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LAN WORK GROUP ON VIP MEMBERSHIP

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What is the LEGO® VIP Program?

LEGO® VIP is a shopper loyalty program, operating on shop.LEGO.com and in LEGO Stores globally. Shop
New members who signed up in store are required to activate their membership by completing an online

Rewards System:

- Earn 1 VIP Point for every \$1 you spend
- Get a \$5 reward for every 100 points earned

Benefits:

- Monthly bonus points offers on select sets or themes
- Periodic double points offers
- Early access to exclusive sets and promotions
- Member-only gifts
- Member-only LEGO® Store events
- Access to sweepstakes



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LEGO VIP Workgroup

Purpose: to learn more about mature LEGO VIP members' experiences with the program and the kind of benefits the program could provide to create even more value for members



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- 40 participating Lug ambassadors
 - 4 workgroups, each with 10 ambassadors
 - 1.227 RLug members were surveyed to learn about their viewpoints with regard to the topics examined
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- WG1 And WG2 are mostly adult AFOLs buying for themselves
 - WG3 are AFOLs buying for themselves and their families
 - WG4 are AFOLs from countries without official lego vip presence, who obtained VIP card elsewhere

WORKGROUP 1

Question 1. Membership and use

Compiled answers on "Please describe how you achieved membership" from all of the posts above (111 answers in total):

- ▶ On-line S@H: 50 persons ---> 45,45%
- ▶ Lego Store: 45 persons ---> 40,54%
- ▶ Other: 5 persons ---> 4,50%
- ▶ Unknown: 11 persons ---> 9,91%

Compiled answers on "how you make use of the VIP program today" from **all** of the posts above (79 answers in total):

- ▶ VIP-points (x1 or x2): 65 persons (plus mentioned overall by two people above) --> 82,27%
- ▶ Early acces: 6 persons (plus mentioned overall by two people above) --> 7,59%
- ▶ Exclusive sets: 1 person --> 1,26%
- ▶ Special event: 6 persons --> 7,59%
- ▶ Unused: 1 person --> 1,26%

Question 2. Key VIP benefits

Compiled answers on "the key benefits the LEGO VIP program provide for mature LEGO users" (80 answers in total):


- ▶ VIP-points: 46 persons --> 57,50%
- ▶ 2x VIP-points: 11 persons --> 13,75%
- ▶ Special sets: 3 persons --> 3,75%
- ▶ Early access: 8 persons --> 10%
- ▶ Special events: 3 persons --> 3,75%
- ▶ Discount: 1 person --> 1,25%
- ▶ Don't use: 8 persons --> 10%

Question 3. VIP influence

Compiled answers on "How does the VIP program influence your LEGO experiences«

- ▶ No influence: 24 persons --> 64,86%
- ▶ 2x points on special sets: 3 persons --> 8,11%
- ▶ Decide to buy from TLG instead of other retailer: 2 persons --> 5,40%
- ▶ Exclusive BIG sets (for example Modular/GBHQ): 7 persons --> 18,92%
- ▶ Promotion/free sets (for example "Chicken suit man"): 1 person --> 2,70%

Question 4. Additional Experiences for VIP Members

- ▶ Tier System (bronze, silver, gold)
 - ▶ Bulk bricks discount
 - ▶ Weekly Promo
 - ▶ Priority for LEGO inside tour
 - ▶ Birthday recognition
 - ▶ VIP rewards for reviews on lego.com
 - ▶ Exclusive sets available only to buy with VIP points
 - ▶ Occasional discounts
 - ▶ Yearly bonus item for big spenders
 - ▶ Exclusive content on lego.com
 - ▶ Coupons
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Question 5. VIP Customer relations

- ▶ General opinion that LEGO Customer Service is very good for all users, therefore no special treatment is needed. Same for in-store reception and treatment.
- ▶ Some answers on how they would like to be treated:
- ▶ (3) respectful, friendly (but not artificially friendly), helpful treatment
- ▶ (2) no "standard" answers as we know them from many call centers
- ▶ (2) keep the level of goodwill e.g. on replacement parts or offer compensation for problems with the online store

Criticism points:

- ▶ (1) less post-shopping questionnaire emails (once per quarter or year would be enough)
- ▶ (1) more competence in internet related topics e.g. on problems with LEGO websites, online store etc.
- ▶ (1) Call center employees should treat AFOLs with respect (a few have noticed that employees are sometimes astonished, almost laughing about "Adults playing with toys")

WORKGROUP 2

Question 1. Membership and use

How people achieved membership:


- ▶ It seems that most people signed up at a physical LEGO store (I'd say 70%), most of the rest signed up online, and a very small number transferred from loyalty cards.
- ▶ Most people heard about the VIP program either through a physical LEGO store or LEGO shop online (98%) while only a few (2%) were referred by a friend/relative or online fan site or LUG

How people use the card today:

- ▶ Many people use points to help cover the cost of larger purchases
- ▶ People like to buy some "freebies" either for themselves or their children with the points
- ▶ If you're buying from a LEGO store (online or at a retail store), "why not get the card." It just makes sense to get one.
- ▶ People like buying when they can match it with a freebie (or Member-only gift) since they are planning on the purchase anyway, so why not time it nicely.
- ▶ For people without a LEGO store near them, they expressed disappointment on missing out on many of the other, seemingly retail-store-specific benefits. The 5% and occasional 10% rewards could often be beaten out by shopping elsewhere
- ▶ VIP emails somewhat inconsistent and unclear as to if it's store-only or applicable both online and in store

Question 2. Key VIP benefits

The list of VIP benefits:

- Monthly bonus points offers on select sets or themes
 - Periodic double points offers
 - Early access to exclusive sets and promotions
 - Member-only gifts
 - Member-only LEGO® Store events
 - Access to sweepstakes
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The key benefits analysis:

► **Monthly bonus points:**

As mentioned in another survey question, most don't really feel the monthly bonus points on certain sets influence anything. Rather, if a buyer happens to be at the right place at the right time, or needs to meet some minimum purchase requirement, these happen to be convenient.

► **Periodic double points:**

Probably considered to be the best key benefit (a few times when it was triple even more so). Many use the double points time to stock up on points and make larger purchases.

► **Early Access:**

This, along with member-only gifts probably fall after the periodic double points

► **Member-only gifts:**

This, along with early-access probably fall after the periodic double points

► **Member-only store events:**

This did not seem like a key benefit because most did not know about such a benefit. Those who experienced one, however, did feel it added value to their VIP experiences.

The Star Wars May the 4th event seemed more like an RLUG event, so no one mentioned it as a member-only event (unlike the pre-sale events in LBR Stores, but you can participate at the same time at S@H)

Question 3. VIP influence

Summary:

- ▶ The majority of people responded with a "no."
- ▶ However, the most interesting find in the answers is that the VIP program at least somewhat affects *when* people buy the sets they were already *planning* to buy.
- ▶ Sometimes people would buy a little more to meet a minimum purchase requirement instead of holding off for a little while longer.

Question 4. Additional Experiences for VIP Members

General:

► *Points and Discounts:*

- The more you spend, the higher ratio of VIP points, a tiered system
- Better reward percentage. 5% is common, so it doesn't feel as special as it could be

► *Info:*

- VIP-specific emails
- More information about deals and retiring sets
- AFOL magazine/emails/calendars
- Clarification if online perks do not apply to in-store purchases

Bonuses:

- ▶ Collector packages of x-month's worth of mini models
- ▶ Reward for Anniversary/longevity of being an active VIP member
- ▶ Buy x (4) from theme and receive (large) discount on the next (5th) set
- ▶ Tiered exclusives or items based on amount spent
- ▶ Several VIP-only items or sets that can be redeemed using VIP points. These don't necessarily have to be LEGO sets or minifigs, but can be LEGO-themed merchandise like stickers, pouches for parts/minifigs, playing cards, etc.
- ▶ Free trials on games such as LEGO Worlds

Misc:

- ▶ Capture set and part inventories from VIP purchases (though Brickset exists in part for that)
- ▶ Longer VIP history on website
- ▶ No point expiration
- ▶ Option to pay for exclusive free offers (instead of reaching minimum amount)
- ▶ More opportunities for feedback and suggestions, like future themes or sets, or bringing back a set for a final run
- ▶ Ability to return items over \$200
- ▶ Discounts on admission and purchases at LEGOLAND Parks and LEGO Discovery Centers
- ▶ Earn VIP Points at LEGO retailers when purchasing LEGO items
- ▶ LEGO Credit Card
- ▶ VIP Plus membership (think Amazon Prime). This could possibly encapsulate many of these other ideas like lower free shipping threshold, pre-ordering sets, always double VIP points, PAB and BAM perks, subscriptions, etc.

Online:

- ▶ Store perks being available online
- ▶ Free shipping on small orders (lower threshold for VIPs)
- ▶ VIP World Store where members can order country specific sets not normally available in their own region
- ▶ Pre-order when a new product is announced. (gauge demand, avoid having sets suddenly go out of stock on opening day)
- ▶ Subscription service for things like seasonal sets
- ▶ VIP points for Bricks and Pieces orders

In Store:

- ▶ Special in-store events available multiple times during a particular week/month so more people have a chance to participate
- ▶ Monthly Model builds for adults
- ▶ Speed build/contest with the mini models for adults
- ▶ Building competition for MOCs to be displayed

PAB:

- ▶ Purchase full boxes of elements from PAB wall
- ▶ Free PAB box/cup after x-cups bought, or money spent, or per time frame
- ▶ A way to choose some new elements for the PAB wall
- ▶ VIP-only PAB event (with newer/requested pieces, and then after the event, extras appear in wall)
- ▶ Discount on PAB purchases
- ▶ Bonus point offers for PAB and BAM purchases at certain times
- ▶ A “random” or “bonus” VIP PAB slot (ideas include some parts from returned sets, extras from the play areas, etc.)

Experiences:

- ▶ Meet a set designer
 - ▶ Special Building Sessions
 - ▶ Tutorial Sessions
 - ▶ Set viewings without glass case
 - ▶ Behind the scenes factory tour of Billund
 - ▶ Visits to Hub offices like the one in London
 - ▶ VIP trip to LEGOLAND
 - ▶ Special events at night, kid free
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Summary:

- ▶ The overwhelming majority noted how LEGO customer service is outstanding, and no one really expects to be treated any differently from any other customer.
- ▶ A few ideas that were presented were said with a "I guess maybe" kind of tone:
 1. An "express lane"
 2. VIP phone number
 3. Recognition that someone may be buying for self (as an AFOL), not assume that purchases are for children
 4. LEGO store 24-hour hold extended for VIP members
 5. Random surprises or freebies, especially if regular customer

WORKGROUP 3

Question 1) Please describe how you and your family make use of the VIP program today:

- ▶ Earn and redeem VIP points
- ▶ Some use the VIP points they've earned as soon as possible, others save them up (e.g. £50-worth) for a bigger reward.
- ▶ Some respondents 'take the plunge' and make bigger purchases during double VIP points promotions; the suggestion is that without the incentive of double VIP points they might not make those purchases.
- ▶ Some respondents said that they wouldn't be able to afford to buy larger sets with cash alone, but being able to redeem VIP points in part-payment meant that they could afford the more expensive sets.
- ▶ A few respondents take advantage of early access, others don't feel that it adds enough value and are happy to wait and then subsequently buy items at a discount elsewhere.
- ▶ One respondent felt that being a member of the programme meant that store staff could see how much money he'd spent over time and so he felt empowered to ask for favours (i.e. free items).
- ▶ Cross-border flexibility very welcome.

Question 2) Please identify the key benefits the LEGO VIP program provide for your family as a whole

Members described same benefits as for other users

Responses included:

- ▶ Earning VIP points
- ▶ Redeeming VIP points (“feels like free LEGO, providing you don’t think about how much you’ve spent to earn the points”)
- ▶ Double points during promotions
- ▶ Discounted sets
- ▶ “Free magazines for the boys”
- ▶ Saving money
- ▶ Early access to occasional new releases
- ▶ “Freebies for VIP members”
- ▶ Provides evidence of high spend and therefore influences attitudes of staff in brand stores
- ▶ “None”
- ▶ Some respondents also identified access to AFOL Shopping days via VIP membership plus LUG membership as a big positive. AFOL shopping is greatly appreciated by all respondents who mentioned it

Question 3) How does the VIP program influence your and your family's LEGO experiences, such as the LEGO sets and themes you are interested in? (continued)

- ▶ While the general feedback is that the VIP reward levels could be improved one respondent noted that unless a VIP member at Legoland has a discount attached to an annual pass, the member might defer an impulse holiday purchase decision at that point with the result that the set may never be acquired.
- ▶ From a family perspective, one respondent observed that a child's LEGO budget comes from the parents or via cash gifts/ vouchers. These are more likely to be spent locally, which in countries with no LEGO retail presence, means a trip to the local toy store. VIP points will not influence these purchase decisions unless the scheme is expanded to other retailers.

Question 4) Please brainstorm ideas related to additional experiences family oriented VIP members would like access to:

- ▶ Most respondents agreed that they didn't feel like VIPs within the programme as anyone could join in moments and get the same rewards as loyal fans who had been members for many years and spent many thousands of pounds a year. There was strong consensus that LEGO should offer greater incentives for members.
- ▶ One idea was to provide different tiers of VIP membership depending on spend, e.g. blue, silver, gold membership like the airlines, with greater rewards for higher tiers.
- ▶ Could VIP members be offered the opportunity to trade VIP points at end of year for left over sets from that years promotions?
- ▶ Early access to include regular sets, and not just occasional sets.
- ▶ Free gift with purchase only available to VIP members.
- ▶ VIP exclusives (minifigures or sets) or events offered to VIP members only (suggested by a number of respondents)
- ▶ As well as the early access to new sets, early access to promotional items would be appreciated


- ▶ Many retailers sell LEGO products at considerably lower prices than LEGO themselves. VIP members could be offered discounts that are on par with other retailers selling LEGO to incentivise purchasing from LEGO direct rather than other retailers.
- ▶ More regular sales, at more meaningful discounts
- ▶ VIP members should get benefits at LEGOLAND, e.g. free/discounted entry, child tickets (NB: Lego Discovery Center in Berlin already offers some discount when you show them your VIP Card)
- ▶ More special events for VIP members, e.g. advanced viewings of new sets, meet LEGO designers etc.
- ▶ VIP Magazine with exclusive content
- ▶ “It would be really good if LEGO used the service to offer extra benefits - my store cards generally track my purchases and then give me specific vouchers - something like 'we noticed you bought a modular, buy another one this month for a bonus 100 points'. If this was specific to me it would make me feel special.”
- ▶ VIP members making purchases in a month could be entered into a draw for rewards that month.
- ▶ “Make being a VIP not just about spending the money. VIP cards (with the same number) for family members would be cool so they could carry them around and use them”
- ▶ A pool for family points would be great, of course spending points should be in control of parents.
- ▶ Bonus VIP points for collecting more within a theme, or for diversifying beyond 2 or 3 themes, or both.
- ▶ Earlier notice of when new sets will be on shelves
- ▶ “Expand the monthly mini-build beyond a single day for VIP members - we're really busy!”
- ▶ VIP members should get bonus points for completing LEGO surveys, or should be entered into prize draw.

5) How do family-oriented VIP members want to be treated as a VIP when they come to the LEGO store, call the contact center or otherwise get into contact with the LEGO Group?

- ▶ Respondents didn't want to be GREETED differently to regular customers, but they did want to be TREATED differently to regular customers....
- ▶ Many commented that customer service is generally excellent already, and this is greatly appreciated.
- ▶ Strong feedback that being a LEGO VIP doesn't feel special at all. It's very easy to become a VIP, and benefits are very modest, particularly given that most LEGO sets can be obtained much more cheaply from other retailers.
- ▶ As mentioned in response to other questions, LEGO should reward the most loyal customers better, e.g. different tiers of VIP membership based on spend, length of membership of VIP programme, different coloured VIP cards depending on tier.
- ▶ Overall, there was strong consensus that the VIP scheme doesn't really recognise loyalty or spend, and that it's misnamed as it doesn't treat members like VIPs. There's a great opportunity here to reward and reinforce customer loyalty, e.g. like the airlines do,

Work Group 4

BACKGROUND

- ▶ This data is collected from 8 LUG Ambassador, representing 8 LUG from 7 countries (Singapore, Serbia, Spain, Peru, Indonesia, Mexico, Romania) that do not have access to Lego VIP Program
 - ▶ The data collected by using forum, facebook, and member meeting
 - ▶ Total of respondent : around 200 person
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RESULT

- ▶ Most of the respondent asked does not know about Lego VIP Program.
- ▶ The ones that know can be categorized into two :
 - ▶ Member of VIP Program : they have access to join the VIP Program, e.g. : have address in neighbouring country with VIP Program, have visited a country with VIP Program, can visit a country with VIP Program regularly, or have relatives and family in country with VIP Program
 - ▶ Non Member of VIP Program : they know the VIP Program from the ad in the instruction book

1. Please describe how you (and fellow RLUG members) make use of the VIP program today

- **Collecting points to get discount for next purchase**
- Get special promotion when visiting physical Lego Store
- Get discount
- To get email of info regarding new sets
- To get free shipping to send the set to their family/friend address and then forward it to their country

QUESTION 1

(sorted from the most dominant on the top)

2. Please identify the key benefits the LEGO VIP program provide for mature LEGO users such as yourself and your fellow RLUG members

- ▶ **Use points to get discount**
- ▶ Special Promo and Freebies
- ▶ Early access to newly launched sets
- ▶ Access to exclusive premium
- ▶ Free shipping

QUESTION 2

(sorted from the most dominant on the top)

3. How does the VIP program influence your LEGO experiences, such as the LEGO sets and themes you are interested in?

- ▶ Encourage more frequent purchases due to saving from points
- ▶ VIP program make me feels special, belong to a special group
- ▶ It doesn't effect the prefence of Lego sets and themes I'm interested in, unless there is a big discount, and people mostly buy it for get the parts for MOC

QUESTION 3

(sorted from the most dominant on the top)

4. Please brainstorm ideas related to additional experiences mature LEGO VIP members would like access to

- ▶ **Extend the VIP Program worldwide or at least to our countries** 😊 or at least extend the country list so we still can register eventhough no VIP program in our country. If no physical Lego Store available, please just give us the purchase online ability
- ▶ Give VIP member special treatment so they feel they belong to special group, e.g.
 - ▶ Behind-the-scenes on design process for AFOL targeted sets (Star Wars UCS, Creator Expert sets)
 - ▶ Special gift for VIP members that regular customers won't get (Sticker, poster, free application for mobile phone, polybag)
- ▶ Lego store promotion available through online channel for customer living in a country with access to VIP Program but have no physical Lego Store
- ▶ More comprehensive newsletter, not only covering the sets that Lego interested in selling at the current moment
- ▶ (continued on next page)

QUESTION 4

(sorted from the most dominant on the top)

4. Please brainstorm ideas related to additional experiences mature LEGO VIP members would like access to

- ▶ Integrate the VIP Program worldwide, or to retail stores that selling Lego, no matter where we buy it, the money will still go to Lego company.
- ▶ The ability to buy sets online and ask the store to keep it for a couple of months
- ▶ Reward catalog → instead of only converting the point into cash, how about the ability to convert it into some set or even a raffle for joining Lego Inside tour

QUESTION 4 (CONTINUED)

(sorted from the most dominant on the top)

5. Please look into how mature VIP members would want to be treated as a VIP when they come to the LEGO store, call the contact center and otherwise get into contact with the LEGO Group

- ▶ **Special gift for VIP member when they shop**
- ▶ Dedicated support line/payment queue
- ▶ Priority shipping
- ▶ VIP card replaced with VIP Keychain, so the staff of the store know when a VIP member visiting their store and can give a better treatment
- ▶ Ability to keep the set I ordered for some times in the Lego store, until I have schedule to visit the country
- ▶ Ability to pre order upcoming sets and order out-of-stock sets

QUESTION 5

(sorted from the most dominant on the top)



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Thank you!