

CHAPTER 4

ANALYSIS AND RESULT OF THE STUDY

The data collected from the case study samples are extracted and analyzed to obtain research findings. The main source of the data are individual interviews with LEGO collectors from several countries (French, Germany, Malaysia, Korea, and Indonesia) and complemented by literature studies. The method used to analyze the data is qualitative as mentioned in chapter 3.

4.1. History of LEGO

4.1.1. The beginning of LEGO company (1932)

1932 was the year when Ole Kirk Christiansen (1891-1958) build a company named LEGO in Billund. His first toy inventions are made of wood and by the year 1947 LEGO started using plastic for some parts of its toys (Lauwaert, 2008b). When business was thriving, an unfortunate accident happens in 1960. A fire started through the wood product factory and a major fire burnt their warehouse to the ground. Moreover, World War II makes a great impact by making good wood (LEGO raw material) scarce. Though it may seem like an endless bad luck accident turns out to be the biggest turning point for the company. When Ole Kirk Christiansen rebuilds the company, they focus on making toys based on plastics, and that material is used to this day.

4.1.2. The downfall of LEGO (the 1990s)

By the end of the year the 1990s, a phenomenon called KGOY (Kids Growing Older Younger) strikes turning away the kids from old-fashioned traditional toys like LEGO and shifting to newer technologies (video games). This behavioral switch causes a downfall in LEGO sales. Trying to fight the phenomenon, LEGO started to differentiate its products by making amusement parks (LEGO land), collaborating with Disney, etc. However, the annual financial report for the year 2000-2004 shows a great loss

indicating the strategy was not successful. The failure was caused by investment outside the area of expertise, expensive license agreement for collaborative products such as Disney that requires high production cost, and the uncertain direction of products that diffuse the brand image (City New Word, 2010).

4.1.3. Turning point of LEGO company (2004)

After all the struggles they have encountered, in 2004 the former CEO Kjeld Kristiansen stepped down and was replaced by Knudstorp, a former McKinsey consultant who started working at LEGO in 2002. Major changes were made to save the company. Theme parks were closed, discontinuing products, cut payroll, and started outsourcing factories. Once again, the company was saved from the brink of bankruptcy and comes back with a new marketing strategy through collaboration that allows LEGO to grasp an existing loyal fan base to widen its target market. The increasing number of adults player made LEGO focus on growing the adult group market and initiate contests, communities, membership, and interesting programs like the LEGO Ambassador Program and the LEGO Certified Professionals Program.

4.2. Brand Experience from LEGO brand toys to adult players

Four items exist in the brand experience dimensions. The first one is **sensory**, a dimension where the brand allure the five human senses (hearing, sight, smell, touch, and taste). In this research, we focus on the two senses LEGO brand successfully attracted, the visual and touch senses of its users. The second item is the **affective** dimension, this dimension covers the feelings and emotions that emerge and are felt by the consumers whenever they encounter the brand. The third one is the **behavioral** actions that are caused by the LEGO brand. Consumers are always led to do physical actions and tend to feel curious whenever they interact with this brand. The last dimension is the **intellectual** dimension that triggers the consumer's brain to think creatively and be focused whenever they build LEGO

brand toys. These dimensions have led to several themes that are going to be discussed further in this research.

4.2.1. How LEGO products attract sensory senses

Sensory senses are the sensations that are transmitted or perceived by the senses of humans. The table below shows the answer of each respondent to questions regarding sensory senses.

Table 4.1 Respondent’s answers to the sensory senses

Camille France	Mee Jun South Korea	Marvin Germany	Adley Indonesia	Megad Malaysia
Do you agree that LEGO-brand toys attract your sensory senses?				
Yes	Yes	Yes	Yes	Yes
Why do you think it attracts your sensory senses?				
It is interesting for my visual and touch senses	I can see how it works by building this and how the systems are	The high quality of the products	The bright colors bring in fun and energetic feelings	It is colorful and are flexible to style
When are your sensory senses attracted to the products?				
When I see and touch the products	When I see the products	When I see the products	When I see the products	When I see and touch the products

All the respondents that came from different backgrounds and nationalities have agreed on the same thing. They agree that LEGO’s products have attracted their senses, more specifically, their visual senses. Some also commented that their touch senses are also attracted to the products. Despite the different palate preferences that are usually formed according to each home country, the colors of

LEGO products are attractive to them and lead them to make purchase decisions. One of the answers given by the respondent is interesting to be highlighted further.

“The bright colors bring me a fun and energetic feeling that reminds me of the youth I am clinging on to”. (Adley, Indonesia)

Through his statement, we can glance at why the colors are attractive to consumer’s visual senses. Because it connects with distant memories that are full of joyful times and they can reminiscence about those times just by laying their eyes on LEGO. In conclusion of all the data collected from the respondents, LEGO-brand toys are proven to be attracting the sensory senses of their adult consumers and able to bring experiences to its user. These findings are aligned with the findings from the research conducted by Jo ~ Sko Brakus et al., (2009) that LEGO is found to be one of the most experiential brands because of its uniqueness and differentiation that distinguish it from other well-known brands.

4.2.2. How LEGO products trigger affective reactions

There are things that can elicit affective behaviors, meaning they can influence someone’s feelings or emotions. Through the table below we will discover if LEGO-brand toys emerge any emotions in it is users.

Table 4.2 Respondent’s answers to affective reactions

Camille France	Mee Jun South Korea	Marvin Germany	Adley Indonesia	Megad Malaysia
Do LEGO-brand toys make you feel emotional?				
Yes	Yes	Yes	Yes	Yes
What emotions do you feel?				
Nostalgic	Nostalgic	Nostalgic	Happy and nostalgic	Sentimental
Why does it make you feel emotional?				

I have many key memories with LEGO and I grew up with it	It bought memories when I make it when I was young	It feels nostalgic because I spent a lot of time building it	It makes me happy and allows me to reminiscences about the past	It has been a part of my childhood and it shaped who I am today
When do you feel those emotions?				
When I see and build LEGO	Whenever I see the products displayed in my room	Whenever I buy a new LEGO set	When I see and build LEGO	When I see it
Which part of building LEGO makes you feel emotional?				
How it connects with my childhood memories	How it brings out memories of when I was young	The nostalgic feeling when I build the product	How it makes me reminiscence about the past	How it shaped my way of thinking and act

All interviewees utter that LEGO-brand toys evoke certain feelings whenever see, touch, and build LEGO. However, none of the respondent's answers shows negative feelings or experiences. Instead, they mention how LEGO brings joy and happiness to them.

“Brings joy and pride for me”. (Marvin, German)

“I feel happy when I have LEGOs”. (Camille, France)

“It makes me happy”. (Adley, Indonesia)

On the other side, looking deeper into their answers on why it makes them emotional, an interesting red line that connects all LEGO adult collectors are discovered. They all feel nostalgic whenever they have contact with LEGO. This feeling arises because of the amount of time they have spent building LEGO from such a young age. All interviewees have spent at least 10 years building sets of LEGOs until they acknowledge themselves as collectors. As mentioned in the

journal reference discussing brand experience, people tend to seek pleasure and avoid pain (Jo ~ Sko Brakus et al., 2009). That became one of the main reasons why they are attached to LEGO because it reminds them of the good times in their lives.

“Because I had a lot and have spent a lot of time building LEGO, so it is like a nostalgic thing”. (Marvin, Germany)

“I feel like I have core memories with LEGO product key memories in my childhood”. (Camille, France)

“It has been part of my childhood and it shaped who I am today in the way that I think and act”. (Megad, Malaysia)

“It is sort of like a time machine for me to go back to when I was a kid”. (Adley, Indonesia)

Their answers show that the LEGO brand holds a special place in their hearts holding a large part of their core childhood memories. LEGO company successfully influence their consumer behaviours by causing positive affects through their brand. LEGO is not just a product or a renowned brand that does not have extra value to its consumers. It means more than just a brick that can be arranged on top of another. LEGO is like a camera that captures the moment that happens when it was being built, kept those priceless memories, and reveals them whenever the builder lay their eyes on the product.

4.2.3. How LEGO products trigger behavioral actions

Behavioral explains the physical actions that might be triggered when the interviewees encounter LEGO-brand toys. The table below presents the answer if the statement mentioned is correct or not.

Table 4.3 Respondent’s Answers to Behavioral Actions

Camille France	Mee Jun South Korea	Marvin Germany	Adley Indonesia	Megad Malaysia
Do LEGO-brand toys trigger physical actions?				
Yes	Yes	Yes	Yes	Yes
Why does it makes you do physical actions?				

Huge LEGOs require me to move around and make huge movements	I play with them, rebuild them, and make my own models	I assembled it and continue playing with it	Building stuff makes me do physical actions	Building it requires physical actions
When do you do the actions?				
When I build it	When I build it	When I build it	When I build it	When I build it
Which part makes you use physical actions?				
Building process	Building process	Building process	Building process	Building process

LEGO-brand toys are made of plastics in the shape of bricks that can be stick together making endless forms such as houses, animals, etc. (City New Word, 2010). Therefore, physical actions are guaranteed to be done whenever someone builds LEGO. The interesting thing that is found in this topic is the number of physical actions done by its user.

“I would play with it for an hour, and I display them”. (Mee Jun, South Korea)

At an early age, they tend to play with their LEGO after they are done with the building process. But as time goes by and they grow older, they played less with their LEGO. They shift from LEGO players to LEGO collectors.

“As an adult probably not but when I was younger”. (Marvin, Germany)

4.2.4. How LEGO products impacting on the use of intellect

Everything in this life requires the use of the brain but some things require the brain to focus on that specific thing which results in harder brain work. The table below will discover if building LEGO impacting on the use of intellect of its player.

Table 4.4 Respondents' Answers to Intellectual Impacts

Camille France	Mee Jun South Korea	Marvin Germany	Adley Indonesia	Megad Malaysia
Do LEGO-brand toys force you to think?				
Yes and No	Yes	Yes	Yes and No	Yes
Why does it make you think?				
Some parts are really tricky but when faced with just bricks, I can let creativity goes	I think of how it works and the functions of the product	Seeing an odd shape in the cover makes me think about how I can build this	I can switch off my head and not think about anything else when I build it, but at the same time, I am thinking about how I build it	Sometimes I want to build something out of the box, not following the instructions
When do you think the hardest when you build LEGO?				
When I let my creativity flows with the bricks	When I want to know how it works and function	When I see an odd-shaped for example a round-shaped	When I make my own creations	When I want to make something out of the box
Which part of building LEGO makes you think the most?				
Being creative	The bricks system	The odd shapes	Being creative	Being creative

Some of the respondent's answer slightly differs from one another but they all generally agree that building LEGO requires their brain to think and eventually grows their intellect. There are several benefits felt by the respondents. Camille and Adley commented that building LEGOs are a combination of thinking and not thinking. Building by instructions makes their mind feels relaxed. They also answer that they are triggered to think when they wanted to use creativity to build

something out of the box away from the instructions given just like Megad. LEGO simple brick's ability to be turned into anything the user desire is one of the things that makes Megad become a LEGO collector.

“I started liking it because I don't just make one building with it but many buildings from just one set”. (Megad, Malaysia)

Marvin and Mee Jun have similar answers where they are triggered to think just by looking at a set of LEGOs that have odd shapes or mechanical systems. Even though their answers are not specifically the same, it can be concluded that at some point in building LEGO, they are required to focus and use their intellect to complete their works. This finding supported the statement written in the third reference journal that people need intellectual stimulation to avoid boredom (Jo ~ Sko Brakus et al., 2009). That's what makes LEGO brand the perfect getaway toy for adults.

4.3. Inheritance: The thoughts of delegating LEGO to their offspring

People have the nature of passing down their possession to someone they hold dear in life and most times is their family. After discussing that LEGO is a wonderful part of their childhood, we will discuss further if the LEGO brand would be something they see worth to be inherited from their offspring.

Table 4.5 Respondents' answers on inheriting LEGO

Camille France	Mee Jun South Korea	Marvin Germany	Adley Indonesia	Megad Malaysia
Are you going to buy your children LEGO?				
Yes	Maybe	Yes	Yes	Yes
Why do you want them to build LEGO?				
I want to build it together and give my collections to	If I have extra money, I will buy it for them	Because it is a nostalgic thing for me, I wanted to build it	Because it is my favorite toy, I would buy them new	Because I like it a lot. I would disassemble some of my sets and build

them to be rebuild		together with them and rebuild my collections with them	ones and give them mine	them together with them
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Four of five respondents are 100% sure that they will buy LEGO products for their children. One respondent has a different answer considering his financial factors in the future. However, he mentioned that when the time has come and he has enough buying power, he would have the same answers as the other respondents (surely recommending LEGO for his kids).

The question about inheritance uncovers intriguing answers from the interviewees. It became more than just buying a toy for their children to have or inheriting one's memorable belongings, they want to recreate those memories.

“Once I build this when I was younger, now my son or daughter can build this too. It brings me joy to think about this”. (Marvin, Germany)

“I want to build it together”. (Camille, France)

“I would disassemble some of them to be built together again”. (Adley, Indonesia)

The LEGO sets they have owned would not be given to their children as a built set but will be disassembled and will be built again together with them. They want to recreate the happy memories they have built with their future family. It shows the starting of a family tradition of building new or inherited LEGO sets.

4.4. Loyalty to the brand

Brand experience has a direct impact on customer satisfaction and loyalty (Oh et al., 2019). Questions were asked to see if the research findings are identical to the first, second, fourth, and fifth reference journals where brand experience directly impacts brand loyalty.

“I definitely going to continue to buy LEGO products”. (Camille, French)

“I used to buy them every month and even on a weekly basis sometimes because it is something I really enjoy”. (Megad, Malaysian)

“Yes, if there are other companies selling the same stuff as LEGO, I would still buy LEGO products because I have strong emotional attachments to LEGO. Compared to the other brands, I feel like LEGO holds value to the products that they sell. If one day I get bored with some of my sets, I can sell them second-hand and would still gain some of my capital back”. (Adley, Indonesian)

Out of 5 respondents, 3 of them are 100% sure they are going to buy more LEGO products and be loyal to the brand. They have all played LEGO for more than 10 years, some even 20 years and still planning to collect more products in the future. They also spent a large sum of money a total of more than \$1000 each person on their journey of collecting LEGO products. Two of our respondents are starting to waver from collecting LEGO because of the increasing price of LEGO-brand toy products.

“I hope to do so but it became really expensive. That is something I don’t agree with because I am the consumer. But if there is a really good set then I will probably buy it”. (Marvin, Germany)

“These days LEGO are expensive. If I can buy two imitation versions of LEGO I think I would consider it”. (Mee Jun, South Korean)

Though brand experience does have a great impact on brand loyalty, there are other great factors found that have a big influence on buying decisions such as price and consumer buying power.

4.5. Key to attracting the adult market: LEGO collaboration and thematical toys

One of the easiest ways to expand a brand’s target market is to collaborate with other brands to attract an existing group market. In this case, LEGO has done

numerous successful collaborations with a wide range of brands. Another LEGO strategy is to buy IPs (intellectual properties) Star Wars 1999-present, Marvel 2012-present, etc. (*How the LEGO Company Almost Went Bankrupt: A History*, 2020). This allows them to release special edition sets on the former untapped market by catching the interest of the other brand customers and increasing their brand awareness to various market segments. This strategy is one of the main keys that makes LEGO succeed in expanding its adult market.

Table 4.5 Respondent’s Answers to LEGO sets being collected

Camille France	Mee Jun South Korea	Marvin Germany	Adley Indonesia	Megad Malaysia
What kind of LEGO sets do you collect?				
Harry Potter	Vehicles (mechanical- based sets)	Star Wars	Star Wars, thematical (Disney, Marvel, etc)	Buildings and Marvel

It is proven from the sets they collected that the adult market considers collaborative and themed LEGO-brand toys more attractive than the other classic collections. LEGO’s strategy of expanding its target market through collaborations and IPs (intellectual properties) turns out to be very effective to attract the adult market.