

How LEGO built and maintained an empire, brick by brick

Article



As the world's largest toy company, LEGO has built a [retail](#) empire that outpaces competitors Mattel and Hasbro combined through a sophisticated, centered multichannel strategy.

"Everything about LEGO is centered around this one particular thing: the LEGO brick. That's extremely powerful—other brands just don't have that sharp focus," said retail analyst Zak Stambor on our "[Behind the Numbers](#)" podcast.

Here's how LEGO maintains its market dominance:

Multigenerational appeal drives growth

LEGO has expanded beyond children's toys to capture diverse age demographics. The company's product range spans from toddler-focused Duplo blocks to sophisticated adult sets, including the popular botanical collection.

"It's such a classic toy and it can grow with consumers through different stages of their lives," said our analyst Sky Canaves. "They've even started targeting adults to create, not just play, but create or use LEGO for relaxation."

Brick-and-mortar excellence

LEGO stores serve as experiential showcases that drive engagement through:

- Interactive building stations
- Limited-edition releases
- Expert brand enthusiast staff
- Community events and workshops
- Impressive product displays

"They create really interesting experiences in stores," said Canaves, pointing to last year's Valentine's Day flower shop-style store display in London. These displays have played a crucial role in international expansion, especially in places like China where parents may not have grown up playing with the legacy brand.

Strategic partnership ecosystem

The company has built powerful partnerships across entertainment and IP, including with major franchises ("Star Wars," "Harry Potter"), original content ("The LEGO Movie," LEGO Masters), retail partnerships with major chains, and theme parks and experiences

This creates a flywheel effect while maintaining focus on the core brick product.

Quality and sustainability focus

Despite expired patents opening the door to competitors, LEGO maintains dominance through:

- Superior manufacturing quality
- Precise engineering ensuring pieces fit perfectly
- Sustainability initiatives including recycled materials
- Product longevity that builds brand trust

“So many toys, you get them, they fall apart, they go in the trash,” said Stambor. “The reason that I have a million LEGOs in my basement is because Legos last forever.”

LEGO's success offers key lessons for other retailers, including:

- Maintain laser focus on core competencies
- Create experiential retail environments
- Build strategic entertainment partnerships
- Drive multigenerational appeal
- Prioritize product quality and sustainability

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