

## Overview

This document outlines my thoughts, ideas, praises and criticism of the LEGO Train product line in its current form as well as some of the ideas which have been proposed to the feedback group. It also explains a little about me and how I came to be involved in this hobby.

## Background

In order to bring context to my comments, I believe it is appropriate to understand a bit about me. My name is Mike Walsh. I am 40 years old and the father of four children – a boy and three girls, ages 10, 8, 5, and 3. I reside just outside Raleigh, North Carolina in the southeast United States.

## Professional

I have a degree in Electrical Engineering and work for [Mentor Graphics](#) where I am an engineering manager. Mentor Graphics is a software company which designs and sells software applications used by Electrical Engineers (also known as CAE – i.e. electrical CAD). I and my team work with our sales people to position our products and help our customers use our tools to solve the design challenges they are facing. Essentially, my team makes our software work! We count virtually all of the leading electronics companies in the world among our customers. If you carry a mobile phone, there is a very good chance it was designed with our products!

## Becoming a LEGO Hobbyist

LEGO was my favorite toy as a child and is one of three things I can honestly say I consciously kept from my childhood (the others being my baseball card collection and one of my skateboards).

Like many adults who enjoy LEGO as a hobby, for many years (from the ages of 14 or so until 33) my LEGO was packed away in my parent's basement or my own attic. In 1997 my parents gave my son (then age 3) a bucket of LEGO for Christmas. He immediately took to it and thoroughly enjoyed spending the afternoon building small cars with my assistance. It wasn't long before I decided we didn't have enough elements and went to the attic searching for my childhood collection. The bricks were still packed in the wooden box my grandfather<sup>1</sup> had made for me when I was five. Needless to say, my old box of LEGO brought back many fond childhood memories.

I didn't immediately start buying LEGO for myself. In fact, it actually took a while for me to justify buying "toys" for myself. I enjoyed the LEGO hobby vicariously through my son and we spent many evenings building cars and trucks for him to play with. As we purchased more LEGO sets we started getting more catalogs and the LEGO Club Magazine. It was in the Shop at Home catalog where I discovered the Model Team sets, notably the 5571 Black Cat Truck. When I saw it I thought "Wow, that really isn't a toy, I want one of those!" – I just need to "justify" buying it! I ended up finding it for sale after Christmas in December of 1998, about a year after my son first received the infamous<sup>2</sup> bucket of LEGO from my parents.

I built the 5571 over the course of three evenings and thoroughly enjoyed it. I had been seeking a hobby which I could do at home since we had started a family and LEGO fit the bill perfectly. I really enjoyed it, it was great diversion from my work, a creative outlet and most importantly, it allowed me to spend time with my children doing something we enjoyed. This last aspect was pretty popular with my wife too!

---

<sup>1</sup> My grandfather gave me my first LEGO sets when I was five after seeing them on visit to Germany.

<sup>2</sup> My wife sometimes wonders what our life would be like if my parents hadn't given my son that first bucket!

I began looking for other Model Team sets. Most retailers (at least where I live) didn't carry Model Team so I started searching on eBay. One day at work I happened to type "LEGO" into a search engine and found something called the "LEGO Maniacs Web Ring". After poking around for a few minutes I found [LUGNET](#). I was amazed by what I had found. I had no idea there were so many adults who enjoyed LEGO as a hobby. It didn't take me long to become active in the online LEGO community. I also started buying more sets for myself here and there and would buy parts from eBay or from some of the online auctions to supplement my son's growing LEGO collection.

I had always enjoyed seeing the trains in the LEGO catalog and was amazed by the pictures posted by the few LEGO train clubs who were doing train shows at the time. At some point the new Shop at Home catalog we received in the mail had the dreaded "*Limited Quantities, Order Now!*" notation next to the 4532 and 4552 Train sets. I had considered buying a train several times but could never justify it. I decided to buy these two Train sets before they were sold out. I received the two sets a few days later and after building them I was hooked, I had to have a train ASAP! I believe my first train was a 4563 which I received in a trade although I can't recall what I traded for it.

My slide into a full fledge LEGO Train Addict didn't take long. I soon acquired a 4559, and 4565, along with a 4544. I stopped pursuing Model Team sets (although I still buy them every once in a while) and focused on trains. Over time I came into possession of at least two or three (and in several cases 5-10) of each of the 9v train sets. I have continued to buy trains over the years both as sets and for parts to build my own designs.

At this point I am a serious LEGO hobbyist! I don't know how many Train Sets I have but I have a bunch – my wife says too many! I also have a room in my house largely dedicated to my hobby and have an ever expanding storage system to help me organize my parts. My children are always welcome in my LEGO room they all visit regularly.

## Starting a LEGO Train Club

Becoming active in the online LEGO community led to meeting a number of adults in my local area and it wasn't long before the topic of exhibiting a train layout came up. While many people think something is a good idea, they would prefer not to be the leader or responsible adult. Our group was no different – lots of talk with little action. I decided if we were going to do anything I would have to make it happen.

In August of 2000, the North Carolina LEGO Train Club ([NCLTC](#)) exhibited our first public layout. It was a small layout and not very impressive by today's standards but we had a lot of fun and couldn't wait to do it again. We have done two to three shows each year since, each larger and involving more people. Over the years I have come in contact with literally thousands of people, many of whom have questions and/or comments about LEGO trains.

## Selling Custom Train Kits

There is a small cottage industry of people who design and sell after market LEGO kits. There is little money to be made doing this and the people who choose to do it, do so for a myriad of reasons. In the fall of 2000 I decided I wanted to design and sell kits. My decision to do so was mostly to see if I could actually do it. I designed four kits that fall and began selling kits in November.

At the time there were no new LEGO Train offerings with the exception of 4561 and many people bemoaned the fact that there was no way to purchase additional cars for their trains. There were even rumors that TLC was going to discontinue the Train theme. It seemed like a good time to try the kit business. Over the years I have designed 10 kits and sold upwards of 50 units under the banner of [Carolina Train Builders](#).

The knowledge I have gained designing and selling kits has been enlightening. I have great appreciation for a set of instructions which are well done. Many people trivialize this process however I feel it may be one of the most important aspects of set design. The two most

successful kits I have sold have been a MoW (Maintenance of Way) vehicle and a trackside structure. I believe these two kits have been successful because they were good designs but more importantly, at the time, LEGO didn't offer any sets in these areas.

## Starting ILTCO – The International LEGO Train Club Organization

My job requires me to travel a fair amount. I am fortunate that in my travels I have been able to meet a fair number of people involved in the LEGO hobby. My employer Mentor Graphics is based in Portland, Oregon. Portland just happens to be the home of the Pacific Northwest LEGO Train Club (aka [PNLTC](#)). PNLTC is one of the original LEGO Train Clubs (maybe even the first) to organize and exhibit their layout. In one of my travels to Portland I contacted Steve Barile about meeting up with some of the locals to chat about all things LEGO. During the course of our get together Steve and I realized we had quite a bit in common and we developed a friendship as a result.

I typically travel to Portland three or four times a year and each time I did so, Steve and I would meet up for dinner or lunch and chat about LEGO. Like me, Steve was selling custom train kits through [BricWorx](#). It was during these conversations where we bantered about ideas of kit design, instruction design, marketing, public exhibitions, working with organizations such as [GATS](#) and interacting with LEGO as a company. We realized there was a need for train clubs (there were many forming at this time) to discuss best practices and LUGNET really wasn't an appropriate forum to do so. Our discussions resulted in the creation of a Yahoo Group where groups doing train shows could share their experiences and learn from others without fear of sharing sensitive information (e.g. how much prize money GATS was handing out, how best to ask TLC for assistance, etc.).

At around the same time, the explosion of new train clubs asking TLC for assistance became a bit of a problem. There was little consistency and frequently new clubs were frustrated. Jake McKee contacted Steve about organizing the train clubs under some sort of an umbrella organization to improve the relationship in both directions.

Steve subsequently asked me to help him get this organization off the ground. We ended up identifying three additional community leaders to form what is now known as [ILTCO](#). There is a wealth of information regarding the formation of ILTCO and the lessons learned in doing so, however little of it is relevant to this discussion so I will leave it out. The net result is ILTCO has been successful. We have upwards of 30 clubs and close to 300 individual members.

My involvement with ILTCO has allowed me to work closely with Jake McKee on a number of projects including several ILTCO-only discount offers and the LEGO Train Poster. Through each of these I have learned a little more about the inner workings of TLC and gained an appreciation for the market pressures TLC is under.

## Analysis of LEGO Trains

My comments are for the most part, limited to the North American market segment. While my work takes me to Europe periodically and when it does, I try to do some LEGO shopping, I do not claim to understand the European market and therefore don't believe I am qualified to comment on it.

## Shopping for LEGO Trains

One of the things which I have never understood is why it is so difficult to purchase LEGO Trains in the US. I understand this wasn't always the case. The 9v train line predates my involvement in the hobby but I understand that many retailers (such as Toys-R-Us and smaller upscale toy stores) carried the 9v train line when it was introduced.

I believe the lack of train sets on the shelves is a significant inhibitor to sales in the US. From speaking to smaller retailers, they are not permitted to carry trains. Periodically trains appear in stores (Target and Toys-R-Us carried several of the My Own Train sets around Christmas of

2002) however it is far from the norm. The expandability of the LEGO Train System isn't evident to the casual consumer as the components, namely track sets, are not available at retail. It is virtually impossible to understand the expansion options of the LEGO Train System from the box. There is little or no information on how to expand the train or the track layout and at US retailers; there are no packages of track available for sale. It isn't until the consumer opens the package that the information needed to obtain additional track is presented to the customer.

When picking up a train set (assuming you can find one), the LEGO Train System appears very limited to the uneducated customer.

## **Brio and Thomas the Tank Engine**

Contrast shopping for LEGO Trains with how Brio and Thomas the Tank Engine wooden trains are sold in the US. Smaller toys stores (and even Toys-R-Us now) carry an extensive selection of Brio and Thomas sets and accessories. As a parent you can look at the starter set and very quickly determine how much the accessories cost and which ones you might want. There is typically a ready supply of catalogs to show all of the products and how they work together. I understand the catalogs are a non-trivial item to print (as we learned during the LEGO Train Poster project) however Brio and Thomas are able to do it although the Brio catalog has been compressed over the years, I assume to reduce cost.

My family has an investment in Brio trains and we have certainly gotten our moneys worth from them. All four of our children have played with them and continue to do so. I can recall the Christmas Santa brought the Brio train table being one short one Switch Track for the layout we wanted and running out to the store and buying it. It simply isn't possible to do something similar with LEGO Trains.

Over the years our Brio collection expanded one car at a time. Engines and freight cars were received as birthday presents from friends and relatives. My son would buy a new Thomas engine with his own money. Buying a switch or cross track, a trackside structure or other accessory was oftentimes an impulse purchase (for the sub-\$15 items anyway). I believe Brio and Thomas continue to be successful because of the ability to add to the system incrementally and at a fairly low cost point. Brio and Thomas rolling stock, track, and sets command price points not unlike LEGO Trains do.

In my opinion, LEGO Trains are the logical next step for the children who grow up playing with Brio and Thomas. By the time my children were five or six years old, their interest in Brio tailed off and they moved on to other toys. The LEGO Train System shares a number of similar qualities with Brio and Thomas, notably the track system. It is very easy to quickly assemble a track layout the wooden track system. The same can be said for the LEGO Train System track. When play is complete, both can be disassembled quickly and put away in a basket or tub for next time. The set up and put away aspect is very appealing to parents. As a note, my five year old can assemble LEGO train track. I showed her how to connect the pieces and she is now completely self sufficient with the exception of the occasional track misalignment where she still needs help.

Companies making HO scale track are taking cues from the "snap together" track model. My nephew has an HO layout constructed entirely of track which snaps together much like LEGO track does.

## **Expandability of LEGO Trains (or lack thereof)**

LEGO Trains by the nature are infinitely expandable because they are constructed of LEGO elements. With that said, the System has been severely limited for a long time. Let's examine the 4558 Metroliner. In my opinion the Metroliner was one of the best LEGO Train sets, maybe even the best. However, I never understood why TLC didn't release additional cars for the Metroliner with the exception of the very expensive 4547 Club Car. I never understood why TLC at least didn't offer the middle passenger car from 4558 as a separate set.

When people buy a train, they typically want to buy more cars for it to make the train longer. There is a fascination with long trains (in the US anyway). When we stop at a railroad crossing my kids always hope for a long train. They like to count the cars. When they play with the Brio trains they like to make long trains. When we play with my LEGO Trains they want to make long trains.

Historically it has been hard to make long LEGO trains without buying multiple sets or seeking parts on the secondary market. This has improved somewhat in recent years with the individual My Own Train Cars and the ability to buy the 4511 Locomotive and Passenger car individually. Typically, only the serious builders will go out and buy multiple sets in order to build the train they want. The average customer will either buy a single set or none at all.

Let's get back to the Metroliner. The Metroliner looks a lot like trains which many Americans see in real life, namely Amtrak trains. I believe TLC missed an opportunity to establish a franchise of sorts by releasing individual cars in the Metroliner color scheme periodically (at least one per year). The variety and number of cars which could be produced is virtually unlimited and people who bought the Metroliner would be apt to buy the accessory cars which match it where as they are unlikely to buy another Metroliner or the next LEGO Train set released. How many times do you think the following conversation has been had:

*Child: Mom, I want the new train in the LEGO catalog.*

*Mom: You already have a train, why would you want another one?*

What if the conversation went like this instead?

*Child: Mom! Look! There is a new car for my train in the new LEGO catalog!*

*Mom: Hmmmm, maybe you should put that on your Christmas list!*

The second scenario demonstrates the building of a repeat customer. There is a new car for "my" train. It is my experience that parents are more apt to purchase something which adds on to something a child already has as opposed to buying a new entry point.

Freight trains are ideal for expansion by offering single car sets. It isn't unusual for freight trains to have a large number of the same car. When the 9v trains were first released in 1991 there were a number of individual freight cars available (4536, 4537, 4543, and 4544) however it wasn't until the My Own Trains were released in 2001 that individual cars were available again. 2126 was released but at \$80 for four cars, it was priced fairly high.

I would like to see TLC release individual freight cars on a regular basis and in multiple colors. By issuing the same sets in different color schemes TLC could capture additional sales with minimal development costs. I have never understood TLC's reluctance to re-use designs by issuing them in different color schemes. I am only aware of a few instances (the 2148 and 3442 Truck, the 4554 MetroStation and 2150 "Retrostation" and the My Own Train locomotive sets which were available in five different color schemes).

In contrast, rolling stock for traditional model railroading will typically use the same design in numerous color schemes. They will then augment the various color schemes by offering the car with various labeling to create even more combinations. For example, TLC could do something similar with the 10016 Octan Tank Car. By simply changing the green color to yellow and working with Shell, TLC could have a Shell Oil version. Similarly, swapping the green to blue would allow for an Exxon-Mobil version.

## Proposed Changes to the LEGO Train System

While I wasn't on the original phone call, Jake McKee briefed me on the topics discussed and the proposals being floated. There have been several e-mails floated among the feedback group; I believe Steve Barile's summary of the proposed changes was the most accurate. Below I have grouped Steve's summary bullets and commented on the various areas.

## Profitability

- *The current 9v train line is NOT making enough money for the company.*
- *The age group that the current 9v train line targets is NOT the most profitable age group.*
- *If the train line is re-targeted to 5-8 years olds it WILL be more profitable.*

## Cost Reduction

- *LEGO wants more play-ability in the box at the same price point, thus needing to reduce cost. One idea was to provide additional track for a small layout and two trains.*
- *Metal on rails is 75% of the cost of the track so there is a cost savings; the total percentage of the cost of the metal on the track in a typical train set was unknown.*

## Target Age

- *A/C powered toys has a minimum age requirement by law (details per country unknown).*
- *In order to re-retarget it MUST be battery operated.*

## Compatibility

- *LEGO wants to re-tool the track with no metal maintaining physical backward compatibility.*
- *LEGO wants to create a battery powered, multi-channel remote control system for the "new" trains, using other RC technology that LEGO already uses elsewhere.*
- *LEGO wants to work with AFOLs to help provide a smoother transition by not inadvertently cutting us off by re-defining the current 9v train line and making it undesirable.*

## Feedback

My initial reaction to the above stated goals and objectives are several of them contradict each other, particularly the ones related to backward compatibility. I believe LEGO can achieve their financial and target market goals by tuning the current product line as opposed to implementing a radical change which may alienate many existing customers.

I would like to suggest creating a logical progression of the Train System supporting an age range of 4-99<sup>3</sup>. To do that I suggest the following:

- Push Train – Ages 4-6
- Battery Train – Ages 5-10
- Electric Train – Ages 8-99

At each step in the system it should be possible to migrate to the next level. For example, a push train should be designed such that it can be outfitted with battery operation. Likewise, the battery trains should be able to be outfitted with electrical operation. By developing the system in this fashion, TLC can potentially build lifelong customers.

A system such as this will appeal to parents as well. A parent or grandparent can make an investment in a push train for a five year old knowing there is a path to make it battery operated. The initial investment is lower meaning more people are likely to purchase a set and once purchased, the desire to motorize the train will likely happen fairly quickly.

---

<sup>3</sup> I love the n-99 age notation on some sets. I have overheard other parents comment favorably as well.

## Target Age

By introducing push trains and battery operated trains, TLC should be able to meet their stated goal of age reducing the Train Theme down to the 5-8 year old age group. However, I believe there are more changes required in order to reach the target age and several items should be considered in addition to the power source. I believe things to consider fall into three categories:

- Ability to set up the train
- Ability to operate the train
- Safety

The ability to set up the train by the child is a critical component of how successful the product will be. If it is hard to set up and/or involves a tremendous amount of parental involvement, the product will ultimately fail to serve its target market. Setting up a train involves building the cars, assembling the track, and placing the cars on the track.

From observing my own children and other children from the play area we set up when we do train shows, I can state that sets targeting younger children should only consist of fixed axel (i.e. no bogie) designs. The two axel designs present in some of the early 9v line (4536, 4537, etc.) and most recently in the 10014 Caboose are ideal for this age demographic. Similarly, the locomotive should be limited to just the motor unit similar to the engine from 4563 or several of the older 12v trains (e.g. 7722, 7730, etc.). My five year old daughter has no problem setting up a train consisting of two axel wagons and a locomotive built on a fixed engine.

For the record, Brio and Thomas suffer similar problems with respect to cars with bogies. Children gravitate towards the two axel rolling stock because it is less frustrating for them to play with. The Brio wagons and locomotives which have bogies are played with the least because they are harder to load on to the track.

If you look at the current 4511 offering, it includes six sets of train wheels and one motor. What is now a two car set (one locomotive and one passenger car), could be instead be sold as an engine and three cars at a similar price point and would present the appearance of more value because it has more cars!

Operation of the current LEGO Train System is fairly robust. With a little guidance my three year old daughter is able to operate the train and keep it on the track. I would like to have the ability to limit the upper end of the speed regulator but even as it is, I don't see it as a major impediment and isn't something I worry about as a parent.

Introducing battery operation allows TLC to achieve their safety objectives with respect to AC powered toys. I think this is a good idea, particularly if helps reduce the cost of the set and lower the entry price. I would also encourage TLC to make sure that any battery operated solution which is introduced can be migrated to an AC powered solution.

As a parent, I have a love/hate relationship with battery operated toys. While my kids enjoy them and can typically operate them on their own, when the batteries run out and we don't have more, it can be extremely frustrating for both parent and child.

Some toys are power hungry as well. While I don't expect LEGO Trains to consume a tremendous amount of power, I'd like to relate the following anecdote as I believe it illustrates some of the downside of battery power.

My son saved his money to purchase a battery powered remote controlled Monster Truck. While he loves his truck and enjoys playing with it, the truck consumes batteries quickly. It takes 30 minutes to charge the batteries and the truck will run for about 15 minutes on a charge. Batteries cost \$25 each and the truck requires two batteries. My son is now saving his money so he can purchase a second set of batteries. He will frequently forget to charge his truck when he is done using it so it is ready for the next time he wants to get it out. This means that sometimes, he won't play with it because it isn't ready to run when he is.

As a parent I am somewhat frustrated that he doesn't use his truck more. It cost a lot of money<sup>4</sup> and it bothers me to see it simply sit unused for periods of time. At the same time, I am not going to go out and buy batteries for him just so he will use it either. I can envision a similar scenario happening with a battery operated LEGO Train in many households. Providing a migration path to AC power should be strongly considered.

## Cost Reduction

It is hard to comment on cost reduction without really understanding the cost breakdown of a LEGO Train set. It was stated that the metal on the rails constitutes 75% of the cost of the rails but what is the cost of the track within the overall set? It is hard to imagine it is much compared with the overall set production costs but I don't know for sure. One thing I do know is removing the metal from the rails significantly limits backward compatibility which was another of the stated goals.

If the rails are truly expensive to produce, TLC should consider working with an outside company which specializes in making track. With the proper agreements worked out, TLC could offer a robust track solution without incurring the costs associated with developing it and stocking it themselves.

## Compatibility

I am relieved to see that TLC is considering the compatibility aspects of the changes which are being proposed. On one hand I am excited by the prospects of having RC operation in the train line but on the other and very concerned that the changes may also bring the end of the 9v line as we currently know it.

The growth of the online LEGO train community over the past few years has been substantial. When I first became active in this hobby there were only a handful of train clubs and seeing pictures of a LEGO Train layout at a train show was an infrequent occurrence. Today there are 30 clubs under the ILTCO umbrella and many more that aren't. Hardly a week goes by that some group isn't displaying their layout somewhere in the world.

The people who comprise these clubs are all customers of the LEGO Train System. The total contribution to TLC's total revenue from adults, while not trivial, is probably not significant either. However, it would not surprise me to learn that adults contribute a significant portion of the revenue for the Train System. In fact, I would suspect adults comprise a much larger percentage of revenue from Trains than from just about any other Theme except possibly Star Wars and Bulk Packs.

To ensure compatibility with the existing 9v system I would suggest the following:

- Retain the metal on the rails. Eliminating the metal from the rails would mean the end of the AC powered trains as we know them. It would also mean that there would not be an upward progression of trains as described above (push, battery, and electric). An alternative would be to offer both electric and non-electric versions of the rails where the non-electric rails would be suitable for use with either a push train or a battery operated train. Another option would be to outsource the production of electrical LEGO track to a 3<sup>rd</sup> party who could produce it under license from TLC.
- Ensure the form factor of the battery powered motor is the same as the current 9v motor. By keeping the same form factor you allow existing train designs (both created by TLC and their customers) to be retrofitted with battery operation. It also ensures that new trains sets released in the future can be operated in the same manner as the current 9v trains are.

---

<sup>4</sup> He purchased a high end truck, an E-MAXX. It took him almost a year to earn and save enough to buy it!



- Steve Barile had what I consider to be a brilliant idea. Instead of introducing a whole new battery operated engine, consider powering the existing speed regulator from a battery source instead of an AC source. By doing this TLC achieves battery operation while retaining complete compatibility with the current product line. Speed Regulators could be offered in both battery and AC powered versions. Doing this would be the fastest way to bring product to a lower age group as well.

I fear that a change to the product which doesn't include a path to an AC powered solution may alienate the adult segment of the market. I don't know how much that matters to TLC but since our opinion is being solicited I can only assume it is a market TLC would prefer not to lose. For many of us, because the Train System operates so much like traditional model railroading, it offers the appeal of classic model railroading with the expandability of LEGO. Truly the best of both worlds!

At many of our exhibits our trains run for long periods of time. NCLTC has done two Holiday layouts where our layout has been on display for six to eight weeks. During this period the layout runs largely on its own, operated by timers. It would be virtually impossible to do this with a battery powered train. If the electrical system were to become obsolete I am not sure we would continue to exhibit our layout. It would be difficult to show something which people would be unable to purchase if they wanted to.

## **Profitability**

Without hard figures from TLC it is hard to understand where the issues with profitability reside. I believe a primary factor in the low volume of sales of the Train System is purely due to the difficulty in purchasing the product.<sup>5</sup> Without a stronger and more complete retail presence I don't believe TLC will see a significant change in the revenue stream from the Train System.

Train track is a requirement in order to have a train set. A train set is not a lot of fun if the track layout is not a closed loop. The barriers to entry for the Train System should be as low as possible and as such, TLC might want to investigate if selling track at low or no margin is possible and makes sense. If the cost of track is prohibitive, customers will be reluctant to buy into the system in the first place. Use a low track price to build a loyal customer base and offer products such as train cars, trackside structures, and accessories with higher profit margins to make the entire system profitable.

## **Other Suggestions**

### **Track Improvements**

While I would like to see the introduction of an additional curve radius along with other track elements (3-Way Switches, Angled Crossings, etc.), at a minimum TLC should consider adding several track elements to the existing offering. Introducing  $\frac{1}{2}$  curves and  $\frac{1}{4}$  and  $\frac{1}{2}$  length straight sections will greatly enhance the customer experience in building free form track layouts. These three elements should be able to be produced with minimal development costs. With the current selection of track elements it is very easy to get into a situation where one can't get the track to connect correctly.

### **Christmas Train**

Just about every model railroading supplier has a Christmas train. TLC is missing a significant opportunity by not having one. Similar to my suggestions for the Metroliner above, each year a new car could be introduced to add on to the Christmas Train set. The Christmas Train set itself might have a life span of 4-5 years. Holiday trains are very popular in the US. Many people set up a train around their Christmas tree.

---

<sup>5</sup> By purchasing difficulty I refer to the inability to buy at retail and the limited expansion offerings.

Two weeks ago while visiting my parents for Thanksgiving, my sister asked me to help her obtain a LEGO Train to put around her tree this year. She ended up choosing a Red My Own Train Locomotive, two 10015 Passenger Wagons, and a 10014 Caboose. I believe there is a market for Holiday Trains which is ripe for TLC to capitalize on.

### **Set Design Re-Use**

From the outside, there appears to be a mandate to do completely new set design at TLC. TLC is sitting on a wealth of Intellectual Property in the form of older set designs (not just trains but in all themes) which could be re-used and re-introduced to an audience (i.e. children) who weren't customers when the designs were originally introduced.

### **Summary**

I am pleased to have been asked to participate in this feedback process. I hope my comments both here and in our live discussions will be useful to the people within TLC making the decisions which will set the direction of the LEGO Train System. I have tried to limit my emotion and provide constructive feedback both as an Adult Consumer as well as a parent of children in the target demographic.

The prospect of having RC controlled points, level crossings, and other accessories is exciting. The potential to integrate MindStorms into the layout operation is also one that I believe will be well received by the adult fans. I believe TLC has an exciting opportunity here and if executed well, can yield life long customers who are loyal to the brand and loyal to the LEGO Train System.