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Table of Contents

Introduction.....	2
Element 1: Segmentation, Targeting and Positioning (STP) Analysis	3
1.1 Brand concept and risk evaluation	3
1.2 Appeal to the market and macro trends	3
1.3 Market Segmentation, Targeting and Positioning	4
Element 2: Marketing Mix.....	7
2.1 Product: modular systems and digital experiences	7
2.2 Price: value-based and accessible premium.....	8
2.3 Place: omni-channel and experiential distribution.....	8
2.4 Promotion: integrated communications and community building.....	9
2.5 Integration and brand alignment	9
Element 3: Marketing Strategy Pitch	9
Element 4: Reflection	11
4.1 Description.....	11
4.2 Feelings	12
4.3 Evaluation	12
4.4 Analysis.....	12
4.5 Conclusion	12
4.6 Action Plan.....	12
Conclusion	13
References.....	14

Introduction

In a fast urbanising and changing consumer lifestyles, the established brands expand to the neighbouring categories in order to maintain the growth and relevance. The LEGO Group has been performing well, with revenue increasing 13% in 2024 to DKK74.3bn in the stagnated toy market. The brand image of LEGO is supported by ten years of success in the Toys category with a brand value of \$7.9bn (Lego, 2025).

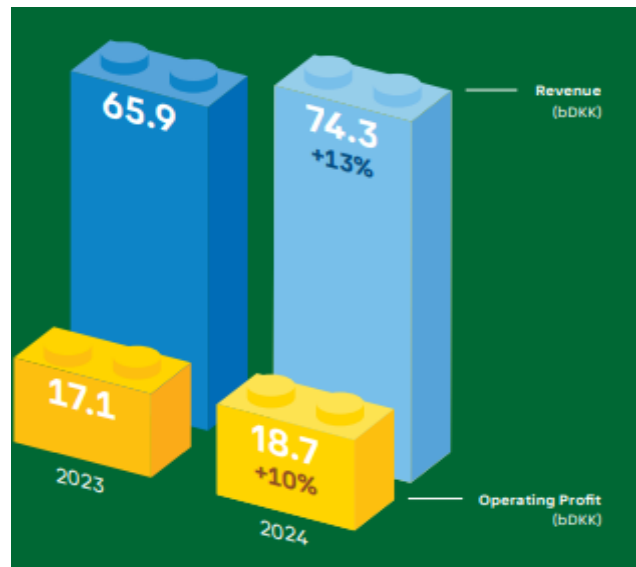


Figure 1: Financial Performance of LEGO (Lego, 2025).

LEGO has also tried lifestyle products for example, in 2021, the company partnered with Room Copenhagen to release a line of wooden homeware in the form of stackable drawers, picture frames and book racks that resembled life-size bricks. The venture showed that consumers were willing to invest in creative, practical home items and this marked that LEGO can expand in other areas of lifestyle without losing brand integrity.

This marketing portfolio is aimed at creating and presenting a critical justification of BuildSpace™, a modular furniture brand project of LEGO that builds on the legacy of creativity, quality and fun to customers. The report analyse segmentation, targeting, differentiation and positioning (STDP) frameworks, a detailed marketing mix and then condenses the strategy into an investor-focused pitch and recalls the learning process to promote its new business wing successfully (Shanin, 2020).

Element 1: Segmentation, Targeting and Positioning (STP) Analysis

1.1 Brand concept and risk evaluation

BuildSpace™ will provide modular furniture units such as seating, shelving, tables and storage that will be interlocked with interlocking studs resembling LEGO bricks. Timber and recycled polymers are certified materials of construction of the components meaning that the company has been progressing towards sustainability. The customers assemble their own assembly on an augmented reality application and place an order on flat-pack modules to assemble them themselves at home. BuildSpace™ is distinguished by high-customisability and childish appearance in contrast to generic flat-pack furniture (Yusof and Tamyez, 2018). However, there is also a threat of brand dilution, high competition, available of substitute goods, regulatory issues and sustainable demand for BuildSpace™. As a solution to this, BuildSpace™ is concentrated on quality, design integrity and environmental responsibility which is what LEGO pledges in its brand. The first categories that the brand will target are the adult and family categories conversant with LEGO to introduce a category fit although this will be gradual as the brand creates an autonomous brand (Yun et al., 2022).

1.2 Appeal to the market and macro trends

The current trend of furniture market favors BuildSpace™. There is a growing preference by consumers to customise, reconfigure, and have furniture made of durable materials. The development of urbanisation and increasing prices of properties boosts the demand of space-saving systems; micro-housing is an expanding market segment increasing rapidly as more residents live in small apartments and choose modular interiors that are cheaper than high-end ones. Millennials and young families are the most active in these trends since they need functionality and self-expression. To comply with environmental expectations, the content of BuildSpace™ is made with low-VOC adhesives and environmentally sourced materials, and incorporates playful designs to transform small spaces (Market Research, 2025).



Figure 2: Global Micro-Housing Market Forecast (Tech Sci-Research, 2025).

The global micro-housing marketing market size stands at \$61.8bn in 2024 and the modular furniture category to increase at a compound annual rate of about 7% by 2030 illustrating the business potential of BuildSpace™.

1.3 Market Segmentation, Targeting and Positioning

a) Market Segmentation

Behavioral Segmentation: Dwelling upon such consumer behaviours as triggers, needs, and digital interactions. BuildSpace™ will appeal to tech-savvy people who are involved in online design services and also need multifunctional and versatile furniture (Larsen, 2019).

Demographic Segment: BuildSpace™ targets customers between the age of 25-40, mostly urban millennials and young families. These clients are also probable renters or homeowners with middle to high income who are more concerned with their sustainability, functionality and customization.

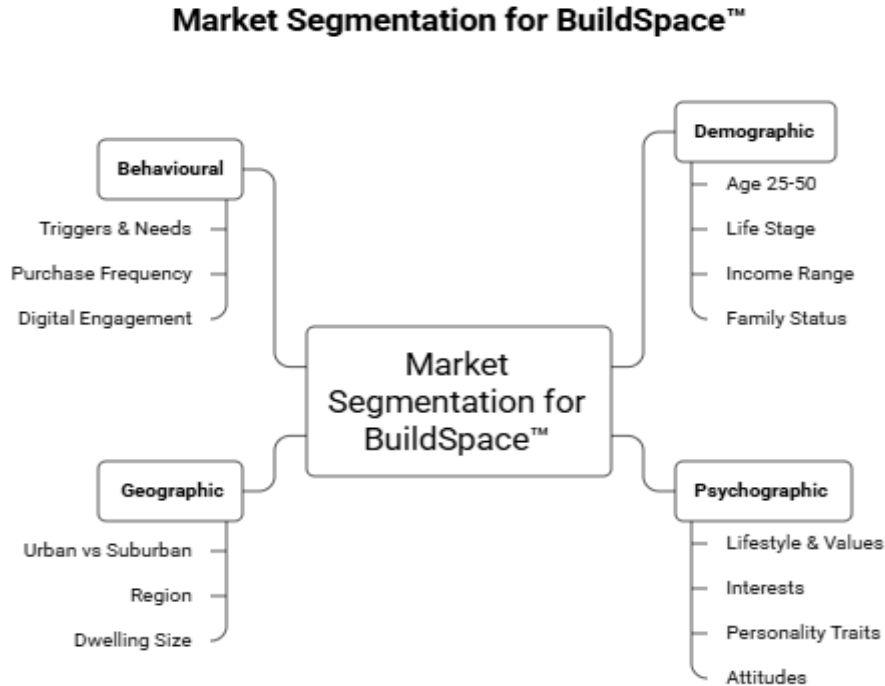


Figure 3: Market Segmentation for BuildSpace™ (Wang *et al.*).

Geographic Segment: BuildSpace™ will focus on customers located in cities and developing suburban areas with smaller residences. The region is densely populated by people who need comfortable furnishing in the form of compact and versatile furniture that can be placed in a micro-living or co-living environment (Larsen, 2019).

Psychographic Segment: The target customers cherish sustainability, creativity and personalization. They are fashion conscious and purport to like products that will enable them to explore their uniqueness without being careless on the environment (Wang, Pallares-Barbera and Vera, 2025).

b) Targeting

BuildSpace™ will focus mostly on urban millennials and young families with concerns on sustainability, design, and flexibility. These are the segments that BuildSpace™ would be suitable in due to their inclination towards personalized and eco-friendly products. Modularity of the product will attract users who regularly change their locations or require flexible furniture. Also, remote work and micro-living are becoming increasingly popular, increasing the likelihood of this segment of the population to be interested in space-saving solutions (Larsen, 2019). Targeting these segments, BuildSpace™ will be sure a fit in the needs of consumers in terms of functional features and self-expression.

c) Differentiation and Positioning

BuildSpace™ is differentiated both functionally and emotionally. Its modules interlock to give it greater customisability than other competing systems and allow consumers to assemble and reassemble furniture easily. Sourcing of materials is done in a sustainable way that is durable and has long product life and is environmentally friendly. AR design application improves user experience through configuration visualisation in real-time and online purchase. BuildSpace™ is emotionally connected with LEGO in terms of nostalgia and creativity, which creates an atmosphere of play and self-expression (6W Research, 2025). The rivals like IKEA also focus on low cost and minimalism design, whereas Herman Miller and Steelcase concentrate on ergonomic office furniture. BuildSpace™ is in a niche of a high-customisability, playful style that places it in a high-customisation, mid-to-premium price quadrant. In order to maintain the differentiation, the brand will invest in proprietary connectors and design patents and community platform where users can share their creations which will create a sense of loyalty and network effects (Wang *et al.*, 2025). Through a combination of online and offline items, the brand will focus on creating an ardent audience of makers and interior enthusiasts, which will result in improved customer loyalty.

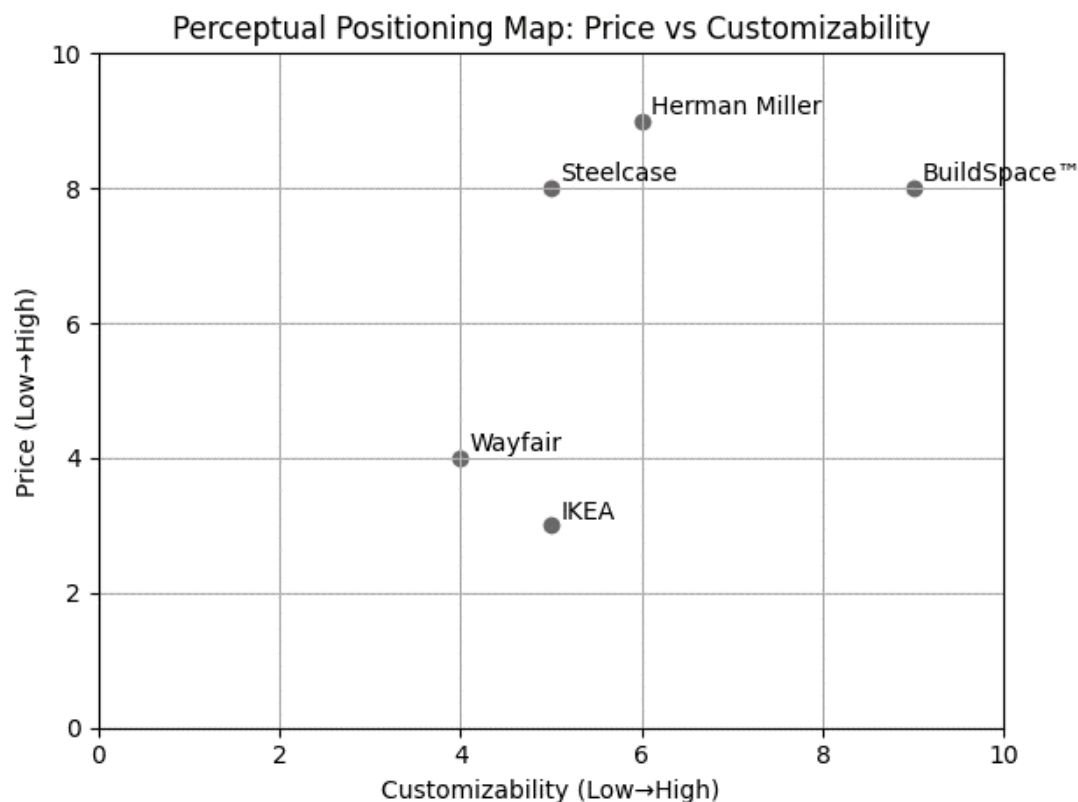


Figure 4: Perceptual positioning map (6W Research, 2025).

Element 2: Marketing Mix

2.1 Product: modular systems and digital experiences

BuildSpace™ has modular seats, shelves, tables and storage which interlock with patent pending studs similar to LEGO bricks. The modules are made of FSC certified wood, recycled polymers and coated with low-VOC in order to be durable and environmentally responsible. They are family friendly with rounded edges and secure locking system and clean with appeal to design lovers. Consumers are able to buy a simple set up and add or rearrange elements as their lives evolve. Furthermore, the AR app will allow the customers to design rooms, visualise modules to scale them and order them. It stores favourite layouts and it has a community whereby users exchange ideas (Shilin, 2022).



Figure 5: Product Design for BuildSpace™ (Shilin, 2022).

The variety is renewed by seasonal colours and designer lines, which motivate consumers to purchase repeatedly. Combining physical construction with the concept of digital co-building, BuildSpace™ is a high-end participatory experience that separates it among the generic flat-packs and reaffirms the LEGO tradition of play.

2.2 Price: value-based and accessible premium

Pricing makes BuildSpace™ a dream, but one that can be achieved. Core modules are located between mid-premium and mass-market furniture and indicate a high quality of materials and personalisation. Modules are sold individually at a premium to stimulate the sale of kits; starter kits come in packages at a reduced price to reduce the barriers to entry. Expansive finance deals, such as instalment plans, buy now pay later and annual updates on the module updates, assist young families and millennials to plan their upgrades (Mockevičienė and Vedlūga, 2024).

Product	Price	Description
Basic Starter Kit	\$299	Includes 3 modules (sofa, table, shelf)
Expansion Pack	\$129	Set of 2 additional modules (shelves, seating)
Custom Module	\$49	Single modular unit for customization
Designer Collaboration Pack	\$199	Limited edition design by a renowned designer
Subscription Service	\$14.99/month	Access to new seasonal colours and designs

Table 1: Pricing Strategy (Mockevičienė and Vedlūga, 2024)

Subscriptions generate a stable revenue and strengthen circular consumption. Engagement in terms of reward programmes such as loyalty, referral credits and early access to limited editions do not undermine brand equity. This value-based strategy makes customers buy again and generates lifetime value, providing healthy margins and certain cash flows to the investors and customers to invest in furniture that fits their lives.

2.3 Place: omni-channel and experiential distribution

BuildSpace™ is a combination of computer ease and physical interaction. A direct-to-consumer e-commerce system that is combined with the AR design app will enable customers to design, order and monitor their sets. Local assembly hubs (flat-pack delivery) lowers shipping and fulfilment times. Since furniture is a high-involvement purchase, the brand will use pop-up studios in major cities and shop-in-shop displays in LEGO flagship stores and premium design boutiques where consumers can touch modules and receive design recommendations. Collaboration with luxury home-ware sellers will widen the coverage and match BuildSpace™ with the additional goods (Visser and Molin, 2022). BuildSpace™ workstations will be used in the co-working hubs to do experiments. Digitally savvy urban

markets will be the focus in the global expansion. With the use of LEGO-based logistics infrastructure, profitable expansions and cost-efficiency are guaranteed.

2.4 Promotion: integrated communications and community building

The process of promotion motivates and involves without losing sight of the fun premium service nature of BuildSpace™. The message focuses on the happiness of creating and redefining personal spaces, the sustainability of materials and the ability of modular design to change the world. The social media is the focus: Instagram, TikTok, and Pinterest campaigns will contain layouts created by users, time lapse transformations, limited-edition drops. The targeted advertising will convey segment-specific messages such as playful loft conversion among urban millennials, safe learning areas among families, elegant workspace solutions among remote employees and creative exhibits among design lovers. The authenticity will be provided by influencer collaborations with interior designers, sustainability influencers and influential LEGO fans creators, whereas the AR app will be brought into the limelight through cross-promotions with digital creators who can offer consumers real-life experiences. PR activities will ensure that the design, lifestyle and business media are covered to highlight the heritage and environmental credentialing of BuildSpace™. It will be promoted through referral programmes and pre-orders that will be limited to spur early adoption and exclusivity (Azmir and Purnomo, 2025).

2.5 Integration and brand alignment

Across all 4Ps, BuildSpace™ has a clear focus on creativity, sustainability and modular living. The product is open to co-creation, the prices are designed to be adopted but guard equity, the distribution mixture of convenience and experience touchpoints and community participation, and the promotion creates a story that can be followed. This integrated combination makes the LEGO play ethos a lifestyle promise, providing versatile, quality furniture that has the ability to change with the lives of the users and provide healthy returns and defensible differentiation to the investors (Azizi and Mansouri, 2021). A sustainable operation aligns the operations and improves the reputation and provides the basis of scalable, future-proof growth opportunities.

Element 3: Marketing Strategy Pitch

The marketing strategy pitch is pitch is:

LEGO – BUILDSPACE™

DESIGN IT. BUILD IT. LIVE IN IT.



WHAT IS BUILDSPACE™?

BuildSpace™ is LEGO's modular furniture line that lets customers design and assemble their own home pieces — just like building with LEGO bricks. Each furniture module clicks, locks, and expands using a durable, life-size LEGO-style connection system. It turns interior decorating into a creative, customisable, and playful experience for every age.

WHO IS IT FOR?

Young adults, families, college students, and LEGO lovers who want personalised furniture that adapts to small spaces, changing lifestyles, and evolving creativity. Perfect for renters and flexible homes.

DIFFERENTIATION

- Iconic LEGO design transformed into functional everyday furniture
- Fully modular — expand, rebuild, and reshape anytime
- Durable, lightweight, and tool-free assembly
- Sustainable materials with long product life
- A "fun game concept" — furniture becomes interactive and expressive

PRODUCT LINES

- BuildSpace™ Living – Sofas, coffee tables, TV units
- BuildSpace™ Work – Desks, shelves, storage
- BuildSpace™ Kids – Safe, colourful play-focused furniture
- Creator Kits – Collectible add-ons for advanced builds

PRICING MODEL

BuildSpace™ uses a modular pricing and subscription model, where customers purchase a starter furniture base and add modules as they expand or redesign. Monthly membership from £14.99/month gives access to exclusive Creator Kits, design challenges, and replacement parts, supporting continuous upgrades and long-term engagement.

KEY STRATEGIC ELEMENT

BuildSpace™ extends LEGO beyond toys and into a lifestyle home category, creating a recurring revenue stream while reinforcing LEGO's core identity — unlocking creativity through building.



This poster presents BuildSpacetm, a revolutionary modular furniture collection by LEGO that enables the customers to create, play and customize their home furnishing in an imaginative and amusing way. The line will be aimed at young adults, families, college students and LEGO

enthusiasts who are interested in flexible and space-saving and customizable furniture. BuildSpace™ has a special connection system which is comparable to LEGO bricks and enables one to build and re-build furniture with no tools (Wang et al.,). Its products fall on the furniture of living rooms, working areas, and children areas which are manufactured using environmentally friendly materials that are durable and can be used over time. Its modular-formable design means that every component can be expanded and adjusted to the needs of the user, which makes it ideal in a case of renters or people in transition. It has the subscription system that includes exclusive creator kits, design challenges, and replacement parts along with encouraging continuous interaction (Yun et al., 2022). BuildSpace™ fills the core competence of LEGO as creative and playful, in addition to addressing the home and lifestyle target market.

Element 4: Reflection

The Gibbs learning model is used to reflect my learning that contains:

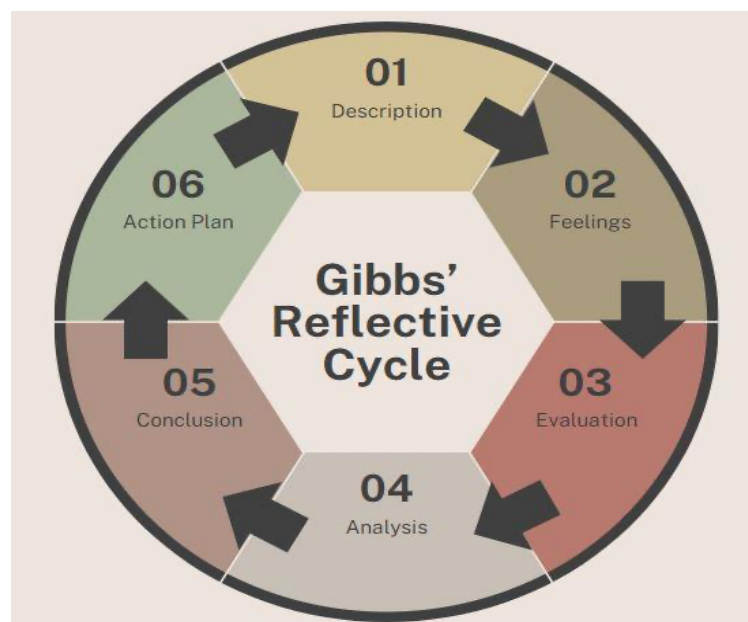


Figure 4: Gibbs Reflection Model (Source: (Sibeko *et al.*, 2024)).

4.1 Description

The process of creating the BuildSpace™ idea and selling plan was a challenging and as well as a satisfying one. I was engaged in formulating the most important selling points of the product so that it was consistent with LEGO values of creativity and sustainability. The marketing plan entailed making key choices regarding STP analysis and translating the choices into action plan (Tan *et al.*, 2024). Another difficulty was delivering the pitch and this aspect needed to be clear, confident and also convincing to investors.

4.2 Feelings

Initially, I was intimidated by the length limits of words particularly in summarizing complicated concepts. But I quickly understood that these boundaries made me narrow down on various issues that mattered the most in conveying the value of BuildSpace™. I was thrilled by the possibility to introduce something new and was worried about the reception of the same (Sekarwinahyu *et al.*, 2019). The process eventually allowed me to learn and develop.

4.3 Evaluation

I was delighted with the way the brand concept was put together, particularly in the way it has emphasized sustainability and fun. The marketing mix was good and I would have done a more detailed analysis of the competitor in the STP section. Specifically, the business pitch was convincing, although I could have supported it with more quantitative information to investors (Sibeko *et al.*, 2024). Although I was certain about the presentation of the pitch, I also knew that I had to gather more facts about consumer behaviour to reinforce the targeting.

4.4 Analysis

This exercise taught me that it is necessary to combine creativity and the ability to think analytically. Although in the interest of the word count I reduced the analysis to STP, I was aware that I would have offered more information on the consumer behavior, particularly the emotion motivation (Tan *et al.*, 2024). I also got to know that as much as sustainability was core, delving into understanding the consumer needs would have enhanced the position of the product even more.

4.5 Conclusion

I also came to know that brand concept development involves a clear vision of creativity and practicality. Next time, I will put more stress on more thorough market research especially consumer psychographics. My pitch delivery will also be polished, as I will use additional data in favor of the investment potential.

4.6 Action Plan

In addition, in coming projects, I will pay more attention to consumer behavior and developing my approach towards market research. I will also practice data incorporation in my pitches to define them more effective and enhance my overall development of the marketing strategy (Sekarwinahyu *et al.*, 2019).

Conclusion

Finally, the concept of building the BuildSpace™ brand and its marketing plan gave greater insight into the field of strategic thinking, innovation, and efficient communication. On implementing the models like STP and optimization of marketing mix, it was possible to secure some useful information about the market segmentation, targeting and positioning. The pitch process demonstrated the need to be in line with the business goals, consumer demands, and investor requirements.

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