

EDITORIAL

What Can We Learn From Playing with Legos?

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Playing with Legos? I know, I know with all that kids are consumed with these days, Legos are out of fashion. At least that is what big data suggested to the Lego Group a few years ago, and Lego believed it. The Lego Group decided to leverage its strong Lego brand and expand into new markets. They launched into action figures and video games, believing that kids were over distracted by quick pace games, and no longer had the patience or aptitude for its old-fashioned plastic bricks. So Lego products got much cooler and aggressive looking, and required less time and creativity from the kids playing with them. The result was a downward spiral into a company that was bleeding cash and market share.

A recent article in the Harvard Business Review, entitled "An Anthropologist Walks into a Bar," uses the Lego Group as an example of how the paradigm of business is drastically evolving to a "customer centric" model for big and small businesses. The article reports that at the brink of this crisis, management realized that it had not bothered to ask its customers, the young builders and their parents, what they wanted from play with their products. What they realized was that the customers lost their connection with the brand and that new products were not the answer. Their CEO, Jergen Vig Knudstop, observed that in order to rebuild their company and reconnect with their customer they needed to understand and study the phenomenon of play. So the sent out researchers to survey and interview customers and ask:

What is the children's experience when they play, what do they desire from it, and how could Lego serve that need?

After months of interviews some key insights emerged. One was that kids play with Legos to escape their overly orchestrated lives and to hone a skill. This dispelled the big data assumption that kids were too busy to engage in creative play like Legos. In fact, they learned of a significant subset of kids that had time and desire to commit to playing with the bricks and want to achieve mastery.

This insight on customer's wants and perceptions led to a new inspiring mantra for Lego, which is "We are going to make Legos for people who like Legos for what Legos are," because the company know now who they want to reach. They now know who their customers are and will be in the future. The Lego Group has roared back in profits and market share because they took the time to study and engage the lives of their customers.

Although some of you might see the idea of engaging in the lives of your customers as obvious, it is the hardest thing to do as a small business. Why? Because when you engage the lives of your customers and study them to learn the customer's true experience of your products or services, all of your assumptions, prejudices and blind spots are exposed. You must be willing to learn the truth, and the truth will, for a lack of a better phrase, "set you free".

Eight years ago, our Founder, Jason Gaylord, stopped for 4 years and engaged consumers from all walks of life to research their true experience with the Internet, and learn what they truly desired. After 4 years and 4,000 interviews, some key insights emerged. Customers are not abstractions, segments, consumption occasions, leads, dollar signs or annoyances. They want to be treated like human beings. They don't like their social and economic profiles trafficked. They just want their time honored, and someone to expertly vet local businesses, and teach the local businesses how to engage them as customers all in an effort to help them make the best decision with their money. And no more ads or tracking...how about a conversation?

Oh...I know treating consumers like human beings and harkening back to handshake business is out of fashion, but humans do business with humans, and no amount of technology will change that. Our research clearly indicates that an Internet that compliments handshake business is the experience consumers want, but not the Internet they have.

What drew me to Localloop was the genius and courage of Jason Gaylord to stop and ask, and thereby challenging every business assumption he ever had or was taught, exposing every prejudice he learned. The result was the raw, personal and first hand data from 4,000 consumers that serves as the foundation of Localloop today, and what is yet to come.

What caused me to become the CEO of Localloop was the experience of taking businesses through certification and witnessing first hand the transformation of a business' culture, purpose, and ultimate success after learning from their customers and changing their business. Through Localloop's 3rd-party telephonic interviews we are able to capture the raw, personal, first hand data of a customer's true experience and needs, which then can be learned, measured and acted upon. Through our certification process, customers get access to expertly vetted local businesses, and certified businesses receive the rich data that will inspire them in knowing what customers value in their business and how they can "make legos for people who like legos for what legos are".

You will not truly know your business or your customers until you have the courage to engage them as people and begin to understand their lives. You will be glad that you did.