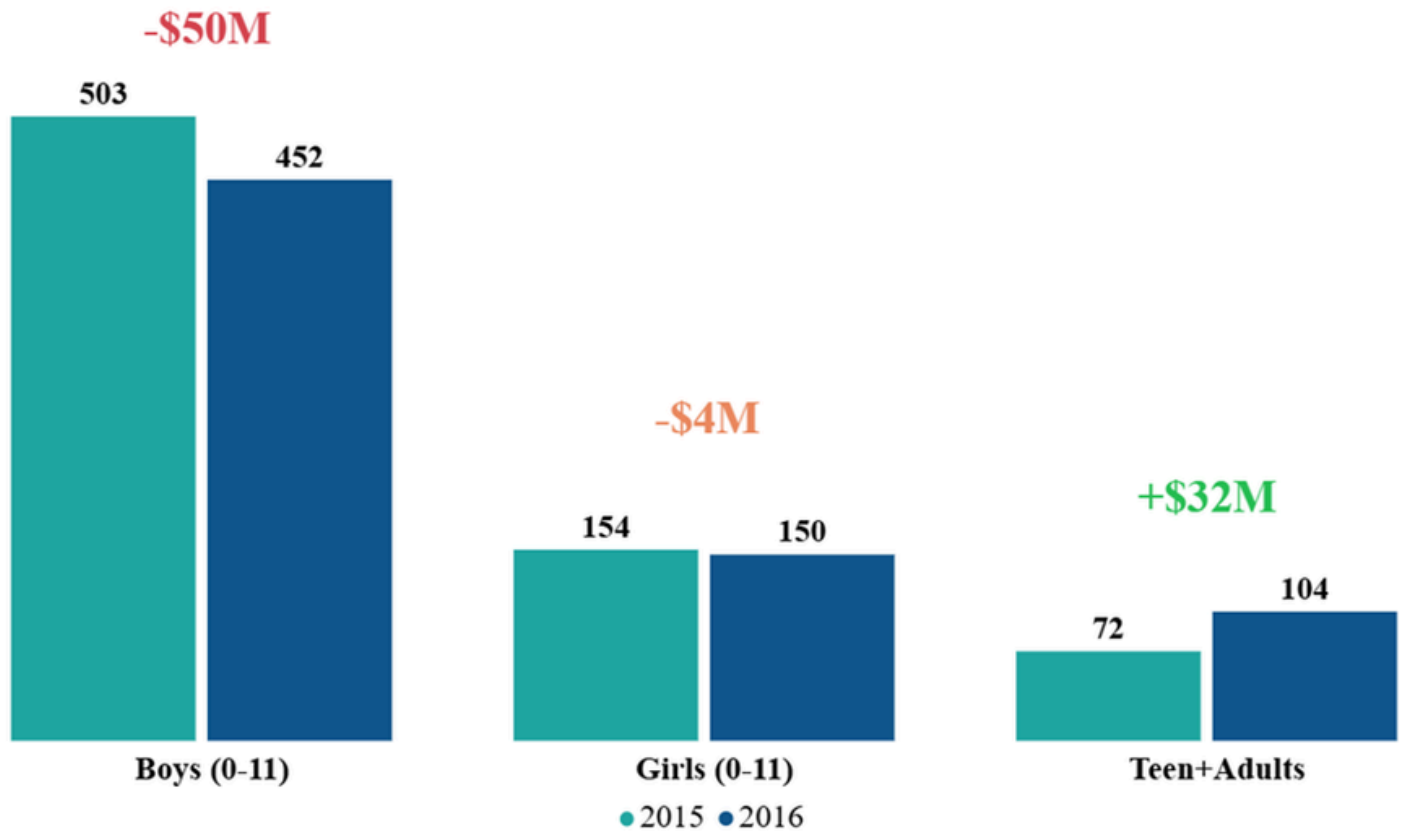


Exhibit 3: Source of Demand Decline during 2016-2017 Stall-Out
Consumer Sales by Gender/Age (SM)

Research was conducted to identify the root cause of the stall-out. The research highlighted the exact impact of those aforementioned trends on LEGO play, likely exceeding the company's previous expectations. A set of "LEGO brand & building affinity" questions, encompassing both behavioral and attitudinal measures, revealed that parents' connections with the brand varied widely. In this context, affinity refers to the level of loyalty or emotional connection to the brand. Excluding those with no affinity who did not see much value in LEGO play at all, some parents loved the brand, showing high affinity, while others liked it but didn't necessarily love it, indicating low affinity.

The research also revealed an interesting pattern: affinity predicts how parents perceive the creativity of LEGO play. Lower-affinity parents did not see LEGO play as highly creative, viewing it more as building to instructions. Conversely, higher-affinity parents saw the brand as fostering creativity. In high-affinity households, parents not only appreciated the brand but also actively encouraged creative play beyond the provided instructions. Kids often went beyond the instructions, creating new models from scratch using loose bricks. High-affinity parents extolled the LEGO system as a highly creative platform. In contrast, low-affinity parents saw LEGO play as a structured activity, following instructions without much deviation.



Exhibit 4 illustrates the differences in brand perception between low-affinity/no-affinity parents and the total population, based on survey data from three of the LEGO Group's most important markets: the U.S., Germany, and China. In Exhibit 4, the low-affinity and no-affinity groups are combined and compared with the overall population to highlight these differences. The two most relevant questions to creativity showed significant and consistent differences. For "LEGO play inspires building, unbuilding, and rebuilding," no/low affinity parents in the U.S. were 9% lower in agreement (81% vs. 90%) and 20% lower in strong agreement (46% vs. 66%) than the total population. In Germany, the gap was 10% for agreement (79% vs. 89%) and 22% for strong agreement (39% vs. 61%). In China, the differences were 9% for agreement (80% vs. 89%) and 11% for strong agreement (46% vs. 57%).

For "LEGO play unlocks my kid's creative potential," no/low affinity parents in the U.S. were 11% lower in agreement (77% vs. 88%) and 21% lower in strong agreement (41% vs. 62%) than the total population. In Germany, the gap was 11% for agreement (76% vs. 87%) and 20% for strong agreement (32% vs. 52%). In China, the differences were 6% for agreement (87% vs. 93%) and 23% for strong agreement (27% vs. 50%).

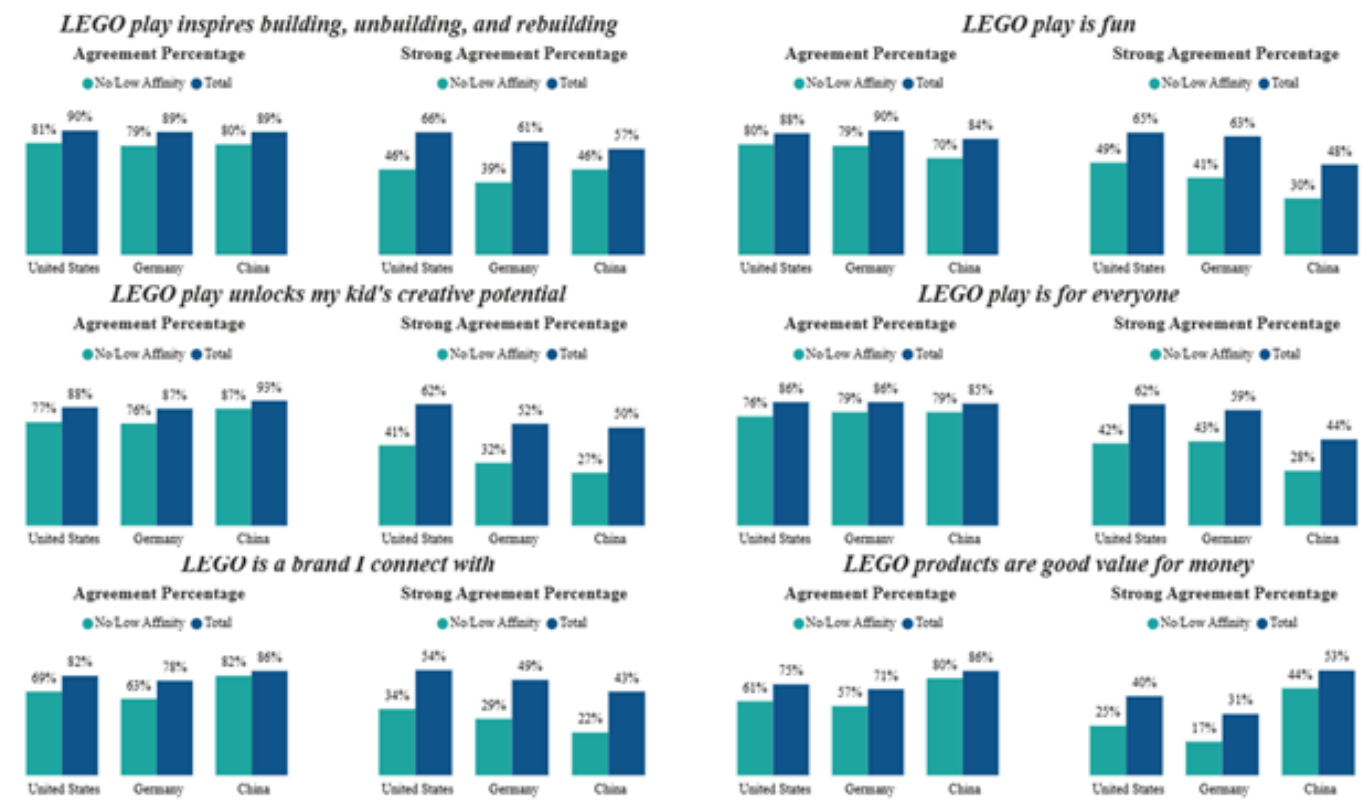


Exhibit 4: Brand Perceptions between No/Low Affinity Parents and the Total Population from the Top Three Markets (United States, Germany, China). No/low affinity parents consistently showed lower agreement that LEGO play is creative, compared to the general population, across all the top three markets.

Note: Agree (total % agreeing) includes both "Somewhat Agree" and "Strongly Agree."



Furthermore, the research strongly indicated that the stall-out was primarily driven by consumers who were “lower affinity.” Since these parents’ binding to the LEGO brand was weak, they were more likely to turn to other substitutes to replace their LEGO purchases. On the other hand, demand remained strong among kids and households with higher affinity for the LEGO brand (see Exhibit 5). These research findings suggested that, to reverse the stall-out, The LEGO Group needed to address the challenge among lower-affinity parents. The LEGO Group needed to re-engage these parents by reframing the brand’s value proposition, emphasizing the creative potential of LEGO play.

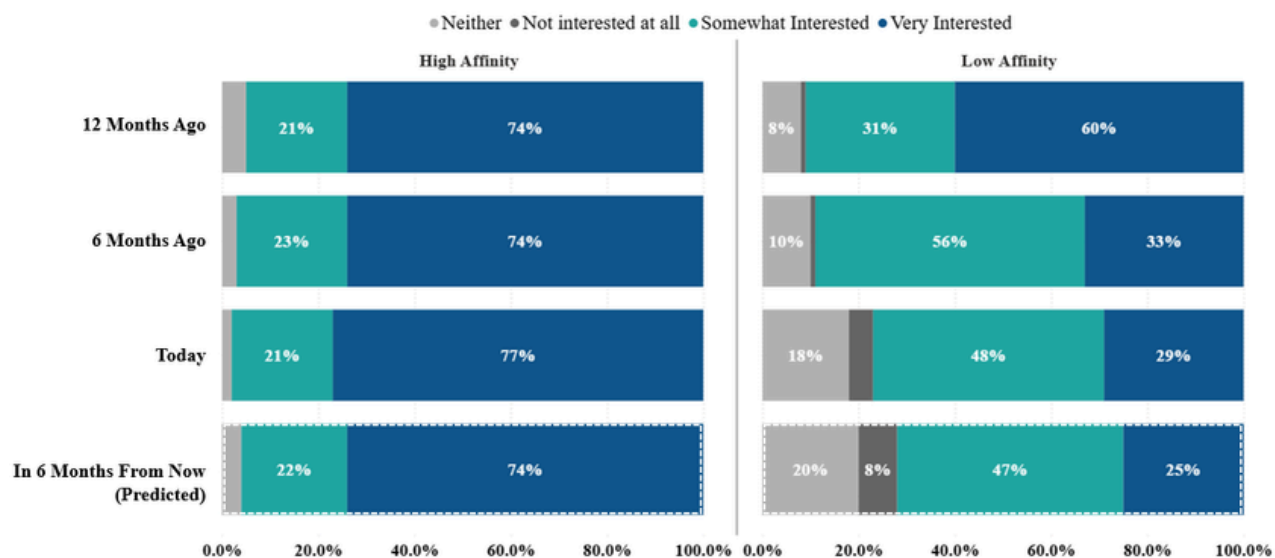


Exhibit 5: Purchase Intention between High-Affinity and Low-Affinity Parents

Introducing “Rebuild the World” Campaign

Armed with these insights, Julia and her team decided to collaborate with LEGO’s internal creative agency and the award-winning French agency BETC to develop a bold new campaign. The goal was to reactivate lower-affinity households into the LEGO system by reframing the brand’s value proposition to those lower-affinity parents, emphasizing creativity. Specifically, the top priority target for the campaign was parents who value creative toys but no longer viewed LEGO play as creative.

The idea of “Rebuild the World” was born, highlighting that LEGO building involves both building and rebuilding, showcasing its creative potential (see Exhibit 6 for the campaign manifesto). The campaign was planned to center around a hero film (as described at the beginning of this case), intentionally breaking away from many conventions of toy industry advertising. This film was intended to be a brand statement rather than a product ad. Since the media plan targeted adults, and therefore more



cluttered media environments (crowded with competing ads and content), the aim was to employ a more arresting style that would break through. It would embody the fun and whimsy of the LEGO brand, providing strong entertainment value to prompt viewers to engage via likes and shares, thereby extending reach. Most importantly, the campaign aimed to celebrate kids' creativity by showcasing a typical storyline that would play out in the mind of a child, positioning the LEGO brand as one that empowers consumers to build and rebuild their worlds. This hero film and its various versions would be distributed broadly across traditional linear TV (scheduled live television broadcasts) and digital platforms.

It all starts with a brick.
And billions of possibilities.
Build. Unbuild. Re-build.
Learn. Unlearn. Re-learn.
Try again.
Experiment. Break the rules.
Fail. And try again.
This is the cycle of creativity.
As old as mankind, yet at the core of the 21st Century skills that kids will need to build their future.
This is the essence of the LEGO® system in play.
If building is creating, rebuilding is unstoppable creativity.
The incredible power of change.
Rebuild something nice or something silly.
Rebuild through science, code or art.
Rebuild freely or on someone else's build.
Rebuild what you like into something you love by following instructions or your inspiration: (a duck, the Taj Mahal or a rocket to the moon.)
Rebuild stories.
Rebuild playtime.
Rebuild as you re-cycle. Re-purpose. Re-use.
Rebuild the everyday life.
Rebuild the spirit of the times.
Developing and inspiring the builders of tomorrow.
Rebuild the world.



A campaign built on a newly globally tested communication platform.

Rebuild
the
world™



Exhibit 6: Rebuild the World Manifesto



The campaign would also employ extensions via films that profiled people known for rebuilding their worlds. Some would feature celebrities (e.g., gymnast Simone Biles and musician Mark Ronson) and others who are extraordinary proof points of the “rebuild your world” mantra (e.g., David Aguilar, a young man who built prosthetic arms with LEGO bricks and elements). These videos would be delivered digitally and primarily through “earned” media such as PR and social media.

Event-based initiatives were also planned, including a global call to action for kids to submit their ideas for iconic landmarks re-imagined via LEGO building, along with local activations and events promoted through out-of-home (OOH) advertising and local public relations. The intent behind these initiatives was to break through the clutter and employ media activations that reinforced the message, demonstrating that they were as clever and creative as what LEGO play inspires and enables. See Exhibit 7 for examples of the local activations around the world that ended up being implemented.

Stand-Out TV placements & partnerships



90s Hero TVC launch



60s Hero TVC launch



Media Partnership

Statement OOH Activations



Berlin - East Side Gallery



China - Chengdu Arena & 6 City Activation



Tokyo - Shinjuku Station Takeover

Exhibit 7: Examples of the Local Activations around the World That Ended Up Being Implemented during the Campaign. The LEGO Group implemented imaginative stunts and partnerships, from life-sized LEGO builds in public to TV show collaborations, to reinforce the campaign’s message and grab audience attention.

Note: TVC: Television Commercial; OOH: Out-of-Home.

Now that the campaign was fully planned and the launch day was approaching, Julia Goldin and her team at the LEGO Group reflected on the “Rebuild the World” campaign. They pondered whether their strategy would resonate with lower-affinity parents and reignite the brand’s creative appeal. The campaign’s innovative approach aimed to break through the cluttered media landscape and celebrate children’s creativity. With high hopes for reactivating these households, the team wondered: Would this bold initiative successfully reposition LEGO in parents’ minds and overcome the competitive forces that had stalled its growth?



Case Study

This teaching case study was developed in collaboration with:



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