5 questions to...

Mads Nipper

Executive Vice President
Markets & Products, LEGO® A/S

Mads Nipper joined the LEGO® Group in 1991 as a media consultant. During his LEGO career, Nipper has primarily worked with marketing and product development.

From 2001 until 2004, Mads Nipper held the position as Managing Director, LEGO Central Europe, being responsible for the sales and marketing activities in Germany, Austria and Switzerland.

In 2004, Nipper assumed responsibility for the LEGO Group's overall product development and marketing activities.

In 2006, Nipper was appointed Executive Vice President of the Markets & Products division,which is responsible for the LEGO Group's global product development, marketing and sales to retailers, and became a member of the group's Corporate Management.

• Is there a master line to be followed for the development of any LEGO product?

All new LEGO products except new concepts like LEGO Games are developed as part of a standard development process (LEGO Development Process, LDP). The process is a standard process that is applied in almost the same way in all development projects, although some products like LEGO TECHNIC sometimes take longer than the standard process. Part of the LDP is a set of very high demands on product quality, design and building experience that all products have to live up to. Everything has to be system in play - No exceptions!

• What determines the creation of a new line in the LEGO catalog?

We start with a strategy for what target groups, experiences and price points we should prioritize in our assortment. This sets direction for the innovation efforts in our team, and over a 7 month process, we go from more than 100 opportunities down to the about 20 development projects we do every year. And it really is the creativity and talent of our development and marketing teams that determines what lines are presented. The Leadership Team makes the final choice of new lines based on strategic fit, evaluated consumer appeal of the line, business potential, complexity, and cost of the proposed lines. Furthermore, we always evaluate if a new line is incremental – does it offer something new and exciting to our product range?

• How do you define a global marketing stategy taking into account that it has to fit in markets as diverse as the European, American or Asian?

So far, it has been surprising how much one product can appeal to the same consumer in different parts of the world. For example, our City fire truck sells very well both in Germany, US and Korea – even though the real world fire trucks look very different in these countries. The same goes for our marketing efforts which are largely global, but of course with lots of local initiatives that work well in that particular market. We are, however, ready to experiment with more regional assortments if it proves necessary. But so far, that has not been the case…

• The global toy market is not at its best. In contrast, the LEGO Company is presenting in the recent years spectacular results in all markets. What explanation is there for growth in the current difficult times?

I believe it is because difficult times make consumers think more about what they spend their money on. LEGO products cost quite some money, but more and more consumers know and recognize that our products are true quality experiences that deliver more play hours per euro spent. Or in other words: In difficult times, people buy more quality products like LEGO, and less "plastic fantastic" toys. On top of that, I am very satisfied with the appeal of the products that our team has developed the last few years.

• Why it was decided that the LEGO brand should no longer be linked to any food brand?

Because child obesity is an important issue that we needed to relate to. There are of course healthy foods that we could still work with, but it would be a very subjective evaluation of what is healthy and unhealthy, and this opinion is furthermore very different in different countries. Therefore, we decided to stop working with food companies altogether.
#

79