Cereal Couture meets Social Networks
A case study on [me] & goji using Social Networks as a marketing tool to communicate their Value Proposition

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ABSTRACT:

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The cereal couture company, [me] & goji, is the dream of three young entrepreneurs. They were the first online company ever to provide the U.S market with customized cereal mix. This case study finds that online companies with an innovative product such as [me] & goji may benefit from using Social Networks as a marketing channel to communicate their Value Proposition. Supported by Roger’s Adoption theory, selected theories on, Value Proposition, Social Networks, and qualitative data gathered from, interviews and surveys several findings were made. The conclusion is that despite offering a relatively non complex product, with a high relative advantage the market may have difficulties with recognizing the value of the product. This is mainly due to the fact that products sold online cannot be tried by the customer until after purchase. This may be perceived as an uncertainty factor for some customers. The main benefit with viral marketing tools such as Social Networks is that they may increase the rate of the market adopting new products.
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1. INTRODUCTION

1.1 Background

When [me] & goji was launched on the web on September 5th, 2008, the dream of three young entrepreneurs, Adam, Axel and, Carl came to realization. [Me] & goji is the first online company to offer the US market a customized cereal mix. With the slogan Custom artisanal cereal mixed by you handmade by us their mission is to create a new way of thinking about cereal, by focusing on each individual; “We think your cereal should be as uniquely composed as you are, … we think nature’s healthiest foods make for some of nature’s tastiest combinations without processing or additives” ([me] & goji, 2009). With over fifty different types of all organic and natural ingredients [me] & goji has found their niche, as being the very first online cereal couture company. This they have achieved by combining their passion for healthy food, unique products and good design. ([me] & goji, 2009)

The business idea of offering custom made cereal online has proven to be successful. Co-founder Carl Mikael Johanson confirms the proof of concept, “We have served thousands of satisfied customers since the start, and have seen a substantial part of them return” (Johanson, 2009). After a lot of effort, time and investments spent on establishing [me] & goji’s web page, their first move to “reach out” was through sending product samples to famous bloggers. After a recommendation by the well known blog hungrygirl.com their web site crashed down due to the great amount of visitors at the same time.

1.2 Problem Discussion

Being the first company on the U.S market to introduce customized cereal mix online, [me] & goji has experienced difficulties with communicating, as co founder- Carl Mikael Johansson puts it, the “value for the money”. Johansson explains this by stating, “We have received great responses from our viewers saying that it’s a really cool product, but what do I get for my ten dollars, when a normal cereal is half the price?” The problem that [me] & goji has identified is the difficulties with the market adapting to their new product. In other words, [me] & goji has found it problematic to transmit their Product Value online.

Due to limited resources [me] & goji has so far chosen to primarily use web-logs, more commonly known as blogs, as marketing channel to reach their client segment. Within the context of marketing, blogs can be defined as “an information-sharing tool with many
business possibilities. They offer commentary on a variety of topics with links to Web sites or other online resources. Low operating costs make blogging a great marketing and knowledge management option for small firms” (Eva M. Lang, 2005). Through viral marketing which is a “network-enhanced word-of-mouth” (Moore, 2003) there are several other marketing channels. Blogs have proven to be a very efficient tool for [me] & goji because their credibility has helped them to communicate their value, but they need to find additional channels to overcome their initial communicative problem.

The additional marketing tool that [me] & goji wants to try to reach a larger client segment with is Social Networks. Social Networks are similar to Blogs a relatively new way of marketing. Social Networks such as Facebook and Twitter have come to be some of the most known viral marketing tools; “With the emerging Web 2.0, the importance of Social Networks as a marketing tool is growing rapidly and the use of Social Networks as a marketing tool spans diverse areas, and has even been recently used by the campaigns of presidential candidates in the United States.” (Darl, Shapira, 2007) One of the major differences between Social Networks and Blogs is that in Social Networks, networks are built where the individuals themselves choose whom they want to share information with. In Blogs there is usually one “author” who decides what to write about; however he or she cannot choose the viewers. In other words, Social Networks can be referred to as communities where the individuals choose whom to communicate with whereas Blogs are built through one author and randomly different individuals can read this blog and comment.

1.3 Purpose

The purpose of this study is to analyze Social Networks as an additional marketing channel to communicate [me] & goji’s Value Proposition with the aim to stimulate their product adoption rate.

From the purpose mentioned above the following research question has been formulated;

- What value does [me] & goji offer their customers and can this be communicated through Social Networks so that they can reach a larger client segment?
1.4 Disposition

In the next chapter, Theoretical Framework, the theories behind, the Rate of Adoption of Innovations, Value Proposition, and Social networks will be presented. Thereafter the method used for collecting the empirical data will be explained. The following chapter will present the empirical findings. Then in the Analysis the theoretical framework and the empirical findings will be discussed and analyzed. The conclusions made from the analysis will then be presented in chapter six.
2. THEORETICAL FRAMEWORK

This section is divided into four main parts. The first part consists of a short presentation of the theories behind Roger’s (2003) Rate of Adoption of Innovations. In addition a model illustrating the connection between the Value Proposition and Roger’s two variables, Communication Channels and Perceived Attributes will be presented and explained. Then the theories of Value Proposition will be covered. Thereafter the Communication Channel, Social Networks will be presented. The last part will cover Roger’s five Perceived Attributes.

2.1 Rate of Adoption of Innovations

“An innovation is any development that brings change” (Mourkogiannis, 2006, p. 127), or as Micheal E. Porter puts it, “Innovation has become perhaps the most important source of competitive advantage in advanced economies” (Porter, 2001). Whether a “new” product will adopt quickly into a market can be measured in various ways. The pioneer of diffusion of innovation, Everett M. Rogers explains that the diffusion of a new product into a market can be explained by the Rate of Adoption. The Rate of Adoption is “the relative speed with which an innovation is adopted by members of a social system, It is generally measured as the number of individuals who adopt a new idea in a specified period, such as a year” (Rogers, 2003, p. 221).

So what determines the Rate of Adoption of Innovations? Roger’s (2003) lists five variables influencing the Adoption Rate, however, in this case two of them are in focus, The Perceived Attributes and the Communication Channels.

In this case study it is the Value Proposition which needs to be transmitted through an additional marketing channel so that [me] & goji can reach a larger client segment. The link between transmitting the Value Proposition and Roger’s (2003) Rate of Adoption is the very fact that the Rate of Adoption is the process of how fast or slowly the innovation is accepted by the market. In this case; how long will it take for a larger client segment to understand [me] & goji’s Value Proposition? Thereby it is not only the Communication Channels or Perceived Attributes of Innovation that affect the Rate of Adoption but also the Value Proposition. This interpretation is illustrated in the graph on the next page.
The Value Proposition is transmitted through a chosen Communication Channel, in this case, Social Networks, to influence the Rate of Adoption. The Perceived Attributes of Innovation affects also the Rate of Adoption but it is not connected with the Value Proposition. This is because the Value Proposition does not determine or define the five Perceived Attributes. Both of them affect the Adoption Rate but they do not necessarily affect each other. In other words it is the Value Proposition through Social Networks and the Perceived Attributes that determine [me] & goji’s Rate of Adoption.

Figure 1: “What influences [me] & goji’s Rate of Adoption”
(Own model which is inspired by Roger’s (2003) model on Variables Determining the Rate of Adoption of Innovations)

2.2 Value Proposition
Johan Wolfgang von Goethe’s statement, “One must be something, in order to do something” can be interpreted into several contexts. Not only does a new product need to, like Everett Rogers points out, be adoptable to the market but it also needs to have a clear purpose and value added to it. In other words what is its Value Proposition? “How you invest, and especially how innovators serves a larger purpose, determines the value of your investment” (Mourkogiannis, 2006, p. 128).

Perhaps the possibility to, in a very short period of time establish a new business online has led to lack of thought and planning. A product without any purpose or thought put into it is doomed to fail. Despite the new technology, possibilities and advantages that come along with the Internet, the traditional businesses rules still remain. The simple rule is that the
product needs to have value and a purpose added to it. Currie and Parikh explain that many businesses establishing today seem to have forgotten this rule. They explain by stating, “In fact, many of these start-ups concentrated instead on developing their ‘brand’ by spending large sums of money on advertising campaigns, with little emphasis on whether their products or services were attractive to potential customers” (Currie, Parikh, 2005).

The importance of knowing and identifying the Value Proposition is perhaps even more significant now than ever, “There needs to be a greater understanding of the contexts in which … the characteristics of products and services for which it is most effective. This is particularly important because the inappropriate use of viral marketing can be counterproductive by creating unfavorable attitudes towards products” (Subramani and Balaji Rajagopalan, 2003). Specifying the Value Proposition of the product or even guessing the value proposition for the firm may be difficult for it is how the customer perceives and values the product that determines their Value Proposition.

The Value Proposition is the key factor and benefits that the customers are seeking for in their purchase, “Ideally the value proposition for a segment should be built around the key benefits sought by the target customer” (Best, 2004, p. 121). Not only is the Value Proposition the benefits of a product that the customer is seeking for but it also evolves the “process of finding, ordering, and receiving it” (Keeney, 1999). Naturally different types of customer perceive the Value Proposition differently. Best states that when a business can see the linkage between the benefits that their customers value in their product they are on their right way of building a successful strategy. (Best, 2004)

2.3 Social Networks as an Communication Channel

“The communication channels used to diffuse an innovation may also influence the innovation’s rate of adoption” (Rogers, 2003, p 222). In this study the Communication variable is of extreme importance. The theories behind one particular communication channel, namely, Social Networks will be presented here.

2.3.1 Defining Social Networks and its Background History

Defining Social Network seems easier said than done. There are different meanings to it. One way to define this communication tool is by dividing it into three different functions, Social Networks are, “web-based services that allow individuals to (1) construct a public or semi-
public profile within a bounded system, (2) articulate a list of other users with whom they share a connection, and (3) view and traverse their list of connections and those made by others within the system. The nature and nomenclature of these connections may vary from site to site” (Boyd, Elison, 2008).

Wasserman and Faust (1994) claim that the birth of Social Networks took place at The Jersey Institute of Technology, 1978, when an electronic information exchange system was established. The “electronic information exchange system” allowed the users of this network to send emails and see the messages on a bulletin board. (Boyd, Elison, 2008) Not until many years later the very first Social Network site online was established. The site was called SixDegrees.com and was launched in 1997. SixDegrees attracted millions of users and the service tool to allow customers to connect with others came to be known as a successful idea. (Boyd, Elison, 2008)

2.3.2 Why Social Networks

“Online Social Networks are increasingly being recognized as an important source of information influencing the adoption and use of products and services” (Subramani R and Rajagopalan B, 2003). This is especially relevant for smaller firms, for the opportunity to compete with their competitors is now possible without having to make any larger investments in marketing. Through Social Networks, newly established firms can influence and communicate their product or service by finding potential customers online. Subramani and Rajagopalan explains this by stating that, “the tactic of creating a process where interested people can market to each other—is therefore emerging as an important means to spread-the-word and stimulate the trial, adoption, and use of products and services” (Subramani R and Rajagopalan B, 2003).

Marketing Professor Dahlén (2002) emphasizes the importance of marketing products today by claiming that it is not the best product that wins but the one that is marketed the best. The key is to get as close to the potential customer as possible. Dahlén claims that it’s a matter of for a company to produce a “good enough” of a product and then focus on how to get close to the customer, and especially figuring how to get closer than your competitors. Dahlén describes this as the product must find the customer. He also points out the necessity for the company to recognize the importance of understanding how people (the potential customer)
think. This is why Dahlén claims that in order to be successful, a firm must get to know their potential customers and stay closely connected to them. (Dahlén, 2002)

The essential question is then, how can this be done? How can the product find the customer and also recognize the needs and requests? A conclusion that Dahlén makes is that with the new technology, relationship marketing is more important than ever. A new way of marketing is that the focus lies on establishing relationships between the firm and the customer. (Dahlén, 2002). Already in 2007 the founder of Facebook, Mark Zuckerberg explained to a group of advertising executives that, “For the last hundred years media has been pushed out to people… but now marketers are going to be a part of the conversation,…” This he sets on the fact that “people influence people” (The Economist, 2007).

One marketing tool that is built on relationship marketing is Social Networks. Whether Social Networks are a solution to establish stronger relationships between the firm and the customer is interesting to investigate. Hoffman, Novak, and, Perlata (1999) claim that “Ultimately, the most effective way for commercial Web providers to develop profitable exchange relationships with online customers is to earn their trust” (Hoffman, Novak and Perlata, 1999). This they explain can be achieved by “giving away” power to the customers so that the balance between the business and the customer is more harmonized. The shift should be towards a more “cooperative interaction between an online business and its customers” (Hoffman, Novak, and, Perlata, 1999). They also claim that valuable relationship exchanges can only be achieved by a more consumer-oriented strategy where the consumer is given the control of their personal information. This can in return be accomplished through online communities, such as Social Networks, by businesses that are observant and that listen to their customer’s needs and wishes. From this the company can gain consumer trust and, “willingness to disclose personal information, and increased loyalty” (Hoffman, Novak and Perlata, 1999).

Breakenridge (2009) explains that with the new technology and ways of communicating online, communication is no longer controlled or monitored like it has been by the traditional ways of marketing. Breakenridge further states that no longer do businesses need to communicate through an influencer, like media, now the communication can be directly approached to the customer by the business or vice versa. He calls this new media “PR 2.0.” With a closer relationship to the customer, businesses may act and react faster. This he claims is not only a possibility for large firms, but to any company size. (Breakenridge, 2009).
2.4 The Perceived Attributes of Innovations

The Perceived Attributes of Innovations is the variable that has received the most attention by diffusion scholars. With most investigation and focus on the five attributes, the findings have proven to “explain about half of the variance in innovation’s rates of adoption” (Rogers, 2003, p. 222). The attributes are, Relative Advantage, Compatibility, Complexity, Trialbility, and, Observability. All of the attributes will be briefly discussed below, however, the three that are of higher relevance for this case study are, Relative Advantage, Complexity, and, Trialbility. These three will then later on be used in the Analysis.

The first attribute of the Perceived Attributes of Innovation is Relative Advantage. The Relative Advantage is “the degree to which an innovation is perceived as being better than the idea it supersedes” and it is “…often expressed as economic profitability, as conveying social prestige or in other ways” (Rogers, 2003, p. 222). In other words the new product is compared with similar products in terms of economic profitability and social status. Due to insufficient/or lack of knowledge about the new product, the consumer may think higher of the innovation when adopting the new product than a similar product that already exists on the market. (Rogers, 2003)

The second attribute, Compatibility, explains to what degree the new product is perceived by the potential consumer to be reliable in relation to existing norms, cultural values, beliefs, previously introduced ideas, and needs. A product that is less compatible to these set values and beliefs increases the uncertainty factor and the adoption rate is more likely to take longer time than for an innovation with high compatibility. Additional variables that affect the compatible factor are, the name of the innovation, the positioning of the innovation, acceptability research, and, indigenous knowledge systems (Rogers, 2003).

The following attribute, Complexity explains the degree to which the innovation is difficult to understand, comprehend and use. Unlike the other attributes this one is “negatively related to its rate of adoption” (Rogers, 2003, p. 257). The fourth attribute, Trialbility, explains to what extent the new product may be tried and experimented with. Studies show that innovations that can be tried “on installment plan” are more likely to be adopted faster. The last and fifth attribute, Observability deals with how easily observed the results of an innovation are, in other words it explains how easy or difficult it is for the individual to communicate the new product to others. (Rogers, 2003)
3. METHOD

This section will explain how the investigation has been conducted along with the chosen research approach and interview techniques. The first part of this section will present what sources have been used to collect the empirical data and why. The second part will then present how this data was collected.

3.1 Purpose of the Empirical Data

3.1.2 A Qualitative Approach

The empirical data serves as, similar to the theoretical framework, a supportive base for what will then later on be analyzed. The empirical findings are divided into three main parts. The division is made according to the model presented in the Theoretical Framework, (Figure 1).

To gain broad and in-depth empirical data for this study three different angles of perspectives have been used. These three are; customer, company, and, external perspectives. The customer perspective was gained through nine lead customers of [me] & goji with the aim to understand of how they perceive [me] & goji as a product. The company perspective was made with the co-founder Carl Mikeal Joahnsson. The purpose with this interview was to gain additional, and relevant inside information about the company, their product, and what they think about Social Networks as an additional tool to communicate their Value Proposition with. The third perspective was gained through an external source, the entrepreneur Niclas Holmberg. He has previous experience with Social Networks as a marketing tool, and the aim with this interview was to gain additional perspective on Social Networks. He was chosen for the very reason that he has practical experience with using Social Networks as a marketing tool and he has no influence or connection with [me] & goji.

Figure 2: Own illustration made on the different angles of perspectives used for the empirical data that has been collected
The aim with this investigation was to gain a holistic understanding and interpretation of the case study. This is why a qualitative approach has been chosen. Qualitative data is “based on meanings expressed through words, collection results in non-standardized data requiring classifications into categories and analysis conducted through the use of conceptualization” (Saunders, Lewis, and, Thornhill, 2003, p. 378).

3.2 Collecting the Empirical Data

To gain qualitative data from the three different perspectives semi-structured interviews and a small survey was conducted.

3.2.1 Surveys to Lead Customer’s

The material collected would have all been preferably conducted through face-to-face or through the phone types of interviews. Unfortunately the lead customers were all located in the United States of America and due to time difference, and time limitation, these respondents could not be interviewed through face-to-face or through the telephone. Instead a semi-structured survey was constructed and sent out by email. The lead customer’s email addresses were given by the co-founders of [me] & goji. Fifteen surveys were sent out by mail and nine responded. Nine respondents may seem a small number when [me] & goji has already had a few thousands of customers, however, one must keep in mind that the interpretations made in the empirical section are there to give an interpretation of the situation of this case study. The respondents serve as a small representation of how lead customers perceive [me] & goji. In the survey it was explained to the respondents what the survey was about and if they had any questions they could contact the researcher through the specified email address given so that any misunderstanding could be avoided.

The survey (appendix i) was structured in such way that the respondent would feel free to answer as broadly as possible. This is why a majority of the questions were very general and broad. The aim was to gather data from customers that have purchased [me] & goji at least three times to be considered as lead customers. Due to the fact that only a specific group of people were asked to fill out the survey, namely the lead customers of [me] & goji, the survey was therefore structured from the theoretical framework and then formed in way that would suit the chosen respondents.

The general assumption made before constructing the survey was that these respondents were “breakfast lovers”, customers who value eating breakfast. This is why for example the first
question, “why do you eat breakfast” was asked. The aim was to lead the respondent into thinking why he/she values what eating a breakfast and how [me] & goji meets these expectations. Only twelve questions were asked, this with the intention not to scare away the respondent. In general people do not tend to answer a survey if it gives the impression of being too time consuming. (Saunders, Lewis, and, Thornhill, 2003)

3.2.2 Interviews

Apart from the surveys sent to the lead customers the material gathered from the other two sources was through face-to-face and telephone interviews. This type of method was chosen mainly because it is a suitable alternative to gain primary sources and because it fits with the scientific approach of this thesis; “Interviews are probably the most commonly used form of method in a qualitative type of investigation” (Bryan, Bell, 2005, p. 360). These were made according to the semi-structured type of interview. This type of interview form was chosen with the intention to achieve a dynamic interview where the respondent is not lead into any answers by the interviewer. According to the semi-structured form, the interviews (appendix ii and iii) were prepared beforehand with a list of specific themes that were then discussed during the interviews. However the order of the questions/themes were not asked in a specific way and this was done with the intention to give the respondent the freedom to answer the questions in his way without any structural guidance (Bryman, Bell 2005, p. 262-263). The questions/themes were created with help from the theories presented in the previous chapter.

Naturally the validity and credibility of the interviews may be questioned. Because this is a qualitative type of investigation there are several aspects in respect of validity and credibility which should be taken into consideration when analyzing the findings, on the contrary the results of this thesis cannot be measured in numbers. This is what Bryman and Bell (2005) point out as one of the main issues with qualitative investigations for they can be perceived as “impressionistic” or “subjective” With this in mind, the defense towards this criticism is that the aim with this thesis is not gain an absolute truth, but rather an interpretation. Validity and credibility of a study is, “The extent to which data collection method or methods accurately measure what they were intended to measure. The extent to which research findings are really about what they profess to be about” (Saund, Lewis, and, Thornhill, 2003, p 492). By letting the respondents know the background of the investigation, its purpose, and also ensuring that that the data collected have been correctly interpreted, the aim was to avoid any misunderstandings or incorrect interpretations.
4. EMPIRICAL FINDINGS

In this section the empirical data gained from the interviews and surveys will be presented. The first part consists of a case description of the company, presenting [me] & goji’s background and mission, their product, current competitors and visions. The second part will present the findings from the lead customers and how they perceive the product, [me] & goji. The third part will explain the findings from the interview made with Pr-consultant Niclas Holmberg and his view on Social Networks along with explanation of what the co-founder thinks of Social Networks as a communication tool.

4.1 [Me] & goji, a Case Description

4.1.1 Background History and Their Mission

[Me] & goji was available online last fall (2008) however the idea behind it was born already a few years earlier. It all began with the co-founders’ Adam and Axel’s shared mornings before practice at what they refer to as their college’s “dorm-crapeteria” breakfasts. This is when they realized the need of a more healthier, nourishing, inspiring and fun breakfast. Then in 2007, when another young student with the ambition of one day becoming an entrepreneur, and with a whole lot of knowledge about muesli, got acquainted with Adam, and Axel their visions were united ([Me] & goji, 2009). The company name, [me] & goji was derived from the idea, “[me] signifies the fact that the cereal is about the individual who buys it...The goji part of the name come from the goji berry – we say that these are healthy enough to name a company after! … and of course it is fun to say! Viva la goji!” (Johansson, 2009).

With the aim to influence US breakfast traditions with their cereal couture Adam, Axel, and Carl share the vision of becoming a well established and successful company. They created this company with the mission to improve the average American’s breakfast habits by making them think “outside the cereal box” (Sirois, 2008) Allowing the customer to design a functional cereal mix that satisfies their specific, taste, nutrition need and modern life style, [me] & goji hopes that with creating this cereal that works they can achieve their mission. ([me] & goji, 2009)

Despite the strong belief in their product and with opportunistic thinking there have been difficulties with communicating the product to the market. With a relatively low budget to
start off with one of the most essential questions has been how can we reach out to potential customers? Through connections and hard work [me] & goji has been able to reach out through weekly magazines, newspapers, and primarily through sending [me] & goji samples to famous blogs. So far the most successful tool has been proven to be Blogs. This, Johansson believes, is because the “distance” or “process” from finding out about the product to purchase for a potential customer is much shorter if the ad is seen online. Johansson explains this by saying that, for example, during Super Bowl, which is one of the games with the highest viewer rates, the commercials during the breaks almost always suggest the viewer to find more information online. (Johansson, 2009)

4.1.2 [Me] & goji the Product
Another problem that [me] & goji has faced, has been communicating [me] & goji’s value for the money. Johansson says, “Interestingly most potential customers seems to have no problem with paying 5 dollars for one cup of Starbucks latte, but to pay around 10 dollars for at least 14 servings seems harder to convince” (Johansson, 2009). Who wants to buy a relatively expensive product which is only available online, meaning that the customer cannot physically see, smell the product until after purchase? What is the product [me] & goji all about?

According to Johansson the product [me] & goji is characterized by several things. Primarily he thinks that what differs [me] & goji from other cereals is that it is innovative, creative, fun, healthy, convenient, easy to take with (business trip, picnics,) and especially unique. Not only can the customer mix their own personal mix but they can also name their own name tag for their capsule. In short, [me] & goji is personal, interactive, inspiring and fun. Johansson further explains that their product is suitable for everyone who, loves breakfast, are in motion, has adventurous taste buds, has special dietary needs, are berry lovers, have conscious minds. With this statement he claims that [me] & goji is a healthy, tasty, organic and in every way unique product which is suitable for everyone. (Johansson, 2009).

4.1.3 The Competitors & Visions
Today [me] & goji has around four full time employees and it total they have around a dozen of people who help with their business with various things. Despite [me] & goji being the very first online company to provide the US market with an artisanal customized mix there are already three additional online cereal couture companies on the U.S market. These three companies have copied [me] & goji’s business idea and with very similar names, design, and stories, mixmygranola.com, mojamix.com and mywaycereal.com have come to be [me] &
goji’s main competitors. Johansson comments on these competitors that they are “bad copies” and that this is just a proof for them that they have strong business idea worth copying. Currently [me] & goji has around 1400 visitors per month whereas mywaycereal.com has around 500. This Johansson claims could be an indicator that [me] & goji still rides on first mover advantage however to sustain and survive the cereal couture niche they have to work hard to get closer to their customers than their competitors. (Johansson, 2009)

Naturally the main threat would be if the Kellogg’s would start with the same business idea however using a low budget strategy. Especially with the ongoing financial crisis people tend to purchase less expensive everyday grocery products, such as cereals. However, despite similar businesses being established and “bad” economic times, [me] & goji believes that their main competitive advantage, on top of having first mover advantage is; their personal image, high quality of service and products, quantity of products, well designed and durable packaging capsules (lasts for three months). With a great story and vision Johansson claims,; “I cannot see any other limits than the sky” (Johansson, 2009).

So how do they aim to reach the skies, or more realistically how do they aim to reach a larger client segment? Johansson says that most importantly they need to listen to their customers, be alert, and have the courage to experiment, take risks, be flexible, open minded. (Johansson, 2009).

4.2 Customer Perspective

The respondents were selected for the purpose to find an answer for what they think [me] & goji’s perceived attributes are, and what they think the value proposition of [me] & goji is. Or in other words what is [me] & goji’s Value Proposition? The respondents selected have all been true [me] & goji’s customers, and by this definition they have all at least purchased the product three times.

From the nine survey responses the lead-customers that responded were all informed about [me] & goji from a reliable source, namely a friend or a blog that they could trust and relate to. Respondent Nr. 5 wrote that he/she would probably not have gone through with the purchase if it wasn’t for the source being reliable. Respondent Nr. 7 had read about [me] & goji in a press release and then when the respondent was also informed by a friend he decided to give it a try. In general the nine respondents shared all the opinion of being “satisfied” [me] & goji customers for they all felt that their expectations were met. So what are the typical breakfast lover’s expectations?
4.2.1 Value Proposition

Most of the respondents eat breakfast because they wish to gain extra energy to last the day, or because it’s a good routine, ritual, or way to start off the day. The nine respondents’ answers and opinions on what a breakfast should be like; the most important “breakfast factors” could be concluded with that it should be, nourishing, easy, fast, healthy, delicious, and convenient and last but not least it needs be a good mix of protein, carbs and fiber. Generalizing these respondents one could draw the conclusion that they are not fans of just eating pancakes or waffles for breakfast, but they are people who value a healthy and well-balanced breakfast. Most of them shared the opinion that breakfast is the most important meal of the day.

So why did these respondents decide to purchase [me] & goji not only once, but several times? Respondent Nr. 1 answered by saying, “What is better than being able to design your own cereal and call it what you like?? It’s brilliant. I had a lot of fun making them. Also, it’s super healthy if I want it to be, because the Nutrition Facts help me decide whether I should add 2 pounds more of chocolate…” Another respondent liked the fact that the mixing process appealed to “my creative side” and especially the satisfaction factor when receiving the final product home and knowing that “I” made a difference to it. Respondent Nr. 6 answered that because he/she is a very picky eater [me] & goji was the perfect solution for being able to completely decide what to purchase and not. In other words, being able to configure “my own” cereal to “my own” personal taste was an appealing factor for respondent Nr. 6. Another important factor for why the respondents chose to purchase [me] & goji again was because it tastes good.

The majority of the respondents thought that designing your own mix and the quantity of healthy and exotic ingredients were the important factors. The main advantages with ordering [me] & goji online the respondents thought were determining factors such as, convenience, fun, eliminating the experience of buying and carrying a bulky cereal box home, being able to pick without being judged.

4.2.2 Relative Advantage

What is [me] & goji’s Relative Advantage? The respondents perceived [me] & goji to be different compared with other cereal companies in several aspects. One of the respondents answered by saying, “you can custom make this cereal and add all the necessary vitamins you
might need—opposed to other cereals, that come as they are.” Respondent Nr. 2 claimed that because it involves the customer in the creation process instead of branding and marketing one existing product. Respondent Nr. 2 further commented on how it is unusual that a part of the brand quality is in a way in the hands of the customer. This he/she explained by saying that one of the key factors of any food brand is taste, and there is an element of risk in allowing the customers to create something that may (or may not) taste good. However he then continued by saying that the risk is most likely canceled out by the “bespoke effect”; Meaning that most people feel that anything that they’ve created themselves must simply taste great and thereby derive more satisfaction from the product than any professionally pre-made mix.

The picky Respondent Nr. 6 adds on this question that the ability to be in control of the ingredients is a satisfaction where he can get nowhere else. Respondent Nr. 9 answered by saying that the major difference with mixing an own combination where all of the ingredients are organic and healthy is what differentiates [me] & goji from other cereal companies. Concluding with a generalized answer to this question most respondents found that, customization, high quality, and the appealing design of the capsule, proved to be the key characteristics in [me] & goji that differentiates them from other cereal companies.

4.2.4 Complexity and Trialbility

The majority of the respondents thought that the purchase process of [me] & goji was fairly simple and straightforward. Respondent Nr. 9 however thought that some of the ingredients were unfamiliar to him/her and therefore it was difficult to guess what it would taste like.

Another complex factor that Respondent Nr. 3 and 5 pointed out was the problem in guessing whether their mix would actually taste good. Respondent Nr. 3 added that he/she thought it was helpful that there were pre-made mixes that could act as guidance when purchasing the product. Now that the product had been tried a few times it was easier for Respondent Nr. 3 to know what to purchase.

The main disadvantage that the respondents found was the fact that they could not pre-taste the different bases, fruits or nuts. Despite the photos online it is not possible to see how the cereal really looks, smells or even tastes like. Respondent Nr. 2 described this by saying, “the tactile element of being able to see and feel contributes to its appeal which unfortunately is not possible to do online”. Interestingly enough, none of the respondents thought that price was an issue when purchasing the product. Respondent Nr. 8 said that, “At first I thought the price seemed a bit high, however when I realized how much I got for the product I no longer
think of [me] & goji as an expensive product”. On the last question on whether the respondents would like to see some changes or having things done differently the answers varied from no, to suggestions such as adding yogurt covered raisins or nuts.

4.3 External Perspective

4.3.1 Social Networks

Niclas Holmberg is a young PR consultant with his own firm working with Social Media and Politics. Niclas Holmberg describes Social Networks as a technically physical social platform where information can be spread fast. The advantages with Social Networks, Holmberg claims, are that firms can through Social Networks find their potential customers and get closer to them. He describes this by saying that the goal of a firm can be brought closer by Social Networks and it can also be done faster than traditional ways. By goal he refers to a firm gaining more customers. (Holmberg, 2009)

On the topic; disadvantages with Social Networks, and danger with firms crossing the integrity line, Holmberg claims that indeed is integrity one of the main factors that a firm should be aware of and think about when using Social Networks. Holmberg claims however, that this issue can be avoided as long as the firm lets the customer be a part of the process and invite them in, “let there be interaction”. He adds that it is important to let the customer know that it is not a one-way communication strategy but let the customer understand that he/she is a part of the firm and if there are any comments, requests or suggestions the firm will be there to listen and act thereafter. (Holmberg, 2009)

Making the customer a part of the interaction, inviting them in, is an extremely important strategy to be able to gain their trust and loyalty. Holmberg explains this by saying that it all comes down to that customers are people, and this is why they also need to be treated like people, “Do not try to fool them, treat them with honesty and respect and you will hopefully gain their loyalty and trust”. Holmberg continues on with mentioning that this is why traditional media is heading toward the principles and philosophy of social media. (Holmberg 2009)

Holmberg claims that the power no longer lies only in the hands of people that have money but it has shifted towards to the people have influence, the bigger the network of people, the better. Generally Holmberg claims that the new way of marketing is for businesses to not see marketing as unit of its own but as a part of the business. Businesses need to show genuine
interest to their customer by listening and keeping an open mind. The process of marketing has in a way been reversed. Holmberg explains this statement by saying that the process from a business’s planning a strategy to then marketing their product or service to the targeted marketed has assimilated. (Holmberg, 2009)

Marketing involves no longer a clear constructed process where the firm is the active part and the consumer the passive. Now Holmberg says it is all about interaction and keeping the marketing process “alive”. Furthermore Holmberg says that marketing today is just not only about reaching a targeted group and awareness but also about listening and be recipient to comments, requests and suggestions. Holmberg concludes within the context of marketing; in order for a firm to be able to succeed they must “find your potential customer, let them be a part of your business and most importantly do not forget to LISTEN” (Holmberg, 2009).

4.4 Company Perspective

4.4.1 Social Networks

Johansson believes that not only could Social Networks be an appropriate marketing tool to increase their sales, he also sees it as a must. Johansson claims that the customers expect to find information about their Social Networks such as Facebook or Twitter. This he says is because Social Networks are “in time”; meaning that most of their potential customers are a part of at least one social network or another and this has become a new marketing tool. He continues by saying that this applies especially for smaller or medium sized online businesses trying to reach out to a bigger market.

When asking what he believes are the main advantages with using Social Networks as marketing tool Johansson answers by saying that this is a way for [me] & goji to snap up, and listen to what potential customers wants. And in case there are problems or complaints this can then be quickly be found and hopefully also quickly be solved. The main obstacles that [me] & goji hopes to overcome by using Social Networks to a larger extent is to communicate their product value, find an easier way to gain consumer trust, being able to snap up comments, positive feedback or complaints. (Johansson, 2009)

The negative aspects with Social Networks, Johansson believes, to find a way to reach out through the massive amount of information that is out there. When there is too much information like there can be in the different Social Networks it can be difficult to systematically build a stronger brand and loyalty amongst customers. At the same level where
social networks are expected to be personal and easy to reach it is extremely important for a firm not cross the line of integrity. Johansson adds by saying that balancing between “being out there” and a part of the discussion without being too intrusive is difficult. (Johansson, 2009)

To maintain their image as personal and being able to offer their customers the latest news, [me] & goji has their own blog and news letter which are continuously updated by the founders. Johansson mentions that one of his favorite online marketing tools is Google Adword. Adword is an advertisement tool which is linked to Google. Then through Google Analytics [me] & goji can find essential information as, how many consumers have visited their homepage, where, when, for how long, and last but not least whether the consumer then has made the final decision to purchase [me] & goji. According to Johansson this is by far the most rational and measurable marketing tool used by [me] & goji. This he points cannot be as easily done with the Social Networks, such as Facebook and Twitter. Looking back to when the website was launched Johansson answers the question on where he believes the first customer was informed about [me] & goji and says it was most likely through a blog. (Johansson, 2009)
5. ANALYSIS

Here the findings from the theoretical framework and empirical data will be analyzed and presented. This section is divided according to model illustrated on page nr. 8. The first section will present [me] & goji’s Value Proposition. The second part will cover the findings of Social Networks as a communicative channel for [me] & goji. The last part will explain the Relative Advantage, Complexity and Trialbility of [me] & goji.

5.1 [Me] & goji and its Value Proposition

What is then [me] & goji’s value proposition? Apart from their relative advantages, a typical “[me] & goji customer” expects their breakfast to be innovative, fun, healthy, nourishing and match their specific taste. The key benefits of [me] & goji is that they can offer this to their customers; everything from offering a wide variety of healthy and all organic ingredients to allowing the customer to name their own capsule. [Me] & goji does not compete with their competitors on price but on quality, quantity, guarantee, and convenience of delivering the package home.

Johansson believes that their main value proposition is the fact that they really put the individual in focus. It is “Me” and goji, emphasizing the fact that it is the customer as a unique individual that is in focus. “The rationale behind the decision to designing one’s own cereal can range from someone who is gluten intolerant and finally has found a good breakfast alternative to someone who wants to try new and exotic ingredients in their cereal or simply someone who wants to show their appreciation for someone by designing a cereal for them” (Johansson, 2009).

5.2 Social Networks as a Communication Channel.

From the theories, and empirical findings it is fair to claim that the marketing traditions have changed, and for a company like [me] & goji this has proven to be a positive outcome. How have then the marketing traditions changed, what are Social Networks all about and how do they differ from the previous marketing channels that [me] & goji has used?

From the Theoretical framework and the Empirical findings an evident trend with communication tools today’s is that the interaction process is becoming more and more significant. Holmberg claims that the power lies no longer in the hands of the firm but also in
the hand of the consumer. Customers today do not expect to be pushed into anything but it should perhaps be looked upon as a *getting acquainted* process.

Marketing Professor, Dahlén (2002) claims that the phenomenon has led to the situation where the value lies on the consumer, as much as it lies on the creators of the company. The findings indicate that the consumer wants to be a part of the product, and the process. This could be explained by the atavistic need in a human being to feel needed, a part, and connected to something. By giving the power to the customer to mix their own cereal and even naming is very strong and powerful service which allows *[me] & goji’s* customer to feel connected. Dahlén claims that the model has been reversed, from a customer buying a product/service to the customer buying a part of co-owning the firm, “We are heading towards consumers becoming part owners” (Dahlén, 2002)

This is also one of *[me] & goji’s* business idea. *[Me] & goji* states that, “Our website encourages user interaction. We want customers to have fun designing and naming their cereals and to learn about their ingredients along the way,” (Sirois, 2009) A part from *[me] & goji’s* own web log and site the findings of this study indicates that Social Networks could be an appropriate tool for *[me] & goji* to communicate through. It is a tool that *[me] & goji* could use and perhaps, it is even a tool that they should use. As Johansson claims that he feels the pressure to be available on networks such as Facebook and Twitter. It is a communication tool within their time, and it also an appropriate channel for them to build up relationships with customers. Through Social Networks *[me] & goji* could gain the trust and loyalty of potential customers.

5.3 *[Me] & goji’s* Perceived Attributes,

5.3.1 Relative Advantage
To what extent is *[me] & goji*, the cereal couture, perceived as a better product than the ones that already exist on the market? Within in the context of economic value and social prestige *[me] & goji* seems to differ significantly from what is offered on the market today. The shared opinion is that *[me] & goji’s* relative advantages were, quality of product, quantity of high quality healthy and all organic, fun, interactive, personal, and unique. All of the respondents thought that the greatest advantage is the fact that *[me] & goji* offers a service which lets the customer create their very own personal mix.
Interestingly the majority of the respondents did not think that the price of the product was too high. The conclusion here that could be made is that these customers had experienced their value for the money and did believe what they purchased was a better alternative for them than any other breakfast substitute. In other words the customer that had purchased the product at least once expressed the belief that they were more than satisfied with what they got for their money. By making the customer realize the value for the money Johansson does not see any hinder other than practical ones. “If a customer is willing to pay five dollars for an iced, chai latte with extra cream to go at Starbucks then ten dollars for [me] & goji will not be a problem once they see the true value in our product. Then what is the value of [me] & goji. What are the benefits that the current customers value?

[Me] & goji offers a service/product which cannot be purchased in a normal grocery store or supermarket anywhere in the U.S. People with, special needs, for example gluten intolerant, specific taste, special requirements, or even breakfast lovers who values being creative and unique are potential customers who could easily value the relative advantages of [me] & goji just like the current customers do. In conclusion it is fair to claim that the relative advantage apart from the economical aspect is high.

5.3.2 Complexity and Trialbility

The product per se is easy to comprehend, however from the respondents there were two factors that were considered to be a bit more complex. These two factors were, recognizing all of the ingredients and guessing which combination will taste good. For a customer who is not so “picky” and is satisfied with mixing all of his or her favorite ingredients, this is not an issue. However for the more “picky” customer this is not enough, the combination of the ingredients must also be perfect. This is a factor that is probably not easy to solve. [Me] & goji has currently different examples of good combinations which could function as a good guidance or indicator.

By offering exotic ingredients such as, goji berries and golden berries which are not available everywhere to get it can be difficult for anyone to know what all of these ingredients really are, taste or smell like. On their website they have pictures displayed on each ingredient, explanations of what the ingredient is, and with a short explanation of what the health benefit is. In conclusion [me] & goji is relatively a noncomplex product and this attribute should not have any larger impact on the rate of adoption
A general problem with products purchased online is that they cannot be seen or tried physically before purchase, which is more often possible in a “normal” shop. This is what [me] & goji’s main disadvantage is. They need to gain the consumer’s trust somehow so that they can overcome this issue. This could be one of the reasons why a great number of people react in the same way, “sounds like a cool product but what do I get for my ten dollars?” The fact is that the product cannot be tried until after purchase. According to the findings there is a need for a tool such as social networks to build up their value and credibility.
6. CONCLUSION

The purpose with this thesis was to investigate how the Adoption Rate of the new cereal couture product, [me] & goji, could be stimulated so that they could reach their objectives. By using Social Networks as an additional channel to communicate their product value, the research question was the following;

- What value does [me] & goji offer their customers and can this be communicated through Social Networks so that they can reach a larger client segment?

So, what value does [me] & goji offer their customer? The findings showed that [me] & goji’s main advantage, or what the customer perceived as the main benefit was the very fact that they could mix their own breakfast cereal. The perceived relative advantage was characterized by the respondents saying that [me] & goji is, innovative, fun, interactive, creative, healthy and organic. Despite [me] & goji being a relatively non complex product with high relative advantage the market has had difficulties with adopting to their new product. This sets out the example that it can in fact be difficult even for new but relatively “easy” products such as food to be adopted and fused into their markets. This also highlights the important role that communication channels play, for it is not necessarily the best product that wins but the product that is marketed the best.

Theories on the new way of marketing prove that the focus has shifted from the firm to the customer. By inviting the customer in, the firm may gain from this in several aspects. Not only can they gain loyal customers but also build up relationships where the customer can gain trust for the company and valid information can be exchanged. Perhaps one could conclude with that marketing is longer a brutal and persuasive process as it has been. According to the research done in this case study identifies the new way of marketing as more personal and integrated with the customers. Social Networks as a marketing tool is built on this concept. No longer are companies supposed to push out their advertisement. Maybe one could claim that marketing has become more humane.

Interestingly the observations made from this study proved that there can be parallels drawn with [me] & goji’s business idea and the new way of marketing. By letting the customer be a part of the production process and by trying to keep a very informal image [me] & goji seems
to harmonize with what the new ways of marketing is all about. Through Networks where people with shared interests can market each other, [me] & goji can stimulate their, trial, and rate of adoption. Nevertheless it is not only about building relationships with customers and gaining their loyalty, but especially getting closer to them than the competitors. Despite [me] & goji being the first company with their product on the market already three additional companies with the very same product have established. With this in mind, [me] & goji needs to work hard on keeping their customers that they have, and work even harder on getting new ones.

What could have been interesting to study as an additional variable would have been to investigate whether the customers were price sensitive or not; namely if price was a determining factor when choosing between different products. However, from this case study is has been proven that Social Networks are indeed an appropriate communication channel to transmit [me] & goji’s Value Proposition online. Through the communication channel, Social Networks [me] & goji could use this tool to encourage potential customers to purchase their product. Building direct relationships with potential customer could be a solution for [me] & goji to communicate their value for the money. With the identified Perceived Attributes and Value Proposition [me] & goji has to work hard on using their communication channels correctly and always be observant and recipient.

Most importantly for [me] & goji to keep in mind, is that they should not only see their customers as revenue sources but as people with useful ideas, suggestions, and comments. If [me] & goji succeeds with communicating their product value through Social Networks new paths may lead Adam, Alex, and Carl into new adventures and success.
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Nine Lead Customer, Surveys through email, 2009-05-07 to 2009-05-15
i. Lead Customer Survey:

Dear Respondent,

My name is Anna af Ekenstam and I am a business student at Uppsala University in Sweden. For my graduate thesis I am studying [me]&goji and whether they can use social networks as a marketing tool to expand their business. It would be greatly appreciated if you could contribute by answering the following questions. The survey is completely anonymous and the data will be used solely for the purpose of my thesis. If you have any questions regarding the survey or how the data will be used, feel free to contact me. My email address is: a_ekenstam@hotmail.com.

1) Why do you eat breakfast?

2) What are your expectations from a breakfast?

3) From where, or whom did you hear about [me]&goji?

4) Was this a reliable source?

5) What motivated you to purchase [me]&goji?

6) How does [me]&goji differ from other cereal companies?

7) What characterizes the experience of eating [me]&goji cereal?

8) In sequential order, what in [me]&goji is most important to you?
   a) Designing your own unique mix   b) Convenience in getting the capsule delivered home c) The quantity of healthy and exotic ingredients
9) Does me&goji meet your expectations?

10) What do you find is the main advantage with ordering your cereal mix online?

11) What do you find is the main disadvantage with ordering your cereal mix online?

12) Is there anything you would like to see changed or done in a different way?

Thank you!

ii. Interview with co-founder Carl Mikael Johansson:

• Background intro/info: What marketing tools have you, me&goji, used so far, strategy?

• What has (so far) been the most “successful” marketing tool?

• The first order, from where and how do you think the customer was informed about me&goji?

• Who are your main competitors?

• What do you believe are your main strengths, advantages compared to your competitors?

• What is your vision? (ex: where do you, me&goji, want to be in ten years?)

• How do you aim to reach this goal?

• You describe yourself (me&goji) as an informal, and personal company, how do you aim to keep this image?
• You have first mover advantage, have you seen any difficulties with the market “adapting” to the new product?

• (Why) do you see social networks as an adequate marketing tool for me&goji?

• Social Networks, main advantages, disadvantages?

• What obstacles do you hope to overcome by using social networks (consumer trust?)

• Future plans, strategies?

iii. Interview with Niclas Holmberg:
• What is your experience with Social Networks

• What characterizes Social Networks, what is it?

• SN as a marketing tool, thoughts?

• Disadvantages with SN, crossing the line of integrity?

• Tips to companies that want to use SN

• Comparing SN with traditional marketing tools?

• How do you think SN as a marketing tool will evolve, future visions of marketing?