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BIONICLE™

STORY SELLING

Submitted by:
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LEGO Company

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Management Summary

In the mid-90s, the LEGO Company faced an increasingly pressing challenge, which consisted in maintaining the relevance of the LEGO brand in relation to the slightly older ones boy groups, where computers and other digital products constituted an increasing competition for the children's time and commitment.

One of the answers to this challenge was the development of a new category of products which can best be described as a combination of construction toys and action heroes – some robot-like figures at pocket money prices. The figures are easy to build, have different play functions (e.g. a throwing arm) and contains objects that the children can collect.

This category had shown promising potential in the launch year 1999 and partly also in 2000, but it was clear early on that there were many more options in this category. The exploitation, however, would require a completely new approach to the way of marketing the products on.

This was done by writing the products into a story and letting them act as "characters" in the universe of the story in order to get the opportunity to involve the children to a far greater extent than would otherwise have been possible. You can say that history in its own way had to take over the main role with the physical products as actors.

This strategy raised a massive communication challenge, as the story was not upfront was known to children all over the world from a feature film or a bestseller. The story therefore is communicated through the marketing itself to a target group of many millions of children from different cultures.

This case demonstrates how, with a close collaboration between client and agency, and through a well-thought-out communication strategy we have succeeded in solving this assignment.

The results of the new strategy were:

1. Firstly, an immediate sales success: Bionicle has sold for in the year of launch alone over a billion Danish kroner, despite delivery difficulties along the way. The earnings are more than three times as great as for the corresponding products without "storytelling". The marketing costs are paid back many times over.
2. Secondly, we have succeeded in establishing an "intellectual property" that reaches several people years beyond the launch year itself, and also opens up many new opportunities in the future. New launches within the concept are already planned. Among other things. are there plans for recording a film and opportunities for licensing income.
3. Thirdly - and perhaps most importantly - the case shows that it has also succeeded objective that was the starting point for the entire strategy, namely to engage and involve precisely the slightly older group of boys in a completely new way and thereby strengthen the general position of the LEGO brand.



A tale of a story that became a commercial success

It is not commonplace for a Danish company that a newly launched product in its first year in the market not only pays back its marketing investment several times over but also achieves a turnover of more than one billion Danish kroner, not to mention the overwhelming interest from the LEGO Company's strategic partners, the trade and not least the target group (boys aged 7-12).

This is nevertheless what happened to Bionicle, a new product from LEGO Company that was launched in 2001. A product that after less than a year on the market accounts for more than 1/10 of the entire LEGO Company's turnover, and that is without exaggeration can be described as one of the biggest Danish business successes in 2001 - and with the prospect of it continues for a long time to come.

The following is a case of how to increase relevance and involvement in a product by establishing a story via communication (story telling) and thereby more than 3 times the earnings compared to a similar product with no history.

It is also the story of how to work alternatively with media strategy and execution, to be able to tell a story without having a theatrical film, TV series or a book as a basic medium.

Bionicle is today positioned as one of the "hottest" and most "cool" toys among children, and has contributed positively to the overall perception of the LEGO brand.



Background

In the mid-90s, the LEGO Company's product range was for the target group of children aged 7-12 (LEGO TECHNIC) characterized by having a distinct focus on construction play. The products were technically difficult and took 2-3 hours or more to build. These products were thus aimed at those boys who value construction as the central part of play (rather than, for example, role-playing). These boys are, among other things, characterized by having a high ability to concentrate. A significant problem for the LEGO Company was that the target audience was decreasing in number and the age profile simultaneously decreasing (lower average age).

In 1997, a project group was set up at the LEGO Company to investigate the opportunity to develop a product that appealed to more physically active boys a lower ability to concentrate and for whom time is a scarce resource. These physically active boys are characterized by feeling attracted to products and activities that provide a quick reward (instant gratification). Many computer games and sports are examples of this.

The goal was thus to make the new LEGO products relevant to a larger part of the elderly boys, and thereby extend the life cycle of the LEGO brand with the children.

The LEGO Company established the following criteria for the products:

1. Should be able to be built in less than 20 min.
2. Should have a price that allowed the boys to buy them with their pocket money.
3. Should have an element of collecting value (collecting).
4. Should have role play value.

The result of the development process was launched in 1999 under the name Slizer. Slizer consisted of 6 action figures, like the children could build. They were primarily differentiated through color and decoration. In addition, Slizer contained a collecting aspect in the form of a number of decorated discs that the figures could throw. I.e. that the price/value ratio was great favorable, which was also confirmed in subsequent product tests in the target group.



Slizer product



Slizer packaging



Slizer discs



Slizer was a surprisingly big success with a total turnover of a three-figure million amount despite periodic delivery problems. Already the following year, the replacement was RoboRiders on the field. Slizer and RoboRiders were the beginning of a whole new category in the toy market, that can be described as a combination of construction toys and action heroes. The age profile for the new LEGO products was higher than, for example, ActionMan and others similar products which also contain some of the same play values.

With the launch of Slizer and RoboRiders, the goal of making LEGO the brand became relevant among the more active boys in the older age group (7-12 years) reached. Slizers and RoboRiders was thus a success both from a sales and target group point of view.

Already while the Slizer and RoboRiders products were being introduced, the development of the 3rd generation underway.



From product to story marketing

ADVANCE was presented in autumn 1999 with the new products for 2001. The products was built around the same basic principles as Slizer and RoboRiders. 6 action heroes that could be built in a short time and at the same low price. Compared to Slizer was the most significant product difference was that the figures had become more visually distinct due to the removable masks (see image below) and the individual tools. The new products was a natural follow-up and cementing of the position the LEGO Company had achieved in the market.

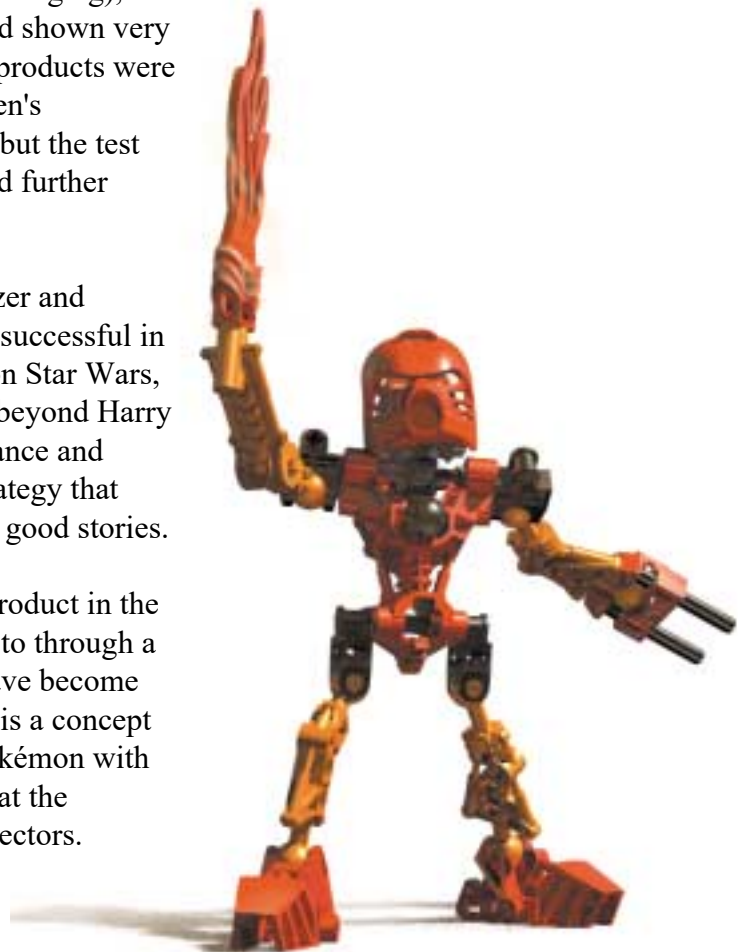
The goal of the new products was a 15% improvement of the category you had worked up with Slizer and RoboRiders together. That is the success had to be repeated.

The briefing was initially to contribute to the product launch through the development of new ones visual universes to support the products. A subsequent processing of the briefing ended with the view that success could be increased significantly by adding the products a story dimension compared to RoboRiders and Slizer.

ADVANCE had earlier in 1999 carried out a testing of Slizer communication (including packaging), which showed that the target group had shown very large interest in the universes that the products were placed in. The universes set the children's imagination and empathy in progress, but the test also showed that the children requested further information about the action heroes.

Simultaneously with the launch of Slizer and RoboRiders was the LEGO Company successful in buying in in stories as a licensee e.g. on Star Wars, Winnie the Pooh, Mickey Mouse and beyond Harry Potter. The goal was to buy into relevance and involvement of the target group. A strategy that emphasized the importance of owning good stories.

At this time, Pokémon was also "in" product in the boys. Pokemon is an example on how to through a game (GAME BOY) and TV series have become relevant in the target group. Pokémon is a concept with great depth over 100 different Pokémon with different strength. The depth means that the children get involved and become collectors.



Bionicle product



The overall project group saw great opportunities in developing a story and the rationale in it story marketing. Based on a presentation from ADVANCE, it was therefore agreed upon following strategy.

■ **Let's create a story in which LEGO products have the main roles.**

A story will add more emotional value to the products. More emotional values will expand the play value of the products and increase the target group's involvement and strength the cumulative effect. Put another way, the price/value ratio improves in comparison with, for example, Slizer through the addition of a story dimension.

■ **Let's create an epic story that has a lifespan of at least 5 years. Every year new chapters are added.**

An epic story will have a very broad appeal among children. For the battle of good against it evil is a universal theme in boys' imaginations. Also has an epic story a great depth, which is important in relation to creating involvement.

Furthermore, a story is not dependent on cultural differences.

The "property" you build up over one year will automatically be transferred to the next year. Through this, the LEGO Company's "return on investment" can be improved.

■ **Let's make the story the product.**

By turning the story into the product, the children will get a new entry into construction. The figures personality and mission come first over construction. Thereby increases the appeal to children who are not already LEGO product oriented.

■ **Let's develop Bionicle into an Intellectual Property (IP), like others of LEGO Company's business areas (LEGO Media, LEGO Lifestyle, LEGOLAND parks etc.) can benefit from and which other strong brands can buy into.**

Through a strong "property", the LEGO Company will be able to capitalize on its investment directly via its own business areas.

The concept was inspired by the name Bionicle (contraction of "Biological Chronicle"). the overall story idea.

BIONICLE



Internal marketing

Bionicle's success was largely dependent on motivation both internally and in the shop. Thus, an important piece in the process of bringing Bionicle to market was to create understanding, knowledge and acceptance of the history, products and marketing within LEGO Company as well as in trade. Bionicle represented a completely new form of collaboration in LEGO Company, (cf. Appendix 1). A situation that also had to be explained internally marketing.

Therefore, the project group decided early in the process to give the sales organization and then the trade the same experience of storytelling and the integrated concept, to which the children were subsequently exposed.

A team consisting of product developers, marketing managers from the LEGO Company and ADVANCE visited the sales regions for a period of time. ADVANCE had developed a 9 min. long sales video where the story was told, the products presented and the marketing described. In addition, posters were made showing "tone of voice". The concept was presented and each LEGO sales region subsequently received a package consisting of video, posters and products for their sales opposite the shop.



Bionicle sales posters

The result was overwhelming. In addition to the concrete positive feedback at the meetings, the biggest effect was a significant increase in the budgets the countries submitted - an increase which was only reinforced when the countries started to be in dialogue with their key accounts.

As a consequence of the successful concept development and internal marketing, Bionicle upgraded from a 2nd priority in the LEGO Company to a 1st priority with a so-called "Big Bang" status in purely marketing terms. Bionicle was designated to be one of the most important growth engines at the LEGO Company in 2001.

The new status led to a significant increase in the marketing budget.



Communication strategy

The problem

Bionicle is a complicated concept to bring to market compared to one traditional product introduction.

A traditional LEGO Company product launch (eg “Castle” and “Space) is characterized by the fact that the children know the basic story in advance and thus that play universe in which the products are included.

With a concept like Bionicle, the situation is different. Bionicle is an unknown, alien and mysterious universe about legends, heroes, powerful masks and a mission against evil. A rich universe and a depth of history that cannot simply be transferred in a 30 second advertising film supplemented with store materials. We didn't have movies, TV series or anything book, so the only way the story could be communicated was through the marketing. It asked requirements for a new form of communication and media strategy for the LEGO Company.

The goal of the communication strategy was therefore:

- Make Bionicle relevant and "cool" to the target audience.
- Create an understanding of the story, its characters, mission, etc.
- Stimulate the children to collect the Bionicle products.
- Establish Bionicle as an intellectual property (IP) like Star Wars and Harry Potter are examples of.

The strategies that were chosen to solve the task are described below.

1. Create a simple, attractive and easily understood entry into the story that can be appreciated by the entire target group and stimulate the children to get more involved in Bionicle.
2. Expose the target audience to wide media mix that gives the target audience more story pieces, including making the children active bearers of the story.
3. Make every part of the story and every piece of media visually attractive to the children.
4. Reveal new story bits over time to maintain the interest of the children.
5. Use collaboration partners to create awareness, involvement and dissemination of parts of the story.

In the following, we will show that it had the desired effect on the target group, and that the goal of the communication strategy was achieved.



Ad 1: A simple story entry

Recognizing that boys in the age group 7-12 years are very different (both in terms of stage of development, play interests, personality, etc.), and have different access to media, a simple entry into the story was crucial. This entrance was supposed to give the children a basic understanding of the Bionicle story.

The introduction to the story was: "On the Island of Mata Nui, 6 mighty heroes rise against evil. To succeed they must find the masks of power". One entry we were sure of was attractive and easy to understand for all the boys.

"Knowledge of the product and of the Bionicle story is strong. Kids understand the characters, the legend of good vs evil and identify with the Bionicle world."

Millward Brown (*)

The youngest and probably also the most impatient would be perfectly satisfied with this as starting point for their play. To also ensure the involvement of the older children in history we used other media that could carry a more advanced part of the story.

Ad 2: A broad media mix:

Throughout the communication strategy, there was a focus on utilizing a broad media mix, so the children were exposed to history in several different ways. All the media had to carry an element of history. But the individual media had to carry different parts depending on time and the medium's ability to carry a story.

A differentiation was made between "single message media" and "story carrying media". To create awareness around the concept, it was important to use the mass media (single message media) to communicate a coherent overall theme (simple story entry).

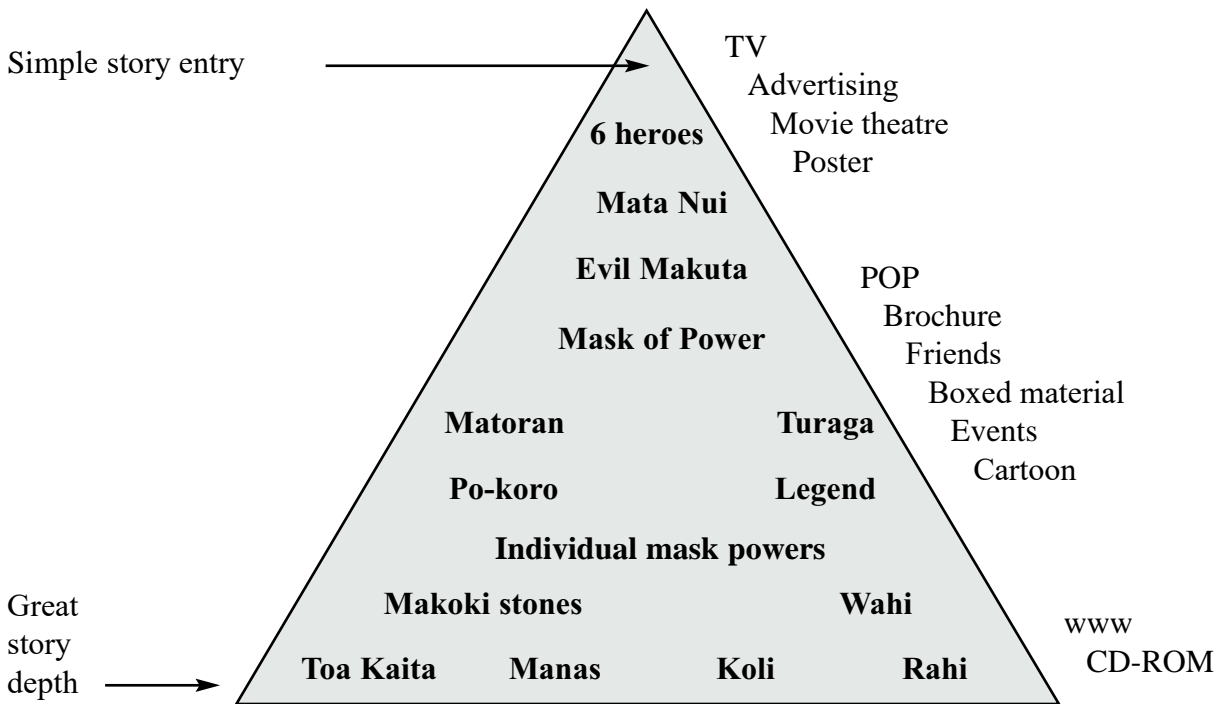
To communicate the depth of the story, 2 central story bearers were identified media: the website www.bionicle.com and a CD-ROM. To ensure as wide distribution of the CD-ROM as possible, remained in the first wave of products included a CD-ROM in the packaging. In addition, all media without exception had to refer to www.bionicle.com.

The deeper understanding of history should increase long-term involvement as well as strengthen the likelihood that the boys started collecting Bionicle.

(*) See Appendix 2 for analysis details



Connection between media and history



"What is even more significant is that the boys who had 'got under the skin' of Bionicle and had reached an advanced level of understanding, were the most enthusiastic about the concept and were also the most avid collectors. It is surely no coincidence that the boys with the most Bionicle products were those boys who had received the CD-ROM and visited the Bionicle website.":

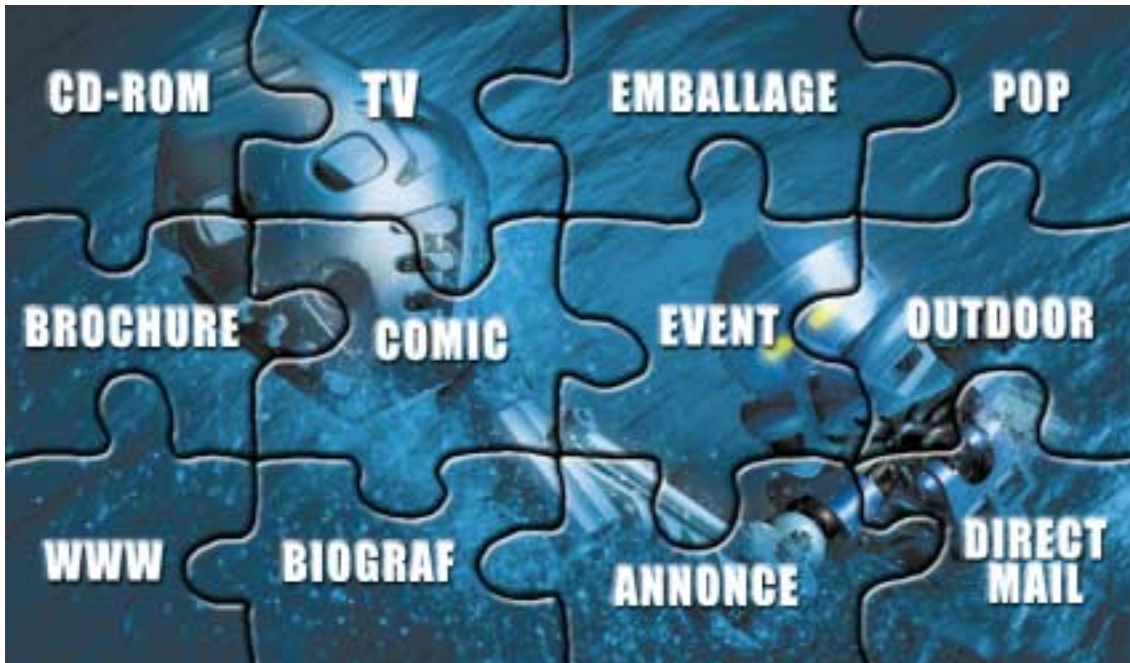
Goldstone Perl (*)

This created a mosaic of history, where the target group was constantly exposed to new ones pieces in the mosaic. As it was not possible to control the order in which the children were given the pieces, the requirement for communication was that each piece could be understood and would remain appreciated by the target group largely regardless of the order.

(*) See Appendix 2 for analysis details



Media mosaic



"It was also apparent that boys' source of information about the Bionicle universe could be quite eclectic. Often the boys had picked up different bits of information from various sources".

"The success of Bionicle in the UK is very much in evidence and was almost palpable in the research. All the boys were extremely enthusiastic about the concept. Given that the range had only been available for just over two months at the time of the project, it was encouraging to note how many Toa the boys had managed to collect and how much many of them had been able to find out about the broader Bionicle universe and story."

Goldstone Perl

"The media used have contributed significantly to depth of branding, rather than just its overall reach."

"Bionicle has received the benefit of media synergy. Over a third of our sample have seen 2 or more of the main pieces of copy - more if we include the McDonalds promotion. When seen, the copy works well and multiple exposure enhances take out and persuasive nature of advertising."

Millward Brown



Another important part of the communication strategy was to get the children to be active history bearers. They were an important medium for both creating awareness, but also understanding for history and "collecting".

One of the ways in which this had to be done was to tell the story in attractive fragments, and thus make the story open for the children to make their own stories. Thus could the children be stimulated to mutually exchange their own stories and fragments of history, they have found in various media.

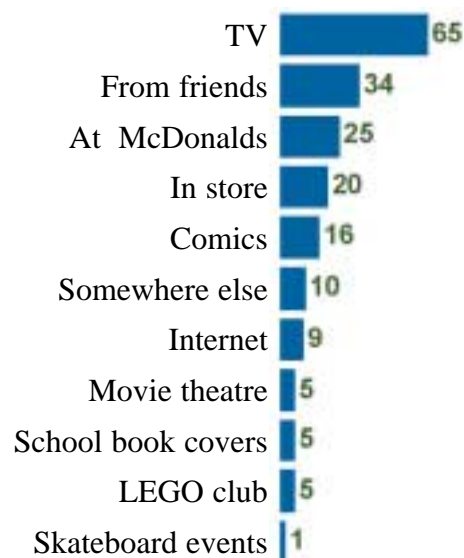
“Friends had been another important source of information both in terms of creating interest and awareness in the idea and in suggesting the broader play universe.”

Goldstone Perl

“Brand success is generated in part by kids talking to each other. We have identified groups of enthused collectors and potentials who are characterised by very strong levels of word of mouth.”

Millward Brown

Knowledge of Bionicle by media



Source: Millward Brown



Ad 3: Visually attractive for the children

Through ADVANCE's long-standing collaboration with the LEGO Company, we knew that it is from images, children mainly form their imaginations. Whether a story or whether a product is accepted by the children is largely dependent on how visually "cool" it is.

An important aim of the campaign was therefore to create a visually attractive communication of the story. An example of this is that we chose to develop a series of story images, rather than only telling the story through text. Each picture had to tell a story themselves, which the children could then write on themselves, and thus create their own stories.



The strategy of launching a story was continued in the communication where movie posters, trailers and story shots looked like something taken from a movie. We wanted to the children create the illusion that the film existed. The only thing missing was that they "just" had to put it together myself.



Teaser ad



Launch key visual



2. Launch key visual

"The kids think the cinema ad is like a movie"

Millward Brown

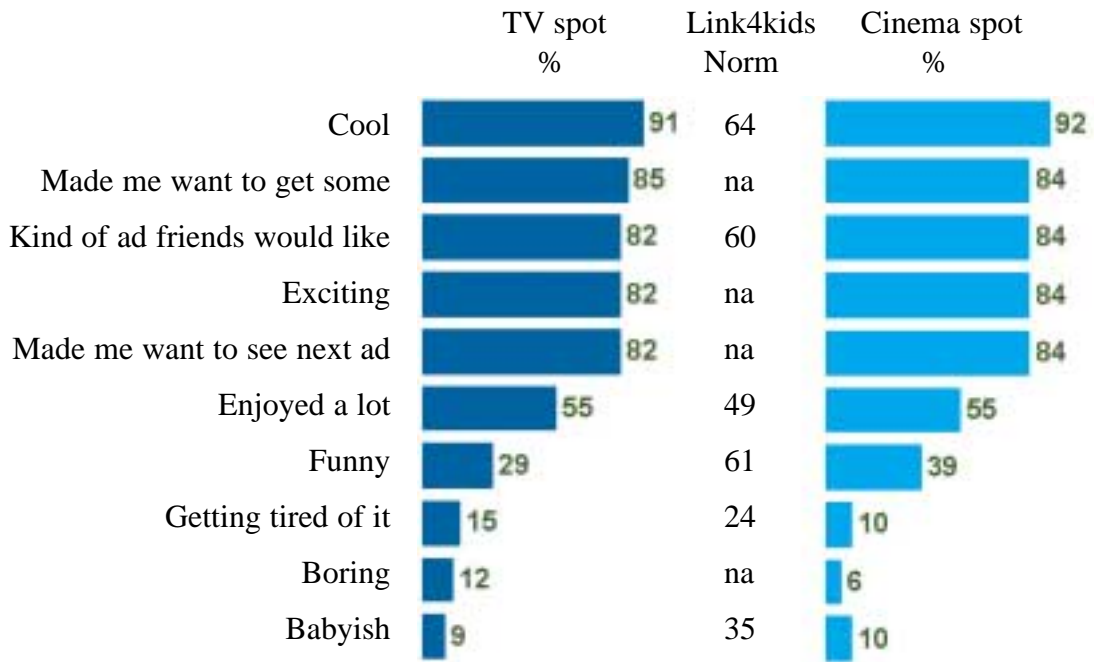
To underpin the film feel, it was decided from the start to create the entire Bionicle the universe in 3D. 3D is very popular within the film world and thus also among the children (Toy Story, Shrek, various Disney films etc.). But first of all, 3D had to enabling the development of characters through animations, thereby bringing the universe to life.



At the same time, it gave the opportunity to strengthen the general visual experience.

"All media rated well cool and exiting"
 "Coolness is definitely not an issue for Bionicle."
 Millward Brown

Kids perceived experience of Bionicle TV and Cinema spot



Source: Millward Brown

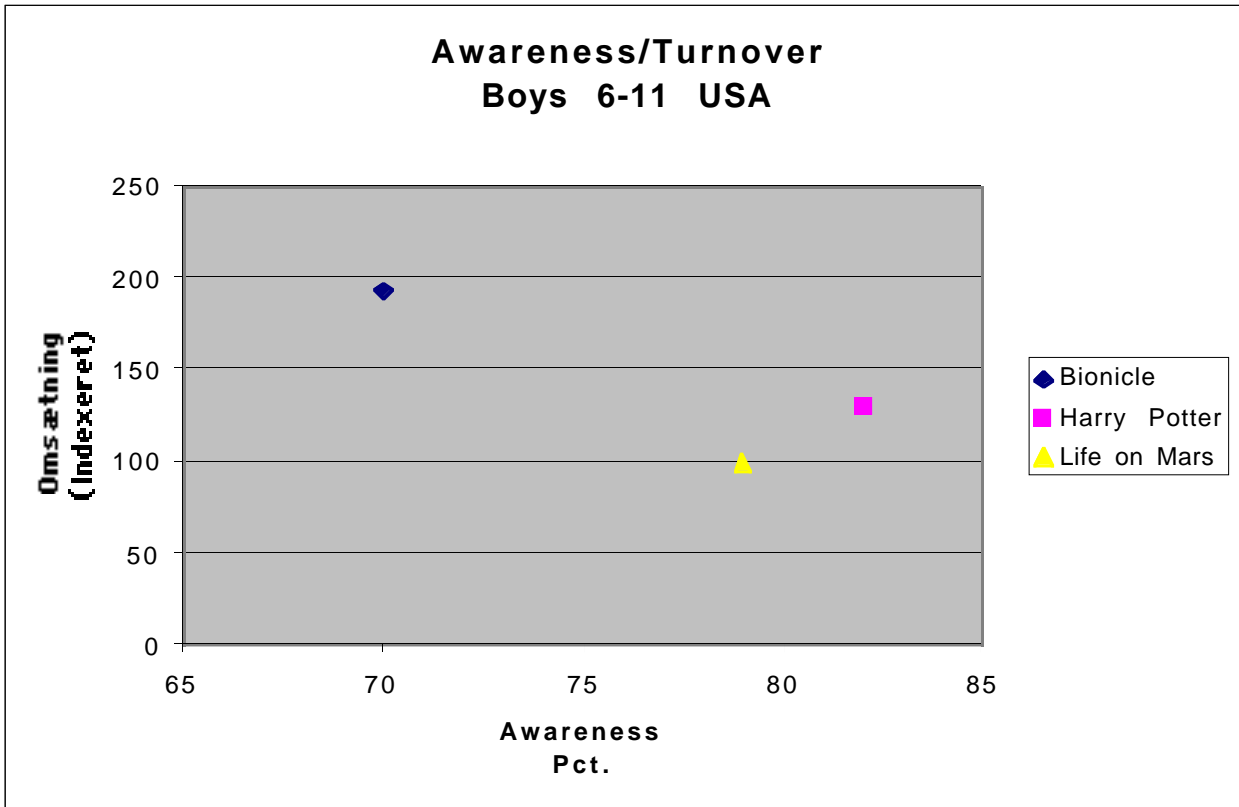
Note that the perception of the Bionicle spots above is set against Millward Brown's "Link4kids Norm".

Through the use of 3D and a general focus on the visual quality, we managed to do each simple communication piece in the media mosaic interesting and fascinating for the target group, who were thereby motivated to find the next piece.

The combination of attractive media and an attractive execution has created a great effectiveness of the achieved awareness. The achieved awareness for 3 is shown below main products in LEGO America's portfolio compared to the revenue the three priorities achieved.



"Awareness" compared to turnover



Source: The LEGO Company and Millward Brown

Despite Bionicle's lower awareness than LEGO Harry Potter and LEGO Life on Mars were sales of Bionicle significantly higher, which documents a high rate of conversion from awareness for sale. The relatively lower awareness for Bionicle must be seen in light of the fact that At the time of the measurement, Bionicle had only been on the market for 2 months in the USA.

At the same time as the above very positive effect of the communication, so emphasizes the following quotes, that the communication had also created a high awareness especially from TV.

"The level of awareness of Bionicle generated from TV is surprisingly high given the fact that we have spent less on TV than on a traditional launch. The only explanation is the high quality and efficiency of the TV commercial"

Eric Wolf, Marketing Director LEGO Americas

"Recall of the TV and Cinema advertising is strong and is linked to the message and the brand":

Millward Brown



Ad 4: Phased story launch

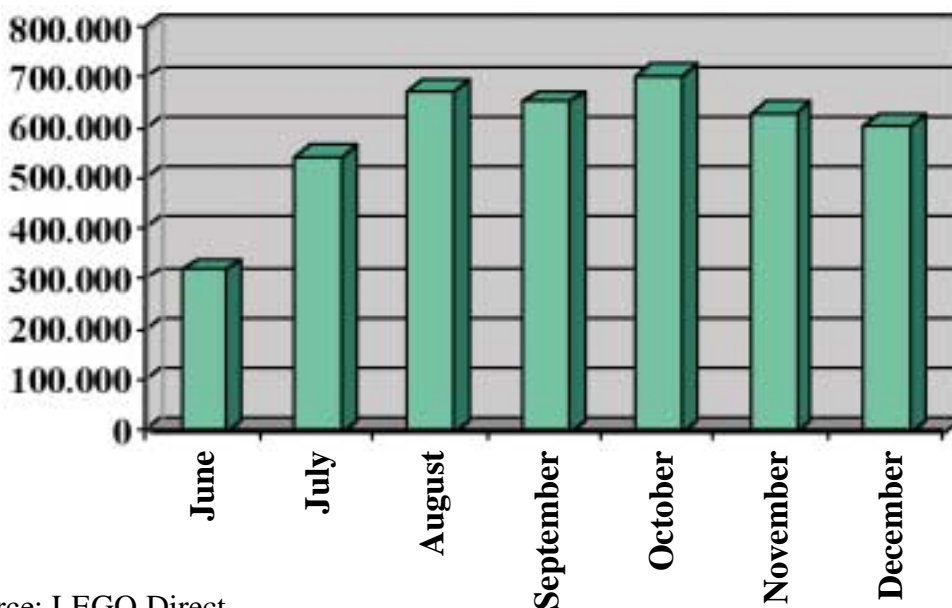
To ensure the children's continuous involvement in Bionicle, the story was continuously "released". The project team decided that the launch of Bionicle should start with a teasing phase where the target group's curiosity had to be aroused. The story was therefore introduced through a mysterious universe and in some cases via rather unusual media for the LEGO Company e.g. Outdoor posters, cinema, event tour and CD-ROM sampling. Only then followed the actual the launch of the physical products.

This story-teasing was initially supposed to get the kids involved in Bionicle the story rather than the physical products. The aim was also to give boys who normally not bought LEGO products, a new and different approach to construction, i.e. making construction into a natural and relevant part of the game.

At the actual product launch, the next step in the story was revealed. The following launch of 6 low-priced products in "high traffic outlets", 3 high-priced products and a GAME BOY ADVANCE games also brought new chapters with them. On the website bionicle.com other new story chapters were released monthly in an online adventure game. Everything with the aim of maintaining interest throughout the year.

www.bionicle.com has been a central piece for creating involvement with great success over time.

Number of unique hits on www.bionicle.com per month in 2001



Source: LEGO Direct

“A user returns to Bionicle.com app. 3 times pr month.”

“The average time on the Bionicle site is app. 30 min.”

“Xtian’s Bionicle corner fan site had to close in July due to 2 million hits and 18 GB webtraffic.”

Leah Weston, Senior producer LEGO Direct



www.bionicle.com's success is partly an expression of how effective other media have been to get the children on the Internet, and partly that it has succeeded in building a large returning base of Bionicle fans.

To tie the whole campaign together, the slogan was developed: "Find the Power". "Find the Power" supports the underlying story that the heroes are on a mission where they must find some "Masks of Power". The slogan should also stimulate the boys to collect stitches (72 different). Finally, "Find the Power" supports the desire that stimulate the target group's journey of discovery into history. "Self-discovery" is important for children in precisely our target group, because it creates the experience of deciding for yourself.

The creative execution of "Find the Power" itself was supported by the media the mosaic, which gave the children the experience of finding the next chapter/hint around themselves the story and its characters.

"The advertising campaign has clearly been very successful in generating a lot of excitement and interest about the launch of Bionicle and has prompted interest and purchasing."

Goldstone Perl

Ad 5: Choice of partner strategy

The new strategy focused on a story enabled a new role for potential global partners. Instead of being part of a product launch, they could become an active part of a story telling. Interest from potential partners was very high from the start. Among them chosen partners were: Nestlé, McDonalds, Universal Music, Upperdeck (Trading cards), Nintendo, as well as a number of local partners.

It was decided to let all global partners have an integral role in the story. Eg. got McDonalds in their activity opportunity to launch new actors in history, who were unique at the time of launch.

The new partner strategy also ensured that the Bionicle campaign was continuously supplemented with more story-bearing media that could contribute new elements of the story. The media mosaic thus became even more extensive and interesting for the children.

"Compared to budget, The LEGO Company sold 9 times as many Nintendo Bionicles game as planned."

"CPW - Nestlé has globally distributed 7 million CD-ROMs in 24 countries via their breakfast products."

LEGO Company

"Distribution of Bionicle in the McDonald's Happy Meal has resulted in as much as 14% of children in the target group have heard of Bionicle through McDonald's."

Millward Brown.

"LEGO Company estimates that the cooperation with partners globally has given LEGO a visibility that is between 150-200 million. DKK in exposure in 2001."

Stig Blicher Brand Director, LEGO Company for Marketing 24.01.02



Effect of the strategy.

The above shows and documents that the chosen strategy had the desired effect towards the target group.

The epic story has given the broad target audience an attractive starting point for their play, and an incentive to get involved in the further making of history. The broad media mix and the story-bearing media have given depth to the story and created involvement, as well stimulated to "collecting".

The attractive visual universe has made Bionicle "cool" and relevant. The divided history launch and the depth of the story has kept the children involved over a long period of time.

And finally, the partner strategy has contributed to a relevant awareness where the children could find additional bits of history.

In summary, it can be concluded that the marketing campaign is a significant one basis for commercial success.



The results

In the following, we will show what effect the story and the marketing campaign had the sales, trade, target group and future aspects for Bionicle.

The sale of Bionicle

Bionicle had a turnover of more than 1 billion. DKK in 2001 (the launch year) and thus came to constitute more than 10% of the total LEGO Company revenue.

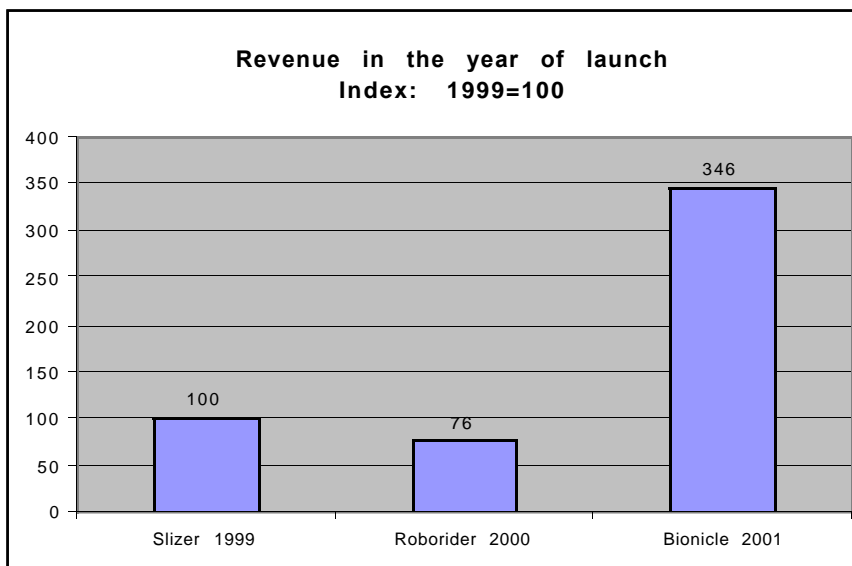
Actual sales significantly exceeded the budget target. The LEGO Company thus sold approx. 85% more than originally budgeted. Furthermore, it belongs to the story that delivery problems at the end of 2001 meant that a large sales potential was not exploited

"Realistically, the LEGO Company could have sold between 30-50% more figures than that was produced."

Stig Blicher Brand Director, LEGO Company for Marketing 24.01.02.

Below you can see the revenue development on Slizer, RoboRiders and Bionicle respectively their launch year. It is interesting to compare these 3, as they product and in terms of price is very similar. It is largely the story concept and the communication that separates them.

Revenue for Slizer, RoboRiders and Bionicle in their respective launch years



Source: LEGO Company

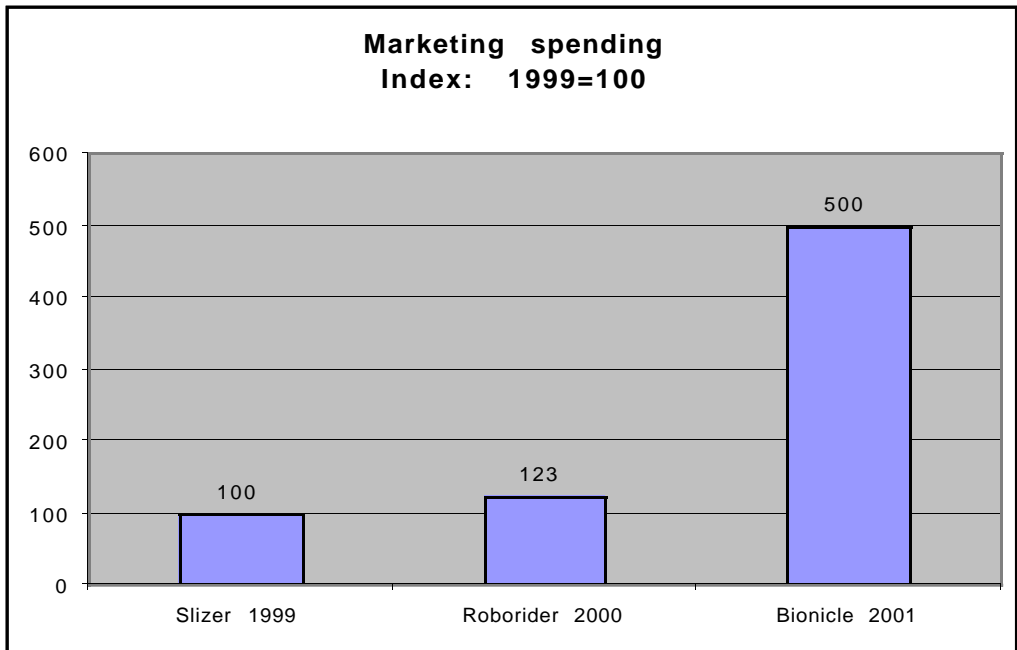
Bionicle thus sold 3.5 times as much as Slizer did in its launch year of 1999.

Note that Bionicle was only introduced in the largest market (USA) in the second half of 2001, when Slizer and RoboRiders had been on the market for a whole year.



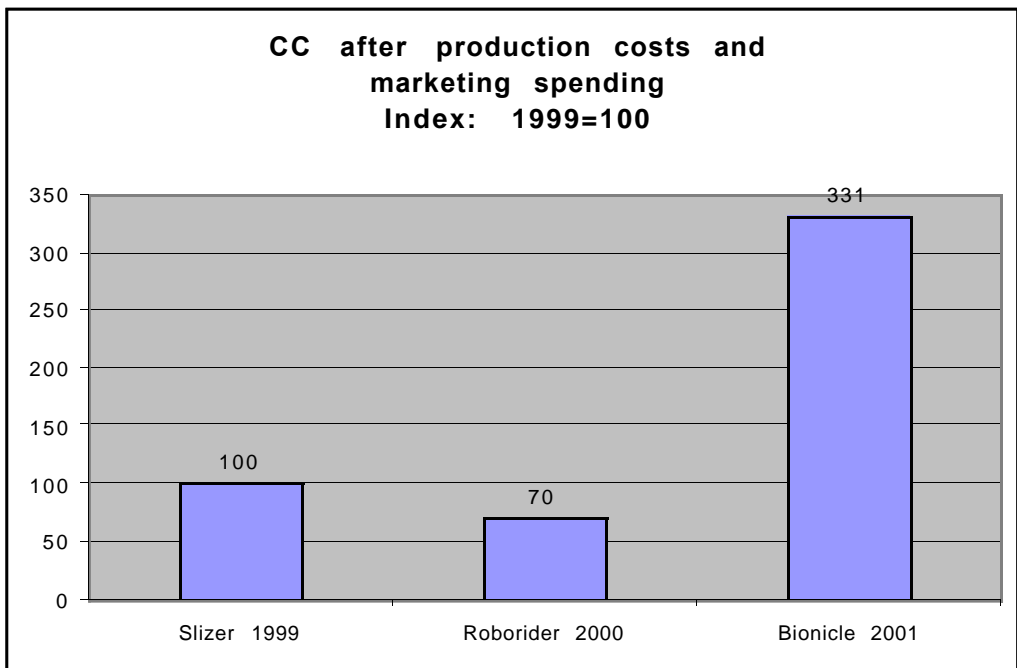
Below you can see the development in marketing spending and the actual net contribution marketing spend.

Marketing spending on Slizer, RoboRiders and Bionicle in their launch year



Source: LEGO Company

Coverage contribution after production costs and marketing spending



Source: LEGO Company



As the figure shows, the marketing investment has been paid back many times over. And its total contribution net of marketing spend created via Bionicle is over 3 times as large as Slizer and more than 4 times the size of RoboRiders.

Bionicle has thus been a very great success both in terms of revenue and earnings for the LEGO Company. The comparison clearly indicates that it is the marketing and the addition of a story that has made Bionicle "cool" and relevant in the target group and thereby creating the sales success.

With its sales, Bionicle reached a higher penetration in the target group than Slizer, and made the children major collectors.

"Coverage has reached 25%."

(Slizer reaching a penetration of 10%. Source: LEGO Company)

"The average number of Bionicle toys owned is 4 and Bionicle has a larger proportion of 'enthused collectors' than other themes."

Millward Brown

That is, Bionicle has contributed significantly to achieving the overall goal the product category, namely to make the LEGO products relevant to the target group

The high sales of Bionicle also meant that the LEGO Company had for the first time products on the US toy industry's top 15 list of best-selling toys. (See also Appendix 3 for the awards Bionicle has received)

The impact of the toy market:

The introduction of Bionicle in 2001 has helped to influence the LEGO Company's general position on the toy market.

According to the TIA (Toy Manufacturers Association of America), the construction toy category grew by 22% in 2001, compared to an average of 1.7% for the entire toy market and Bionicle is awarded the top honor

The stock exchange 18.2.2002

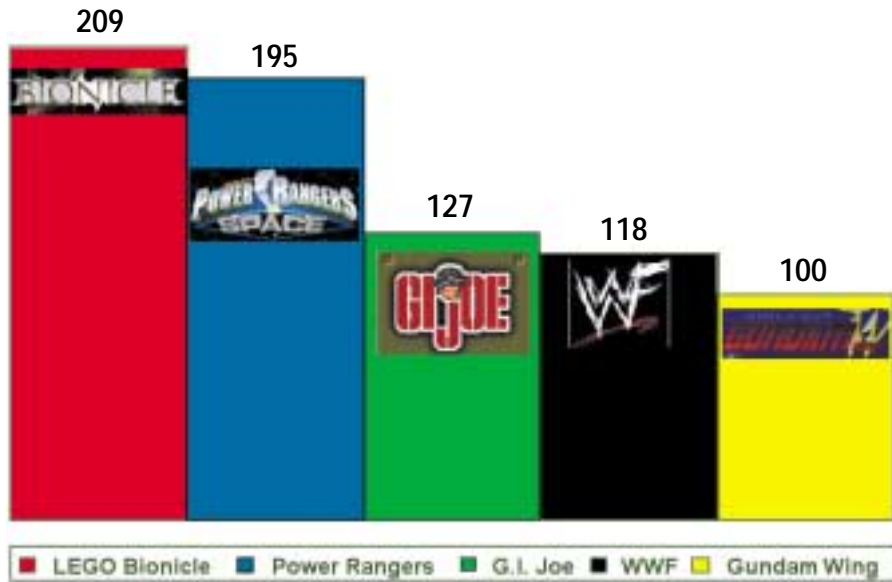
"If it wasn't for Bionicle, the toy market wouldn't have had the fun."

Marketing manager Claus Nielsen, BR/Toys'R'US in Scandinavia, spring 2001.



By comparison with the strong established actors in the "Action hero" category on in the toy market, Bionicle also shows its value, as all other brands are surpassed in terms of sales already in the year of launch.

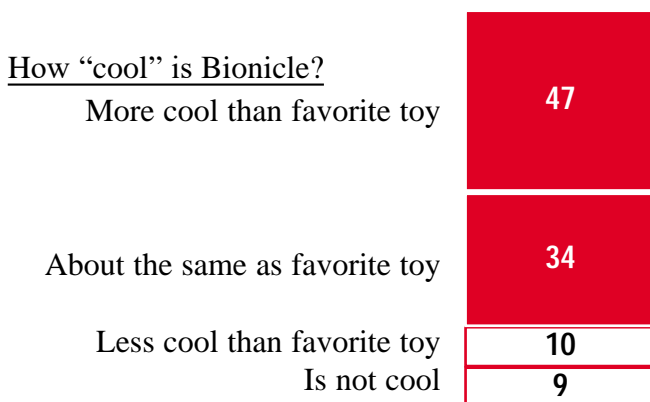
Aug-Nov. sales divided by action figure market, Gundam Wing = index 100



Source: Millward Brown

The influence of consumers

Analyses of the effect of the marketing campaign on consumers have shown for the United States that Bionicle has achieved a very positive position with children.



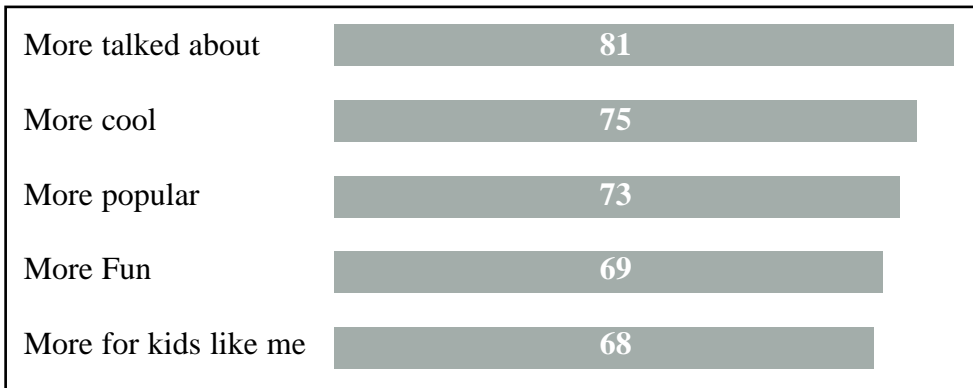
Source: Millward Brown



Analyses also document that Bionicle has had a positive influence on children as well as parents' perception of the LEGO brand.

Bionicle's effect on the LEGO brand: Boys 6-11

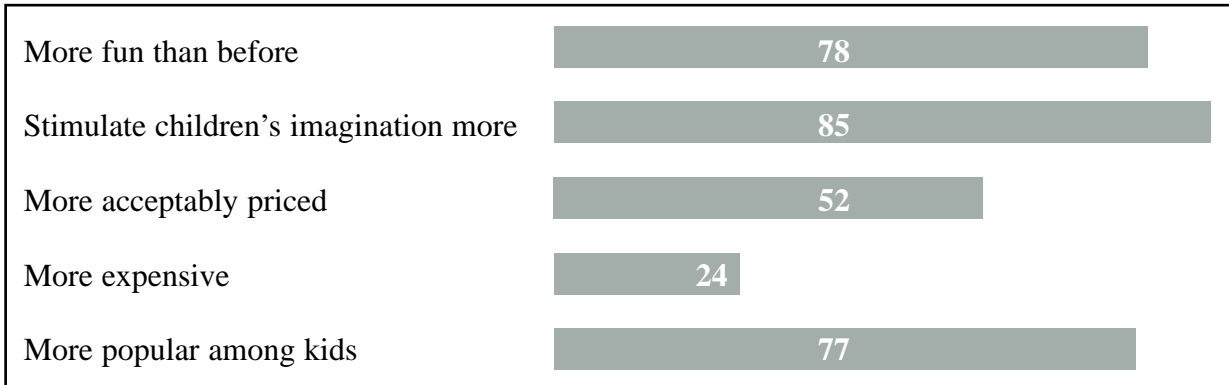
Do you think Bionicle makes LEGO more...



Source: Millward Brown

Bionicle's effect on the LEGO brand: Mothers to boys

Do you think Bionicle makes LEGO more...



Source: Millward Brown

"Bionicle has impacted LEGO brand inventory - helping make LEGO more than a building toy."
 "Bionicle is having an observable impact on LEGO brand equity."
 "There are positive effects at all levels of the brand pyramid."
 Millward Brown

It is not possible to directly convert the positive effect on the LEGO brand into finances, but it is evident that it is of great importance for an established company that the target group's perception of the brand improves so significantly.



The future

Another central goal of the strategy was to create expectations among the children for 2002, and at the same time creating a more sustained marketing success. Everything indicates that it will succeed. This year 2002 sees the launch of 12 new products, all of which are an integral part of the next chapter in Bionicle the saga.

Below is the expected development in revenue for 2002 compared to 2001.

Slizer actually about. 1999: (Index 33)

Bionicle actually about. 2001: (index 100)

Bionicle budget approx 2002: (index 175)

Source: LEGO Company

The budget for 2002 prioritizes story-bearing media and, to a lesser extent, mass communication, which thus reduces total media spending. It is an expression of how strong an IP is was created in 2001 through storytelling and thus communication.

"Ongoing, this will translate into higher repeat purchase levels and provide a better return on investment as advertising has created a lasting set of brand memories".

"Future purchase intent is strong"

Millward Brown

The first indications from the markets where new parts of the story have been launched together with new products, support the great expectations. Or as it is worded:

"There is no indication that we will not see a new sales record this year."

Henrik Poulsen, Senior Vice President, LEGO Company

For the year 2003, the development of a 70 min. animated "Direct to Video" film which tells the 2003 chapter. In addition, a "state of the art" Playstation 2 game will be developed. The total Bionicle product range is expected to triple in September 2003 compared to range in 2001. The commercial basis is thereby radically expanded.



The film, the game and the increased product range are a clear expression of the LEGO Company perception of the strength of the property built in 2001. A number of interesting recognized brands have also signed up to participate in both 2002, 2003 and the following year. This means that the external interest in Bionicle is increasing, an interest that has created expectations for licensing income, as part of the expanded business base.

At the time of writing, the LEGO Company is negotiating with American film companies that make a feature film for the cinema at the end of 2004/early 2005.

A clear expression that the goal of building an intellectual property with Bionicle has been achieved.

"We are in the process of considering the offers, but it is completely new to us that we are there has a story and a product that can attract the interest of the biggest film companies. Usually it's the other way around."

Stig Blicher Brand Director, LEGO Company for Marketing on 24/1 2002.

In summary, it must be concluded that a strong product added to an attractive story and a successful marketing campaign has created one of the largest Danish success stories in 2001.



Appendix 1

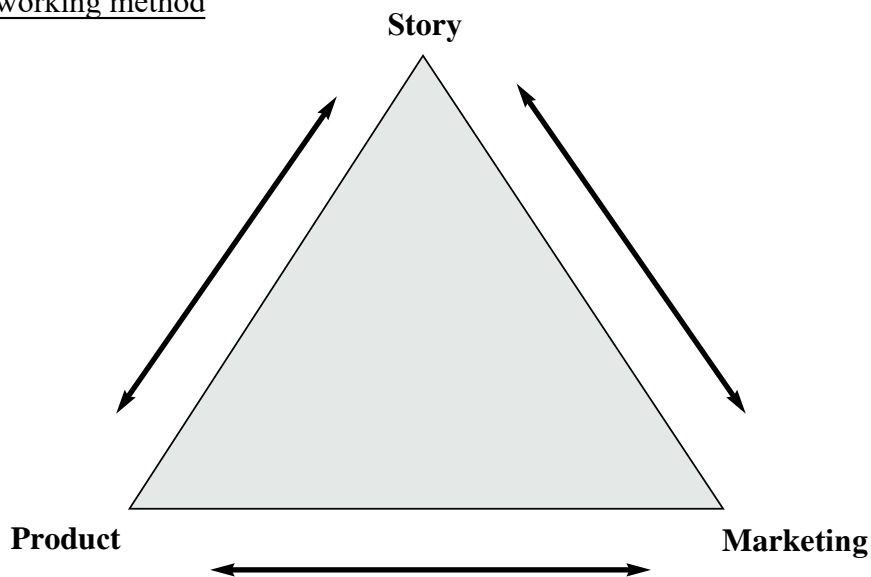
Development of the concept

Neither the LEGO Company nor ADVANCE had experience in bringing their own creation history to the market. However, the project group was sure that it was necessary to create synergy between the story, the product and the marketing. So that a change in one of the elements would automatically cause an adjustment in the others.

Therefore, the development of Bionicle required a high degree of flexibility and collaboration across the LEGO organization.

The LEGO Company created the prerequisites by putting together a cross-organizational project group with LEGO representatives from the areas involved, i.a. product development, production, story writing, and marketing. In addition, was ADVANCE represented. The project group met every fortnight to coordinate and ensure, that everyone was on the same track. In addition, the sales regions and the other business areas were involved monthly to incorporate input from the markets and brief on the latest news.

Bionicle working method



In order to create uniform exposures in the target group globally, the project required more a tight central management and distribution of materials. ADVANCE prepared a global design manual, which partly explained all developed material, how it could be used, and which story elements were released at a given time. This ensured a uniform structure of the Bionicle IP globally.



Example of integration

A result of this working method and the first example of the connection between the elements are that the story for 2001 starts with "A cannister drifts a shore on the Island of Mata Nui".



Story picture



Packaging



Building instructions

The packaging for the 6 main products thereby became an integral part of the story. The 6 heroes who arrive in these cans, build themselves, and start looking for "the Masks of Power" on the island. Note how the loose "bricks" are written into the story. The building instructions for the model take place on the beach, which should further support the goal of making the building an integral part of history.

Both packaging and masks contain codes which the children can access via the Internet for more information about "the quest".



Appendix 2

Analysis:

Millward Brown: Evaluating the effectiveness of the Bionicle Launch

When: 29/11 2001 – 9/12 2001

Where: USA: Atlanta, Boston, LA, Chicago

Who: N=200, 6-11 year old boys (and their parents)

How: 15 min. interviewer administered questionnaire

Goldstone Perl: LEGO Bionicle Post Launch Evaluation

When: April 4th 2001

Where: UK: St Albans (Greater London)

Who: N=15, 7-9 year old boys

How: Five triad interviews (three boys) and one paired depth interview. Each lasted for around three-quarters of an hour



Appendix 3

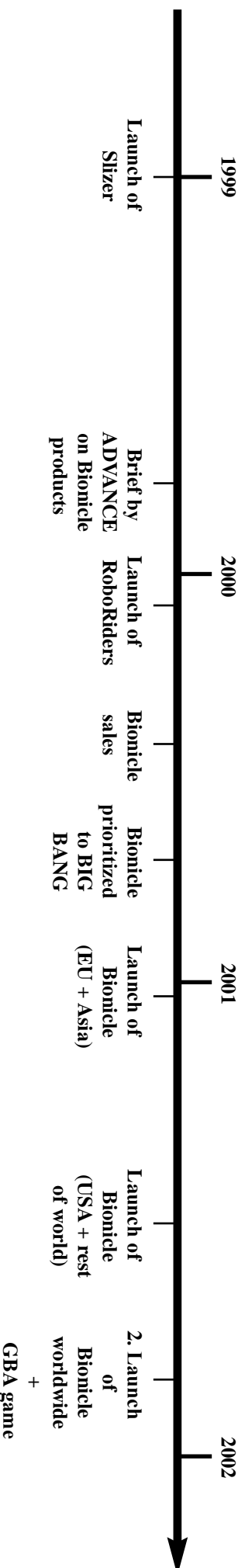
Praise

- Toy of the year 2001/2002: British Association of Toy Retailers (BATR), UK
- Top Toys of the Year: Today's Parent, Canada 2001
- Best Selling Toys, Overall: Play Date, USA 2001
- Best Selling PC Games: Play Date, USA 2001
- Best Selling Toys, Specialty Retail: Play Date, USA 2001
- Highly Recommended: The review Zone, USA 2001
- Hot Holiday Toys: Toy Wishes Magazine, USA 2001
- Children's Choice Award: Canadian Toy Testing Council (CTTC), Canada 2001
- Best Boy Toy: Toy Industry Association (TIA), USA 2001
- Most Innovative Toy : Toy Industry Association (TIA), USA 2001
- Nominated Best Marketing Campaign: Toy Industry Association (TIA), USA 2001
- Toa packaging: Bronze grain by Dansk Guldorn
- Toa packaging: Gold wood London International Advertising Award



Appendix 4

Bionicle development and launch timeline



Timeline for Bionicle marketing campaign

