

Leg case study essay



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Leg realized it had develop a unique design and would further leverage this resource to enhance their future capabilities. This led to virtuous cycles Of capability enhancement that attracted partnerships with the likes of Star Wars, Batman and The Hobbit, for example. In the plastic construction market, Leg have very little to no competition due to the success of this patent. It is unique resources such as this that has established such sustainable competitive advantage overtime ND product recognition once they evolve into diverse markets.

If endings Internal Analysis In 2004, Leg has many of its resources spread out all over the globe. The new CEO was aware of this and was determined to reduce the amount of unused stock. Operations and resources in 2014 are now much improved with the obvious brick system, quality of the products with a wider range and finally a large improvement on logistics with the right products at the right time (Ashcroft 2014). Logo's capabilities have evolved with the product line allowing the full utilization of the resources at hand. Leg has been able to adapt to its new market by using its already established brand name and logo.

By using their brand recognition, they have utilized a key strength of their resource base seen in Appendix 1. 1 . They have also been able to commit to other brands such as Harry Potter, Star Wars, Batman and The Hobbit (Backchat ; Men 2011) in recent years to further entrench themselves in markets such as video gaming and plastic construction. Their product offering, as seen in appendix 1 3, has increased through expansion of products and resource leveraging. External Analysis For Leg, the plastic

construction industry is attractive as they continue to nominate because of their patent building brick.

When deciding to expand into further markets they must also be attractive.

Leg has recently chosen to introduce products into video games and movies as this seems to be the current trend for children entertainment. As attractive as these industries are due to their potential earning ability, the threat of substitutes is high as it is relatively low cost with high sales prices (Appendix 2. 5, 2. 2).

New entrants are likely to arise due to these earning capabilities but it is a tough market to make an impact as companies such as Leg, Warner Bros. And Nintendo have an already recognizable brand image.

Leg have been able to make large impacts in video gaming with over 30 games being produced over multiple platforms (Backchat ; Men 2011). From 2004, Leg have been able to adapt to the changing market needs and the new CEO has been a major part of this operation.

Appendix 2. 3 details Legos product offering. Leg have built a loyal customer base over time but emerging trends such as video gaming is very popular over all ages as the dynamics of market segmentation have changed (Ashcroft 2014). The strength of Lego's competitors is rather moderate at this stage (Appendix 2. 5).

Major video game threats include Nintendo, Microsoft and Sony. Toys on the other hand see Hasbro and Mattel as major competitors. Due to popularity of its recent movie, Leg has become the biggest toy seller in the world (Petrol <https://assignbuster.com/leg-case-study-essay/>)

2014). Key strategic Issues Maintaining growth through product selection
Adapting to continued modernization of kids entertainment Develop further
brand recognition Progress into new markets such as India and Southern
Europe Recommendations ego has improved on its product line over the last
ten years and must continue to do this so as not to get stuck in dire financial
circumstances once ore.

Continued growth aligning with their business and strategic goals should
allow them to be innovative and stay properly adjacent current market
trends. Option 1 Ensuring that Leg keep their product range in line with
current market trends is important to ensure customers prefer Leg over its
competitors.

With innovation and research and development, ensuring we meet the needs
of our targeted market segments will be completed. Having a connection
with the majority of our market segments will assist in a sustainable
competitive advantage. We can see what our competitors are doing well and
use what sources Leg have to adapt.

Continuing their growth in the video game market over multiple platforms is
indeed what recent markets trends would suggest.

Further research in this area would ensure children can remain relatable to
Logos products. Option 2 Expanding into markets where Leg does not have
current presence could have great benefits to the Leg brand recognition but
also ensure Logo's growth remains consistent. International market including
India, Southern Europe and South America are yet to have Leg products

introduced. These areas have large populations and could mean large financial gain for Leg.

Selecting the right type of business to resell the Leg products could determine the success or failure of such a venture.

If Leg were to pursue this option, extensive research would be required to fulfill the needs of the international market of their choosing and creating further competitive advantage. Conclusion The best option for Leg is Option 1 . Children’s entertainment is forever changing and companies are required to align themselves with current trends. Being able to identify current resources Leg has and being able to leverage competitive advantage off those resources is vital.

Evidence of Logo’s revises entrenchment into the video game market shows that being active within current market trends can enhance growth, profitability, product recognition and above all competitive advantage (Backchat ; Men 201 1). Continuing grog.

Vet in attractive industries is also important and should have dedicated research and development. For such recommendations to work, ego’s BSM should align with the strategies it is likely to put in place. Its resources are well used, the value chain is ensuring customer satisfaction and the products that Leg offers or has planned suits the needs of the current, changing and emerging markets.