

The Inspiration brought by LEGO Group to Chinese Toy Brands under the Internationalization and Localization Marketing Strategy

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Abstract. China is the world's largest producer and exporter of toys. However, the toy industry in China is "large but not strong." Facing the huge potential of the domestic toy market, the dominance of foreign toy brands, and the lack of domestic toy brands, in the process of the transformation from "Made in China" to "Created in China," how can Chinese toy companies embark on their path of building brands? This paper discusses the localization practices in the current product strategy implemented by Lego, attempting to provide suggestions for the internationalization of Chinese toys. This article's analysis aims to help Chinese toy brands enhance their brand quality; highlight their brand features; and combine globalization strategies with localization strategies to help Chinese toy enterprises improve their product competitiveness and successfully enter overseas markets. The current product strategy of the Lego Group combines a global perspective with local practices, which has contributed to its great success in the international market, and its brick products are also loved by more and more consumers. This article, starting from LEGO's product strategy, has profound significance in analyzing the company from the perspective of global localization. Not only does it enrich the current research on the LEGO Group, but it also provides valuable experience for Chinese toy companies in formulating their global localization product strategies.

Keywords: Lego; Chinese local toy brand; marketing strategy; innovation shaping.

1. Introduction

In recent years, as the global toy market has been continuously expanding, the types of toys have been increasingly diverse, and the consumer group has been widely covered. As a globally renowned toy brand, the LEGO Group, with its outstanding product quality and innovative marketing strategies, has consistently ranked among the top ten toy brands in the world for several consecutive years and has achieved remarkable success in the Chinese market. As of 2023, it has opened more than 350 stores in China.

China is the largest toy manufacturing and exporting country in the world, but the toy industry is "big but not strong". There are many Chinese local toy brands, but so far, no brand has successfully entered the international market, which is in sharp contrast to foreign brands. Facing the huge potential of the local toy market and the dominance of foreign toy brands, this situation deserves in-depth consideration [1]. The success of the Lego Group not only demonstrates its brand strength but also how to learn from the marketing strategy of the Lego Group to provide useful references for Chinese local toy brands. By analyzing and leveraging the success of the Lego brand, people can discover what is lacking in Chinese local toy brands and strive to shift from "Made in China" to "Created in China" [2].

Therefore, this article aims to select marketing methods that have reference significance for local Chinese brands in the development of LEGO Group through research on LEGO Group's marketing strategies and analysis of Chinese toy brands. Through this analysis, it is hoped that a feasible international development path can be provided for Chinese domestic toy brands, enabling them to stand out in the international market and maximize brand value. At the same time, it is hoped that through this research, more people can pay attention to and value local toy brands in China, and jointly promote the prosperity and development of the Chinese toy industry.

2. Methods

During this study, questionnaire surveys were mainly used. To gain a deeper understanding of the market performance of the Lego brand and local Chinese brands, the paper designed two questionnaire surveys, one for the Lego brand and one for local Chinese toy brands. The purpose of the surveys was to collect data for comparative analysis and to reveal the differentiated characteristics between the two brands. Through consumers' perceptions and understanding of the Lego brand, the paper explored the shortcomings and areas for improvement of Chinese toy brands in the market.

The questionnaire covered the depth of consumers' brand awareness, their personal consumption preferences and tendencies, their actual intentions to purchase products, and the factors they most value when making choices. It also investigated the product's price positioning and consumers' future purchasing intentions. In addition, the questionnaire also includes an open-ended question section that allows consumers to freely express their views and opinions, thus enriching the diversity and depth of the data.

During the data collection stage, a total of 428 responses were collected for this questionnaire survey, with a screening question of "Have you ever purchased Lego products?" and by distinguishing the speed of answering each question, answers that took less than 5 seconds were not counted. A total of 392 valid responses were obtained, covering consumers aged 15 to 40 years old and with different professional backgrounds in China, ensuring the representativeness and breadth of the data.

3. Results

3.1. The Results of the Questionnaire Survey on the Lego Brand Show

As can be seen from Figure 1, the main driving factor for buying LEGO products is personal preference 72% and 67% followed by giving as a gift. This shows that Lego has a strong personal appeal with consumers and is suitable as a gift.

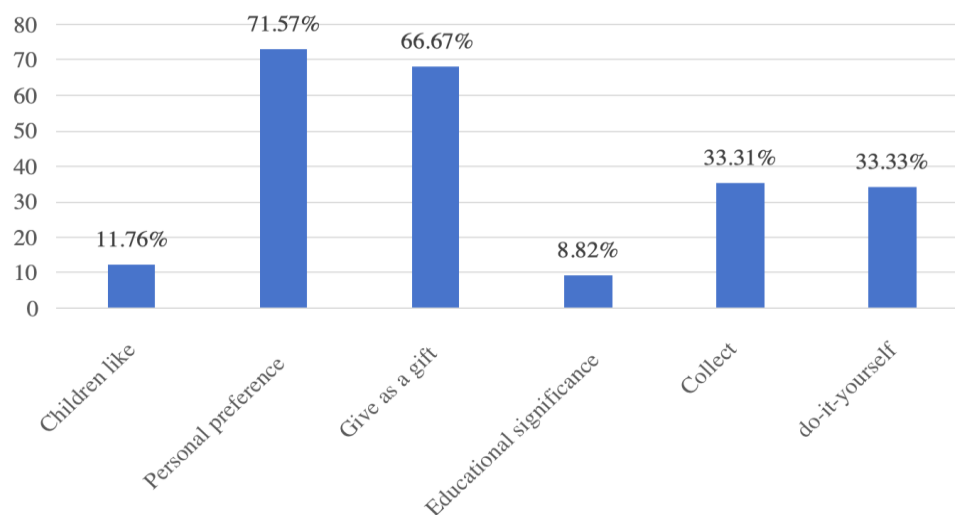


Fig 1. Main reasons for consumers to buy Lego.

As can be seen from Figure 2, most respondents believe that the price of Lego products is on the high side, of which 69% choose "a little expensive", while no one thinks that Lego products are "cheap" or "very cheap".

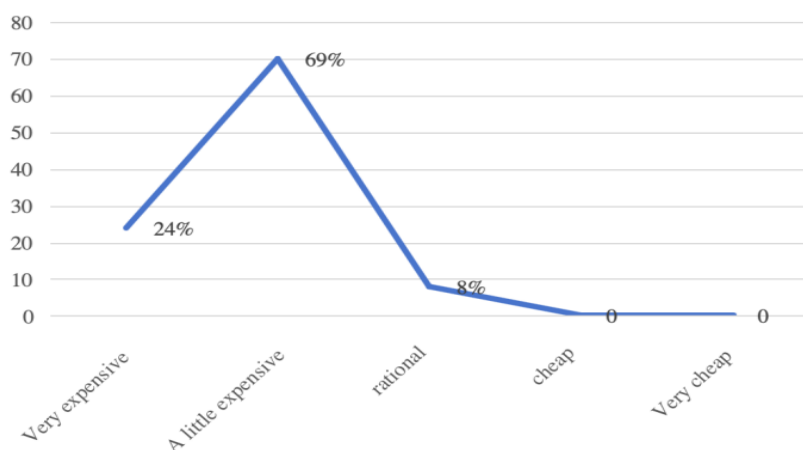


Fig 2. Prices of Lego products according to consumers.

As shown in the figure3, consumers' overall satisfaction with Lego products performed well, adding up to 75% satisfaction. This shows that most consumers have a positive attitude towards Lego products.

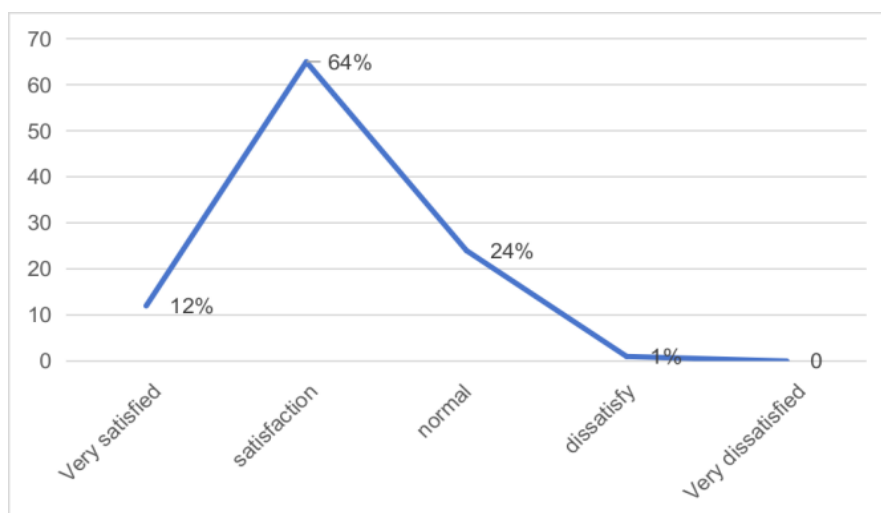


Fig 3. Consumers' overall satisfaction with Lego products.

As shown in Figure 4, the evaluation of LEGO products in terms of innovation is generally positive. 62% of respondents rated Lego's innovation performance as "satisfaction", while 22% rated it as "very satisfaction", indicating that most consumers are positive about Lego's innovation ability.

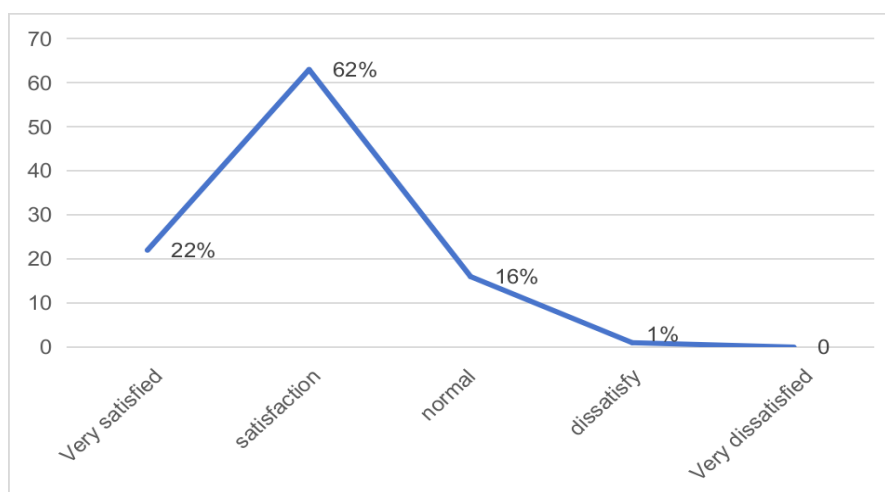


Fig 4. Consumer satisfaction with Lego products in terms of innovation.

3.2. The Results of the Questionnaire Survey on Chinese Local Toy Brands

As shown in Figure 5, the most important aspect that consumer's value when buying toys is the collection significance of the product, which is as high as 59%. This is followed by 52% who like the good-looking of the product. The unique style of the product design has a higher concern, reaching 48.4%. Other options such as "brand co-branding" and "practicability" accounted for 38% and 31% respectively, showing that brand and utility also have some influence on purchasing decisions.

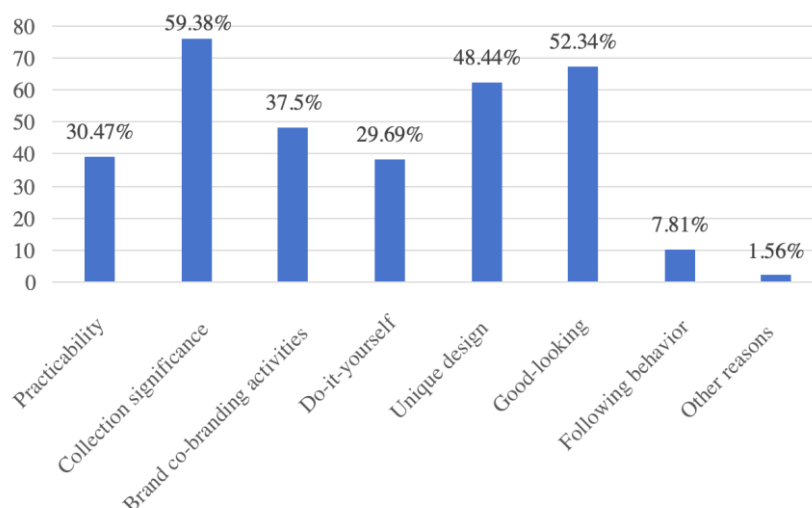


Fig 5. What consumers value most when they have enough toys to buy.

As shown in the figure 6, Chinese consumers think that the international visibility of Chinese local brands is relatively ordinary, and 54% of the respondents think that their "normal" is at a medium level. This shows that although there is a certain degree of recognition, overall, China's local toy brands in the international market still relatively limited visibility.

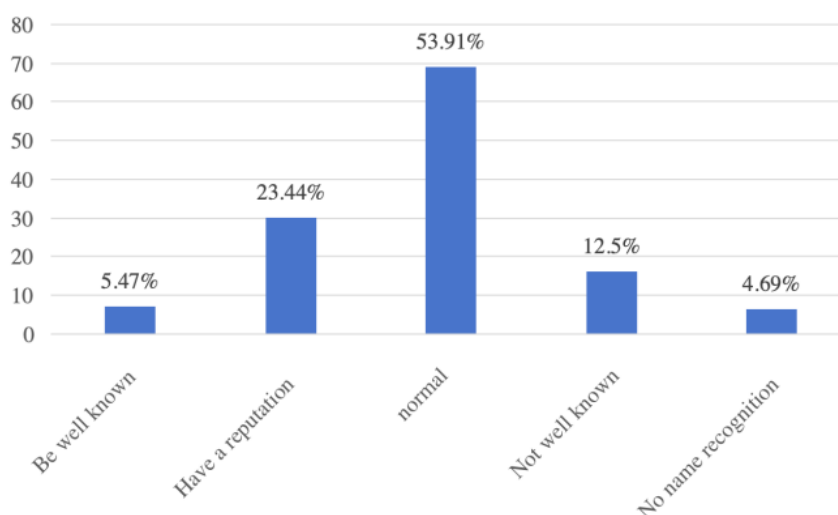


Fig 6. Consumers' Perceptions of the International Popularity of Chinese Local Toy Brands

As shown in the figure 7, local Chinese brands are perceived to be lacking in several ways. 48% said insufficient publicity was the most popular choice. This is followed by 41% of China's not committed to creating their toy brands and 37% of brands without their own brand identity are also mentioned more. 35% of products are too simple, which is also a significant problem, reflecting the limitations of product lines that can affect consumer choice. The answers collected in the free answer: not original enough, no well-known IP, and no point in buying. These responses indicate that consumers are more critical of the creative aspects of Chinese toy brands.

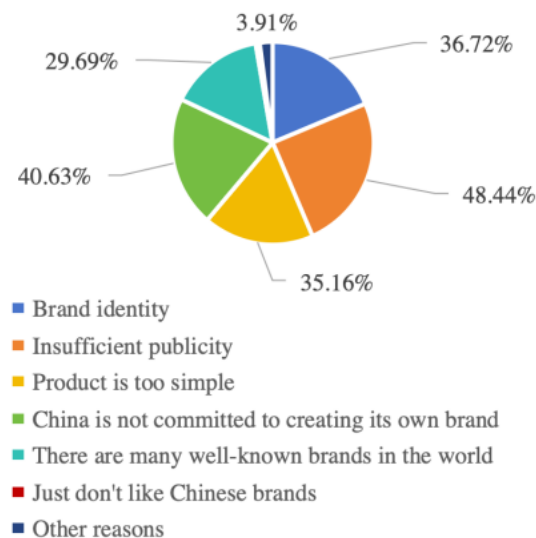


Fig 7. The perceived shortcomings of local Chinese brands by Chinese consumers

4. Analysis of Lego Brand Marketing Strategy

Lego has successfully positioned itself as a high-quality and educational toy brand, attracting consumers of different age groups and interests. It continuously launches products that combine new themes, technological innovations, and popular culture, encouraging consumers to exert their imagination and creativity [3, 4]. The brand introduces classic series and collaboration series with popular IPs, such as Lego Star Wars and Lego Harry Potter, to meet consumers' demands. The Lego Technic series attracts adult enthusiasts with its complex mechanical structures and exquisite techniques, increasing its collection value. The in-depth cooperation with globally renowned movies, games, and brands makes Lego products more diverse and colorful, and the brand image is deeply rooted in people's hearts [5].

At the same time, through cooperation with educational institutions and the development of educational kits, it strengthens its position in the field of education and maintains its appeal as a children's toy [4, 5]. The durability, precision, and safety of LEGO bricks are the embodiment of their high quality. While most respondents believe Lego products are expensive, high satisfaction shows consumers are willing to pay a premium for quality, innovation, and brand value. Lego products are positioned in the high-end market, and through multi-channel publicity to improve brand awareness and attract potential consumers [4]. Lego focuses on engaging with consumers and collecting feedback to optimize products and services. High-quality materials and craftsmanship ensure that the bricks fit perfectly and can withstand long periods of use, and this pursuit of quality has helped Lego establish a good brand image in the minds of consumers [6].

In summary, LEGO has won the love and trust of global consumers with its continuous innovation and product diversity, deep cooperation with globally renowned brands, emphasis on educational value, strong brand loyalty and community building, excellent marketing strategies, high-quality and durable products, and sustainable development concepts that actively fulfill social responsibility [5,7]. Lego not only holds a leading position in the toy market but also leaves a deep impression in the education sector and the minds of consumers.

5. Improvement Direction for the Brand in China

5.1. Improve Brand Awareness and Focus on Brand Characteristics

A brand is a distinctive mark used by producers and operators to identify their products, distinguish them from competitors, and identify consumers. A brand can be a name, a term, a sign, a symbol a

design, or a combination of the above factors. Today a brand is no longer just a mark. Feldwick, executive director of the famous advertising agency BMP, explains the brand: "A brand is an intangible asset created by a guaranteed badge"[1].

In response to the fierce competition among international brands and the emergence of domestic brands in the market, enterprises need to establish their brand image by implementing targeted sales strategies, it is important to consider one's characteristics, leverage strengths, and avoid weaknesses with professional and unique designs. The innovative brand packaging attracts the target customer group to establish a foothold in the market [7].

5.2. Creating Exclusive Products and Enhancing Promotional Efforts

The lack of one's characteristics and the lack of commitment to building one's toy brand are two closely related issues, both pointing to the current situation of brand characteristic deficiency. Insufficient promotional efforts have directly led to low brand market awareness, making it difficult for many high-quality local toy brands to be known by consumers. In the fiercely competitive toy market, brands lacking uniqueness and differentiation often struggle to attract consumers' attention. Therefore, Chinese toy brands should deeply explore their cultural heritage and resource advantages, and create product lines with distinct personalities and unique selling points. At the same time, through clear brand positioning and precise market segmentation, differentiated competition with competitors can be achieved, thereby standing out in the market.

After finding the brand's most unique product, to increase brand awareness, company should increase investment in marketing and brand publicity, and increase the brand's exposure and recognition among target consumer groups through multi-channel and multi-form publicity activities [8]. At the same time, through market research and consumer feedback collection, the brand understands consumers' real needs and preferences and provide strong support for product development and optimization. In addition, innovative methods such as cross-border cooperation and co-branded models can also be considered to enrich the product line and enhance the added value of the brand.

5.3. Join International Competition

The existence of too many well-known brands in the world shows that Chinese toy brands are facing huge competitive pressure in the international market. These international brands occupy a large share of the Chinese market with their strong brand influence and rich market experience. To cope with the pressure of international competition, local toy brands should strengthen brand-building and marketing efforts to enhance brand awareness and reputation. At the same time, the brand focuses on improving product quality and innovation capabilities and winning the favor of consumers with high-quality products and unique designs. In addition, the company can also expand its international market horizons and seek cooperation opportunities by participating in international exhibitions and exchange activities [9].

5.4. Improve Brand Loyalty

Brand loyalty is one of the important factors for consumers to continue to recognize and purchase a brand. To enhance brand loyalty, local toy brands should focus on interaction and communication with consumers and establish stable consumer relationships. Enhance consumers' sense of belonging and satisfaction through membership systems, point's redemption, after-sales services, etc.; at the same time, strengthen the spread of brand culture and the continuity of brand building, allowing consumers to have a deeper understanding and recognition of the brand [7].

5.5. Cross-industry Cooperation

Products listed in industries such as video conferencing, education, and entertainment need to be continuously followed up to expand brand exposure. For example, by deeply integrating into film and television works, developing exclusive interactive storylines, and enhancing brand exposure. The

entertainment industry can create brand-exclusive activities, use social media platforms to encourage users to share their experiences, and form word-of-mouth communication effects [9,10]. At the same time, regularly evaluate the effectiveness of cooperation, optimize products and services, and ensure the sustained influence of the brand.

6. Conclusion

The survey aims to gain an in-depth understanding of consumers' perceptions, preferences, and consumer behavior towards the Lego brand and local Chinese toy brands, to explore the key factors in consumer groups' toy purchasing decisions. These insights will provide an important basis for formulating more effective marketing strategies and product development, helping Chinese brands to further consolidate and enhance their influence in the highly competitive market. The survey results show that Lego is not only seen as a high-quality children's toy but also widely recognized for its creativity and educational value, with most respondents finding its price reasonable and having a positive attitude towards its ability to innovate. However, Chinese local toy brands have shortcomings in terms of publicity, brand characteristics, product line diversity, international competition, and brand loyalty, and consumers are more inclined to pay attention to the practicality and uniqueness of the product, although the price is relatively reasonable, but still need to be improved in terms of international popularity. Therefore, to enhance brand competitiveness and market share, local toy brands should take effective measures to improve and optimize these problems. Through increasing marketing efforts, creating a unique brand image, enriching product lines, coping with the pressure of international competition, and enhancing brand loyalty, Chinese toy brands are promoted to achieve a higher level of development. There are limitations in the study, such as sample selection may be biased, the market environment changes quickly, and the research results may not fully adapt to future trends. Future studies should expand the sample size, improve representativeness, continue to track market changes and consumer demand and provide more accurate recommendations.

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