Juice Guys (A)

CREATING THE ULTIMATE JUICE SHOP:
Squeezing and Blending the Data to Get to the Juice !!!

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Preliminary Draft
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I. Introduction

“You walk into a store called Juice Guys that just opened up in your neighborhood. What do you see as you enter the shop?”

In June of 1998, Nantucket Nectars (NN) launched a new subsidiary called Juice Guys on Nantucket Island. Juice Guys was Nectar’s foray into the thriving fresh juice and fruit smoothie marketplace that had taken the West Coast by storm.

Summer 1998 marked Juice Guys’ opening season. In three-and-a-half months, Juice Guys (JG) sold 59,000 smoothies, 17,250 servings of yogurt and sorbet, 16,200 bottles of Nantucket Nectars, and 2,300 glasses of fresh squeezed juice. A total of 175,000 items were sold amounting to $227,000 in sales, with food accounting for over 91% of this revenue (retail merchandise and gift certificates make up the other 9%).

These statistics were strong enough for JG and NN to jointly finance an expansion of this new retail concept into the Boston market. Boston consumers had a very strong affinity for NN, and therefore this area was considered a good spot for opening up and testing JG in an East Coast urban market.

However, Juice Guys’ founder realized that the Nantucket Island summer-only retail concept (read: lots of tourists) was not practical, or economically feasible, for this year round, metropolitan city. Thus, the concept needed to evolve to better serve its target market and be successful in this new and different environment. In a nutshell, Juice Guys set its sights on redefining the East Coast retail juice-drinking experience.

Thus, the foundation was laid for this field study project. The mission: to find a “Quality Juice Evolution Solution” for Juice Guys’ retail concept tailored for a residential neighborhood in Boston’s charming Beacon Hill area.

II. Background Market Research

“I wandered into the store and bought a smoothie and of course it tasted delicious. But the thing that really captured my attention, was that the people (the customers) were real zealots about this thing. It seemed that everyone had a real sense of affirmation about buying this smoothie.”

—Bob Kagle, Benchmark Partners, LA Times, 05/17/97

“Jamba Juice is so much a celebration of life.”

—Kirk Peron, Founder, Jamba Juice, Nation’s Restaurant News, 05/11/98

The term juice bar conjures up many images in the minds of consumers. Fresh fruit, bright colors, overflowing smoothies, humming blenders, a hearty meal, and smart eating. One juice bar expert wrote: “You’re not selling smoothies; you’re not selling juice. You’re selling health. Or at least the perception of health.” (Castanga, Restaurants and Institutions)

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1 Company Records
2 Casewriter Interview
The average juice smoothie bar generated daily revenues of $1,300 with margins as high as 50%. Operating these shops does not require much equipment. Some sources have noted that per-unit-equipment costs start as low as $6,000. (Rubenstein, Nation’s Restaurant News) The entire juice and smoothie segment was expected to total over $500 MM in sales in 1998, with unit growth topping 60%. (Dan Titus, Juice Gallery) These statistics highlight why these businesses are growing so rapidly—they combine low barriers to entry with high demand in the marketplace for healthy, convenient alternatives, which can equate to quick success.

The smoothie bar success story started with Jamba (translates as “to celebrate”) Juice, which has been leading the industry in capturing the hearts of consumers all over the West Coast marketplace for the last nine years. In 1998, their annual system-wide sales were about $55MM and growing. Jamba’s units average an estimated $650,000 of sales per year, or about $55,000 per month. The average check is about $5. (Liddle, Nation’s Restaurant News)

Jamba acquired Salt Lake City’s Zuka Juice in February 1999, making the combined entity over 220 retail outlets strong (Gibson, Wall Street Journal). Only one of these stores was in East Coast territory—at Yale University in New Haven, CN. Given this geographically sparse statistic, many East Coast baby boomers were wondering “what’s a smoothie?”

What’s a Smoothie?

“Only one of the healthiest, most delicious concoctions you can put in your nutrition-starved body! With a full day’s requirement of fruit, non-fat frozen yogurt or dairy-free sorbet, and a dash of ice … [they] weigh in at over a pound. At 24 ounces, they’re more than a healthy snack—they’re a meal.” <www.jambajuice.com>

Are Smoothies Fad-Proof?

No. “The American public is more fad-oriented than any other.” (Sherman, Information Access Company) Juice bar owners should pick a theme and concept that allows them to sell a variety of products, including staple items that never will go out of style. Strong brand image and catchy store designs are crucial to maintain success. (Parker, Denver Post).

Zuka Juice’s product line has been expanded from fresh juice and smoothies to include muffins, cookies, healthful snacks, and music CDs. Jamba Juice sells Power Bars, Balance Bars, high-nutrition breads (called Jambolas), and most recently Souprimo Soups that are freshly steamed and pureed to order.

Words of Wisdom

“The company (Jamba Juice) needs to innovate in the product arena and present its customers a complete product offering that represents a true healthy meal replacement.”

—Bob Kagle, Benchmark Partners, Nation’s Restaurant News, 05/11/98

Experts caution all juice and smoothie shop franchisees to make sure their concept can travel by constantly challenging its fit. Consumer demands and tastes greatly change from one demographic to another. Doing the appropriate due diligence before entering into a new market or area will greatly increase the probability of success.
Lastly, lock in your local consumers by giving them a greater “sense of connectedness to others” which is called “clanning.” (Faith Popcorn, *BrainReserve*) “Consumers feel good about patronizing an establishment that cares—and they are really looking for community spirit in a New Age franchise.” (Sherman, *Information Access Company*).

**So What?**

Now that we know: 1) what the experts think; 2) what other concepts have been successful; and 3) what the printing presses have been churning, it’s time to move on to what the consumer needs. Not just any consumer, but Juice Guys’ target consumer. How did we identify them? What did we ask them? And most importantly, what did they say? Keep reading . . .

### III. Methodology

**Target Market Identification**

Before we could begin to determine a viable concept for the Juice Guys stores, we first had to identify its target consumer. In order to create an image of this individual, we developed a set of questions (see Exhibit 1) to ask in one-on-one, 45 minute interviews with eight Nantucket Nectar employees, including Co-founder, Tom Scott; Director of Marketing, Chris Testa; and Juice Guys Founder, Paul Conti.

Each having extensive knowledge of the Nantucket Nectars brand and the Juice Guys Nantucket store, these individuals reported that the Juice Guys’ target market would be comprised of athletic, health conscious, 18-35 year olds who are well educated, well dressed, and fall into higher income brackets. These individuals will be young professionals, as well as mothers with children under the age of seven. For a more detailed summary of these interviews, please see Exhibit 2.

**In-depth Interview Process and Candidate Selection**

Upon developing an image of the Juice Guys target market, the authors selected and enrolled 19 people who fit various aspects of the above description to participate in 45-60 minute, one-on-one interviews. The purpose of these in-depth interviews was to determine a viable concept for the store—keeping in mind not only Boston’s Beacon Hill location, but also general characteristics for future locations and geographical expansions. Juice Guys agreed to pay each interviewee $50 for his/her time, which helped to ensure an extremely high response level from selected subjects.

The interview was structured to be very free thinking in order to uncover as much of the consumer’s needs as possible, in addition to each subject’s unique creativity (please see Exhibit 3 for the interview guide). During each session, the interviewer would give a brief explanation of the purpose of the research initiative and then immediately introduce the first question “You walk into a store called Juice Guys that just opened up in your neighborhood. What do you see as you enter the shop?”

For the rest of the interview, the subject basically took the lead on determining what topics were discussed. To accomplish this type of process, an interview technique called “Laddering” was employed. This technique helps an interviewer delve more deeply and completely into someone’s initial, more high level thoughts and responses. Although there are several other questions listed in the interview guide, the interviewee was only led to talk about each of these items if they themselves

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“touched” the appropriate category. Amazingly enough, most of the interviews covered these basic items and much more.

To capture both of these integral pieces, the interview candidates chosen included 10 general concept interviews with students from the Harvard Business School, and nine location-specific Beacon Hill residents, all of whom fit a particular segment of the identified target market. The number of candidates chosen was identified utilizing knowledge instilled by Harvard Business School’s Professor Gerald Zaltman in his Consumer Behavior Laboratory course. During this course Zaltman cited and discussed an MIT study titled *The Voice of the Customer* (Griffin and Hauser) which addresses the issue of how many subjects are necessary and what type of interview process works best to determine customer needs.

Zaltman explained that these researchers determined that interviewing nine candidates one-on-one for one hour (9 person hours) determined the same percentage of needs identified (90% of all needs found utilizing the combined research effort) in six eight-person two-hour focus groups (48 people and 96 person hours). See Figure 1 below: A Comparison of Focus Groups and One-on-One Interviews.

![Figure 1](attachment:figure1.png)

Source: Griffin, Abbie and Hauser, John R. “The Voice of the Customer.”

Upon completion of approximately 19 hours of interviews, the authors tackled the challenge of synthesizing this qualitative data into a useful format by employing a technique known as “Language Processing”\(^4\). With the guidance of our faculty sponsor, Professor Joe Lassiter, we held a five-hour working session where our absolute goal was to answer the question:

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“What is the Ultimate Juice Shop?”

To answer this question, we went through the following ten-step process:

1. Using statements directly from the interview notes, each author created between 50 and 60 index cards that had one “image” (or idea) written on it.
2. Each card was labeled so that we could trace the comment or image back to our original interview notes.
3. Over 100 cards were laid out on a table. A red dot was placed in the upper left corner of each image that the authors felt was critical to determining the overall concept.
4. Double images were matched, and an equal number of additional cards were allowed to receive red dots. The non-dotted cards were eliminated.
5. Using the remaining cards, dots were again placed in the upper left corner of the index cards. At this point, the goal was to narrow the card selection down to the 25 most valuable images or ideas.
6. After reaching 25 cards, the authors attempted to group the ideas into piles that did not exceed a maximum of three cards, and share a common theme.
7. “Summary” cards were created for each group to capture the essence of the images in that group of two to three cards.
8. This process was repeated until 5 groups of ideas remained.
9. At this point, the LP diagram was designed (see Exhibit 4) to map out how each of these vital images related to each other. Color coordination is used to identify the different hierarchy of grouping levels created during the above synthesis process.
10. As a final step, the three most important subgroups from the “red label” hierarchy and the “individual black label” level were selected and synthesized to answer the question “What is the Ultimate Juice Shop?”

The next section, Results, details our findings from both the LP Diagram and the in-depth interview process.

IV. Results--LP Diagram Explanation and Detailed Quips (To be prepared)

V. Recommendations and Next Steps (To be prepared)

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Castanga, Nicole G. “Smoothing Out the Juice Bar.” Restaurants and Institutions, 15 September 1997.


Exhibit 1  Survey to Identify Juice Guys’ Retail Target Market

Q1a.  What type of consumer do you envision patronizing the Juice Guys Retail Concept?

Q1b.  Describe this consumer as a graphical image.

Q2.  What are the demographic characteristics of this consumer?  Age?  Income?  Education?

Q3.  How will consumers hear about Juice Guys?

Q4.  Will the consumer be a Nantucket Nectars customer?  Or will Juice Guys hit a new target market?

Q5.  How will the current Nantucket Nectar brands be a part of JuiceGuys?

Q6.  How will the consumer look in relation to the Juice Guy’s consumer on Nantucket?  How will these consumers be different?  The same?

Q7.  Who is the ideal consumer?  Why?

Q8.  Will a consumer’s visit/ purchase from JuiceGuys be on a whim, or planned?

Q9.  How many times a month do you think that the average consumer will visit the store?

Q10.  Do you think that consumers will want to develop an “affiliation” with the store through the purchase of hats, T-shirts and other possible Nectars merchandise?  What merchandise do you envision selling well?

Q11.  What will be the geographical reach / pull of the store (people will come from an x-mile radius)?

Q12.  How many distinct types (e.g., YUPPIE, Senior Citizen) of consumers do you envision being in the target market?  Describe them.

Q13.  How will consumers “use” the store (quick eats, dine in, take out, part of the NN scene, etc)?

Q14.  Free-thinking.  What do you want us to know about the Juice Guys consumer, in your opinion, that is critical to us creating the right concept and fit for NN?

Q15.  Describe your visual image of Juice Guys Boston.
Exhibit 2  Summary of Interviews Utilized to Identify Juice Guys Target Market

Q1.  What are the images that come to mind when visualizing the Juice Guys Retail consumer?

<table>
<thead>
<tr>
<th>Frequent Visitors</th>
<th>Residents/Locals</th>
<th>Tourists/Non B-H People</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Young professionals</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Health conscious individuals</td>
<td></td>
</tr>
<tr>
<td></td>
<td>After—workout—highly—active</td>
<td></td>
</tr>
<tr>
<td></td>
<td>individuals</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Family (Mom) with kids (7 and under)</td>
<td></td>
</tr>
<tr>
<td></td>
<td>One-time/ Less frequent Visitors</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Curious walker</td>
<td>Tour foot traffic (from Cheers, Boston</td>
</tr>
<tr>
<td></td>
<td>Older Beacon Hill resident (40+)</td>
<td>Common)</td>
</tr>
<tr>
<td></td>
<td></td>
<td>College crowd</td>
</tr>
<tr>
<td></td>
<td>Well dressed/put together</td>
<td>Diverse crowd</td>
</tr>
<tr>
<td></td>
<td>18-35 years old</td>
<td>Camera carrying</td>
</tr>
<tr>
<td></td>
<td>Upper income</td>
<td>T-shirt buying</td>
</tr>
<tr>
<td></td>
<td>Well educated</td>
<td>First time to the area</td>
</tr>
<tr>
<td></td>
<td>“Healthy trendy”</td>
<td></td>
</tr>
<tr>
<td></td>
<td>“Preppy”</td>
<td></td>
</tr>
<tr>
<td></td>
<td>“Sporty”</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Mothers pushing strollers</td>
<td></td>
</tr>
</tbody>
</table>

Note:  The Nantucket Nectar die-hard fan was never identified as a market segment in any of the interviews.

Q3.  How will consumers hear about Juice Guys?

1.  Word of mouth
2.  Walking by the store and being curious
3.  Localized print (Beacon Hill paper)
4.  Radio
5.  I love Juice Guys
6.  I’ve been to the Nantucket store
7.  Collateral (T-shirts, hats)
8.  Web site

Note: No one surveyed mentioned cross promotion with existing NN products.

Q4.  Will the consumer be a Nantucket Nectar consumer? Or will Juice Guys hit a new target market?

1.  Juice Guys will attract the Nantucket Nectar juice drinker for the following reasons:
   • Curiosity
   • NN products can be purchased in Juice Guys shop
   • NN drinkers recognize Juice Guys from the story
2.  Juice Guys will then attract the “Premium Juice Drinker”— such as Fresh Samantha drinkers.
3.  Finally, Juice Guys will attract the health conscious, on-the-run, meal replacement seeker.
Q7. Who is the ideal Juice Guys consumer? Why?
The ideal Juice Guys consumer was identified as an individual possessing the following characteristics:

- Empty refrigerator
- A lot of disposable income
- Ranks convenience at the top of their list
- Life conscious / enjoy their lives
- Highly social busy bodies

Q8. Will the consumers visit / purchase from Juice Guys be a whim, or planned?

- First 6 months of store opening – whim
- After 6 months – planned
- Tourists – whim

Q9. How many times a month will the average consumer visit the store?

- On average – 5 times/month
- On-season – 8 times/month
- Off-season – 3 times/month

Q11. What will be the maximum time that a consumer will spend walking or driving to the Juice Guys store?

<table>
<thead>
<tr>
<th>Weekdays</th>
<th>Weekends</th>
</tr>
</thead>
<tbody>
<tr>
<td>• 10-15 minutes walking&lt;br&gt;• Planned stop, i.e. before work, lunch, snack.</td>
<td>• 10-15 minutes&lt;br&gt;• After a workout&lt;br&gt;• More social&lt;br&gt;• More time</td>
</tr>
</tbody>
</table>

Q13. How will the consumers use the store?

<table>
<thead>
<tr>
<th>Take-out</th>
<th>Social Aspect</th>
</tr>
</thead>
<tbody>
<tr>
<td>• 80% of consumers&lt;br&gt;• On-the-run professional&lt;br&gt;• Stroll-and-walk smoothie&lt;br&gt;• Meal replacement to go</td>
<td>• 20% of consumers&lt;br&gt;• Let’s get a smoothie&lt;br&gt;• Run into neighbors in the store, converse awhile&lt;br&gt;• Sit and flip through my favorite newspaper/magazine</td>
</tr>
</tbody>
</table>

The following summarizes our findings about the Juice Guys retail CONCEPT.
The “Juice Guys” connection: Juice Guys retail should use the following tactics to lead current NN customers to recognize the connection between Nantucket Nectars and Juice Guys:

- Cooler with prominent NN branding in the store.
- Using NN juice as a smoothie ingredient
• Incorporating a toned down version of the “NN Story”, as well as other NN/Nantucket influences in the store
  • “Back to the Blender” – how NN began
  • Shingled wall, cobblestones
  • Nantucket Island feel
  • Quality Juice Evolution Solution
  • Computer kiosk with web links
  • Odor, graphics
• Branding – “We’re the Juice Guys”
  • Focus on the juice
  • Quality
  • Have Tom and Tom promote the store

Atmosphere:
• Store should smell fruity (often, the Nantucket store did not smell great)
• Store should be clean and slick like Jamba Juice
• Make your own smoothie may be too tedious and produce undesired combinations that discourage return visits.
• Educational
• Pastel colors/soft. A lot of the people interviewed do not like the current color scheme in the Nantucket store.
• “Warm and inviting”
• “It’s cool”
• “Fun place, exciting and new.”
• Service Management: employees should be fun, young and chatty.

How should the Beacon Hill address the issue of year round business?
• Do more promotions in the winter months
• Sell more seasonal beverages, but stick with juice
  • Hot apple cider
  • Pumpkin smoothies
  • Cinnamon smoothies
• Make the store more “inviting and cozy” in the winter
• Tie in local happenings and entertainment, especially athletic events. Make the store a place to find out “what’s going on”
• Create addicts—I must have a smoothie
• Fresh juice delivery—“Back to the milkman.”

How can consumers become affiliated with the Juice Guys retail store? What other products should be sold?
• T-shirts, hats
• Reusable cups
• Vitamin supplements
• Newspapers
• Power bars, balance bars, etc.
Exhibit 3  Survey to Determine Juice Guys’ Retail Concept

INTRODUCTION. Thank you for agreeing to talk to us this afternoon!! My name is _________ and I am doing a research project for a local entrepreneurial consumer product’s company that is thinking of expanding its business model. Your creativity is what I am after … there are no right or wrong answers. Your opinion and your ideas are why we are meeting today. This should be a lot of fun! Here we go.

Q1. You walk into a store called “Juice Guys” that just opened up in your neighborhood. Please tell me what you are seeing as you enter the shop?
   [look]
   [smell]
   [feel]
   [on the menu]
   [Tell subject that Juice Guys specializes in fresh juice and smoothies]

Q2. Who are you with?
   [store crowded?]
   [wait in line]
   [are you in a hurry]

Q3. What time of day is it?
   [store crowded?]
   [wait in line]
   [are you in a hurry]

Q4. Where are you coming from prior to entering the store?

Q5. Where are you going after you leave the store?

Q6. What are you ordering?
   [is this a meal]
   [a snack]
   [do you order it often]

Q7. What else would you order if that specific item was unavailable?
   [juice]
   [baked goods]
   [soup]
   [hot drinks]
   [fro yo]

Q8. What would really disappoint you [anything about the store]

Q9. What would delight you [anything about the store]?

Q10. What are some ‘favorite places’ that you visit in your neighborhood?

Segmentation Questions

1. Had you heard of NN before this interview? Y N
2. Had you heard of “the JuiceGuys” before this interview? Y N
3. Have you ever ordered or consumed a smoothie [health shake]? Y N
4. If yes, do you like them? Y N
Exhibit 4  LP Diagram—What is the Ultimate Juice Shop? (To be prepared)
Exhibit 5a  Customer 1 (20 something, Beacon Hill resident, female)

INTRODUCTION. Thank you for agreeing to talk to us this afternoon!! My name is _________ and I am doing a research project for a local entrepreneurial consumer product’s company that is thinking of expanding its business model. Your creativity is what I am after … there are no right or wrong answers. Your opinion and your ideas are why we are meeting today. This should be a lot of fun! Here we go.

Q1. You walk into a store called “Juice Guys” that just opened up in your neighborhood. Please tell me what you are seeing as you enter the shop?

[look]  The store is clean, not cluttered. It sells fresh squeezed juices and healthy things. It is painted a yellow, or another refreshing color with white trim. There is wood slat furniture, small round tables—like an ice cream shop. There is table service and take out. Its not like Starbucks—there are no table tents. There is a chalk board menu to show that everything is fresh—the items are written up there daily—this makes a statement about freshness. I want to see all the fresh fruit in front of me—displayed and freshly cut.

[smell]

[feel]  Simple is key. There should be fresh flowers, like tulips or daisies. This should be like Henrietta’s in the Charles Hotel….Henrietta’s Market—it sells fresh produce, it’s a good place for baked goods. They should play mellow music, like Sarah McGlauphin (spelling?)

[on the menu]  The store will serve back to basics, comfort food—there should be brown sugar on the table. There should be healthy snacks (like oatmeal), toll house cookies, muffins, etc. Juice should cost about $3-4, and be lemonade, grapefruit, orange, cranberry. Serve fresh fruit, freshly sliced. Dried fruit is a great snack.

[Tell subject that Juice Guys specializes in fresh juice and smoothies]

Q2. Who are you with? A girlfriend.

Q3. What time of day is it?

[store crowded?]
[wait in line]
[are you in a hurry]

Saturday. I want to sit down and be served. I wouldn’t want to feel rushed. I probably wouldn’t go for just juice. It would be a good place for breakfast take out, or if I didn’t want to cook breakfast for guests.

Q4. Where are you coming from prior to entering the store? Walking around, doing errands.

Q5. Where are you going after you leave the store? Home.

Q6. What are you ordering? Juice and a snack.

[is this a meal]
[a snack]
[do you order it often]

Q7. What else would you order if that specific item was unavailable?

[juice]
[baked goods]
[soup]
[hot drinks]
[fro yo]
Q8. What would really disappoint you [anything about the store]? Bad service and bad attitude from the employees.

Q9. What would delight you [anything about the store]? They should also offer coffee/tea. Have outside seating during the summer! People should be able to do something with their dogs if they are walking with them.

Q10. What are some ‘favorite places’ that you visit in your neighborhood?

• Sevens—I know the people who work there, they seem happy to see me, limited menu, jukebox.
• Beacon Hill Market—It’s not commercial, the prices are competitive, they offer a little of everything.
• 75 Chestnut—A real community place. They promote Beacon Hill. They send out mailings by e-mail and wish people a happy holiday by sending them a $20 gift certificate.

Segmentation Questions

1. Had you heard of NN before this interview? Y
2. Had you heard of “the JuiceGuys” before this interview? Y
3. Have you ever ordered or consumed a smoothie [health shake]? Y
4. If yes, do you like them? Y
Exhibit 5b  Customer 2 (Married with children HBS Female)

INTRODUCTION. Thank you for agreeing to talk to us this afternoon!! My name is _________ and I am doing a research project for a local entrepreneurial consumer product’s company that is thinking of expanding its business model. Your creativity is what I am after … there are no right or wrong answers. Your opinion and your ideas are why we are meeting today. This should be a lot of fun! Here we go.

Q1. You walk into a store called “Juice Guys” that just opened up in your neighborhood. Please tell me what you are seeing as you enter the shop?

[look]  I see a counter with 3 or 4 people behind it. There is a line forming in order to order juice. Huge billboard with a list of drinks on top; There are guest tables and a bar with stools; it’s a sit down café-like atmosphere; Bright colors (definitely NOT dark); fresh fruits and vegetables are on display

[hear]  I hear fun upbeat music playing (NOT classical);

[smell]  “I don’t want it to smell”; “It smells like grapefruit juice”

[feel]
  • “It’s not a place to read a newspaper”
  • “People don’t linger there much like a tea or coffee house”

[on the menu] “Is this place like Jamba Juice cuz that’s what I think of ….?” It’s mostly a to-go kind of place – there’s tables just in case cuz people expect that; maybe there’s something to eat (snack type thing) that’s healthy; health food selection a la carte

[Tell subject that Juice Guys specializes in fresh juice and smoothies]

Subject says: “I imagined it as a smoothie place …. exactly”

Q2.  Who are you with?

• On my own shopping and I need to get a quick snack
• Going somewhere – I’m on my way ….  
• With a friend to have a chat – it’s not a business place
• Can I fit a stroller in there? Can I sit down or is it really hard to fit a stroller in the small café?

Q3.  What time of day is it?

• Mid-morning (10 AM) to 5 PM – “I can’t imagine going there at night”

[store crowded] I imagine it is always full (I might be biased because Jamba Juice is always full and that is what I am picturing in my mind)

[are you in a hurry] people suck down juice drinks pretty fast; it’s a fast snack

Q4.  Where are you coming from prior to entering the store? “I’m on a mission”

• Class—on my way to the subway
• I see myself shopping
• On my way home and I want a snack
• Leaving work—for a break or if it was near where I worked when I was leaving
• If they sold great sandwiches there too, I would get a full lunch
• I’m a big smoothie fan!!
• “If I know a place and like what they serve I would go a little out of my way to get it.”
• “Usually it’s on the go”

Q5. Where are you going after you leave the store?
• Doubt I would sit down at the café ….
• On my way home
• Or, it’s during the middle of the day and I am running a bunch of errands

Q6. What are you ordering?
1. Large size smoothie – banana, strawberries, blueberries, plus ice and grapefruit or orange juice
2. 100% orange or grapefruit juice is another favorite
3. I’m NOT into the crap they add in – mostly I like just pure fruits and fruit juices – I do not like to add yogurt
4. It should be really cold

[is this a meal] “No, a SNACK”
• I like to buy a cookie or a brownie as a snack
• Would never be breakfast
• If they had some kinds of sandwiches there, it could be lunch … but, I am a picky sandwich eater. I’ll go to one place for a drink and another for a sandwich if I like a place a lot”

Q7. What else would you order if that specific item were unavailable?
[juice] lemonade, bottled water “there are so many places that sell that though”
[baked goods] eat on the go – something I could pick up and take with the juice
[soup] Soup and cold smoothie together does not sound good to me
[hot drinks] “Could serve coffee but I would not go there for that … it’s JuiceGuys. I HAVE to have good coffee”
[merchandise] “They shouldn’t do it! I would never buy it.”

[WINTER]
• I would order fruit smoothies any time of year
• I make a lot of these at home – all year round

Q8. What would really disappoint you [anything about the store]?
• Wouldn’t want the counter to be dirty: CLEANSLINESS IS KEY
• If it were really loud, having a sit down café would be hard cuz it’s annoying to hear all of the loud blenders
• Fluorescent lights
• If the tables were dirty it would bum me out
• I don’t like jazzy graphic stuff on the shelves – it’s like a bad painting…it’s cheesy, like MTV
• Waiting on line for a long time

Q9. What would delight you [anything about the store]?
• Brightly lit store
• Solid colors (oranges, yellows, reds … maybe blue)
• Primary colors
• Comfortable seats if there are tables – not fancy just with good back support
• Friendly service – they smile and ask what can I get for you today; they can knowledgeably answer questions pertaining to the product; not surly
• Speedy service cuz you are on the go; “I would wait about 5 minutes”
• CD Stand where I can listen to music through head phones while I wait (like at The Wrap)

Q10. What are some ‘favorite places’ that you visit in your neighborhood?
1. Starbucks
2. Rebecca’s: soup/ bagels/ selection/ choice
3. It’s a wrap—they have good smoothies
4. Drink—Fresh Samantha’s—I’m not price sensitive if it is really good stuff

AVOIDS:
1. Au Bon Pain: dirty, coffee is bad, too crowded and messy, lighting bothers me

Segmentation Questions
1. Had you heard of NN before this interview? Y
2. Had you heard of “the JuiceGuys” before this interview? Y
3. Have you ever ordered or consumed a smoothie [health shake]? Y
4. If yes, do you like them? Y
Exhibit 5c  Customer 3 (Single HBS Male)

INTRODUCTION. Thank you for agreeing to talk to us this afternoon!! My name is _________ and I am doing a research project for a local entrepreneurial consumer product’s company that is thinking of expanding its business model. Your creativity is what I am after … there are no right or wrong answers. Your opinion and your ideas are why we are meeting today. This should be a lot of fun! Here we go.

Q1. You walk into a store called “Juice Guys” that just opened up in your neighborhood. Please tell me what you are seeing as you enter the shop?

[look] Bright; colorful like purple; intimate (e.g., not that big); “I do not see table or chairs”; Maybe a little place to sit outside; “I like to see them making my order – that’s part of my criteria for knowing if it’s great”

I like to see the process flows like at Jamba Juice – I watch from beginning to end:
1. I like that they take my name and call my name when they are ready for me to pick up my order
2. user friendly lay out
3. cool, high tech set up—you can see them prepping your order
4. very orderly process
5. these blenders they use—you can see them too—allows the employees to multi-task cuz they have special settings

[hear] I hear a radio station with music but it is not too loud … I like to hear the noises of the machines (e.g., blenders)

[smell] fruity ... it does!!; “juicy”; it should have a ripeness and happy smell; awesome product

[feel] Smiling faces; 2 people at the counter wearing JuiceGuys garb; they always ask “how are you doing?”; transitory (no tables or chairs) … it’s not like a coffee shop (“I would not get it and sit down like at a coffee shop”); “it’s symbolic of an athletic environment … it’s a complement to a workout”; “THE STORE SHOULD REEK OF GOOD HEALTH”

(on the menu)

Very laid out; visually, the menu has pictures of the product on the wall; the name JuiceGuys makes me confuse their product offerings with a Fresh Samantha’s kind of drink—the name … it doesn’t sound like they make it fresh for you”; “as easy as possible”

“I like to read literature about the product. It supplants a meal, therefore, the drink needs to have a desired health effect. I want to know exactly what’s in it—fat contents, calories, back of the bottle ingredients, protein, etc

[Tell subject that Juice Guys specializes in fresh juice and smoothies]

Subject says: “I have trouble uncoupling JuiceGuys from Nantucket Nectars … the connection is not necessarily appealing to me”

Q2. Who are you with?

• A friend—I like to drink smoothies as meal replacement
I like to share the experience; it’s very fast and amusing to me

Q3. What time of day is it?
- Weekends (between noon and 1 PM)
- Weekday—If it’s breakfast … 8 AM; but it is most likely late afternoon or early evening (6 – 7 PM)

[are you in a hurry] “In and out in 5 minutes which is one of the reasons that I am there 3 or 4 times a week” “I like to be able to read their literature and order in 3 minutes”

Q4. Where are you coming from prior to entering the store?
- Gym
- Work

Q5. Where are you going after you leave the store?
- Home to relax and sit down and enjoy my drink
- Take it with me in the car for my 30-minute commute (side note: they should advertise on Howard Stern!)

Q6. What are you ordering? “One word and I want them to know what drink I ordered”
1. Raspberries, ice, fat-free yogurt, really COLD, all mixed up with some type of protein or immunity boost in it. “It should have a catchy name and I want to know exactly what they put in it.”

[is this a meal]
- Yes … it can be but I usually need to eat something with it.
- “For $4.50 I can get a healthy filling satisfying meal … its good value for me”
[do you order it often] Yes …. 3 or 4 times a week… “I do not like to make these things myself, they’re not as good”

“T’ll go a lot especially if it becomes part of my morning routine and “a treat for Saturday” … Otherwise I would visit infrequently”

Q7. What else would you order if that specific item were unavailable?
[juice] “I don’t drink a lot of just plain juice ….” “I’m not into that wheatgrass stuff”
[baked goods] I like Jambalaias … at Jamba Juice (healthy bread snacks that are low far, heated up, quick bite and easy to eat); “additional stuff is a good idea … adds to the healthy image”
[hot drinks] Only if they play on the seasons like an Apple Cider Smoothie
[fro yo] Yes, they should have fro yo

Misc: Power bars, Balance bars to complete my meal ….

Merchandise: “I like Nantucket Nectar’s colors … but I would only buy merchandise as gifts”
Q8. What would really disappoint you [anything about the store]?

- If it is hard to decipher the menu (e.g., simple visual aids—pictures, “less is more”, “sometimes menus are more complicated to figure out than a calculus exam”)
- Obnoxious loud music – music should not dominate the space
- Employees talking on the phone—when they are supposed to be serving customers slows down the process and is irksome
- Unprofessional acting employees
- Upselling is annoying—like to upgrade to a SuperSize … I like to decide myself. I like that they know my name but if they use it to try to upsell me it spoils everything

Q9. What would delight you [anything about the store]?

- I am a glutton for information about the product
- Like to read about the history of the store (like how many smoothies have they made to date) while I wait
- Newspapers that I can browse—a key article or something that makes the wait fly by
- In touch with their community—information about local charity events and bike-a-thons, etc should be posted on the walls
- Internet terminal where you can surf health sites and find out more about the different health mix ins, boosters, vitamin supplements, etc that you can buy and add to your smoothie
- Really friendly and competent employees
- Employees should be educated on the product and open to conversation about it

Q10. What are some ‘favorite places’ that you visit in your neighborhood?

1. Tower Records —listen to multiple selections of music and learn about new bands, etc
2. Skewers—Greek food in Harvard Sq… great customer service, get to joke around with the staff … they know me there
3. Tweeter—love what they sell—their music components and entertainment systems. It is fun to go into the store and play with the new equipment
4. Shad Gymnasium at HBS ☺
   - People are knowledgeable of the equipment
   - There are a panoply of choices there for my workout
   - They have good tidbits of health information “bulletin board of information is updated often with health news and other related stuff”
   - They list important factoids that relate to my health (like how much water I should drink every day)

Segmentation Questions

1. Had you heard of NN before this interview? Y
   “NN is NOT healthy …High in fructose. JuiceGuys needs to Spin healthy but cleverly leverage the NN name without confusing the consumer”
2. Had you heard of “the JuiceGuys” before this interview? Y
3. Have you ever ordered or consumed a smoothie [health shake]? Y
4. If yes, do you like them? Y
Exhibit 5d  Customer 4 (something, Beacon Hill resident, male)

INTRODUCTION. Thank you for agreeing to talk to us this afternoon!! My name is _________ and I am doing a research project for a local entrepreneurial consumer product’s company that is thinking of expanding its business model. Your creativity is what I am after … there are no right or wrong answers. Your opinion and your ideas are why we are meeting today. This should be a lot of fun! Here we go.

Q1. You walk into a store called “Juice Guys” that just opened up in your neighborhood. Please tell me what you are seeing as you enter the shop?

[look] The store should feel relaxed with big couches, an informal counter. I would want to hang out and stay a long time. I want to see everything being prepared. There should be big windows in the front so that customers can look inside to see who is there and then stop in. You should be able to move the furniture, the seating should not be structured.

[smell]
[feel] Vibrant and always crowded with the 25-35 year old crowd, and the 55+ affluent crowd. There will be a few families. It will be a meeting place for people. You should be able to hear blenders, jazz music, neaveau classical, swing, etc.

[on the menu]  
[Tell subject that Juice Guys specializes in fresh juice and smoothies]

Q2. Who are you with?

Alone. I might bring close friends. This is not a first date place, chances are you will run into your friends.

Q3. What time of day is it?

[store crowded?]  
[wait in line]  
[are you in a hurry]  
On weekdays, this is a morning stop to get juice and read the paper. This is probably not an evening spot as the crowd it attracts will be at work or working out. On the weekends, it will be a definite morning stop and anytime during the day.

Q4. Where are you coming from prior to entering the store?

Playing outside, in between activities. I’d stop by knowing that I was going to work out later. Stopping by is going to be spur of the moment—its NOT an occasion. This shouldn’t be a big time commitment if I don’t want it to be. Also, this isn’t the type of store that is going to get people who work in the financial district to come down off the hill in the morning (to get a juice/smoothie) only to walk back up again. (Since the location is on Charles Street). But on the weekends, the store should get the Back Bay and Boston Common traffic.

Q5. Where are you going after you leave the store?

Q6. What are you ordering?

[is this a meal]  
[a snack]  
[do you order it often]  
I would make this a snack about 3 times during the week, and 1-2 times on the weekends.
The owners should think about cool concoctions that I can choose from because it would take me about 10 test drinks before I “created” a good smoothie. They should categorize the drinks so that it is easy to choose.
The smoothies should be thick and substantive, large. They should have lots of taste and must be all natural.
I won’t be as interested in the bottled juice. You can buy that anywhere.

Q7. What else would you order if that specific item was unavailable?
[juice]
[baked goods]
[soup]
[hot drinks]
[fro yo]

Q8. What would really disappoint you [anything about the store]?
• If they tried to skimp on the quality of the drinks OR if I could get the drinks at a nearby store. The drinks must be unique.
• The franchise thing worries me. The store needs to be customized. It could be dangerous to have the same thing in the Back Bay.
• If the people behind the counter are not enthusiastic, cool, happy, and laid back. Service will really differentiate the store. Employees should be willing to be flexible. The employees must be empowered the service will make it!!

Q9. What would delight you [anything about the store]?
• Games are good!! A dartboard, chess, checkers, Trivia Pursuit cards (to ask each other questions), Balderdash.
• There should be a bookcase filled with books.
• Individual seating so that if I come in alone, I feel comfortable sitting by myself.
• If I had to wait, 2 minutes is my limit, and I want to watch CNN in closed caption. It should not be obtrusive, though.

Q10. What are some ‘favorite places’ that you visit in your neighborhood?
• The Sevens because of the neighborhood atmosphere.
• The 21st Amendment on Bowdoin Street for its neighborhood atmosphere.
• Savenors Market—they know their customers, they do special things for the neighborhood like hang Christmas decorations and get involved with community events.

Segmentation Questions

1. Had you heard of NN before this interview? Y
2. Had you heard of “the JuiceGuys” before this interview? Y
3. Have you ever ordered or consumed a smoothie [health shake]? N
4. If yes, do you like them?
**Exhibit 5e  Customer 5 (Married HBS Female)**

**INTRODUCTION.** Thank you for agreeing to talk to us this afternoon!! My name is _________ and I am doing a research project for a local entrepreneurial consumer product’s company that is thinking of expanding its business model. Your creativity is what I am after … there are no right or wrong answers. Your opinion and your ideas are why we are meeting today. This should be a lot of fun! Here we go.

**Q1. You walk into a store called “Juice Guys” that just opened up in your neighborhood. Please tell me what you are seeing as you enter the shop?**

[look] Rustic All-American images; healthy store; lots of fruit; really neat layout—aesthetically pleasing; good displays; lots of information; bright colors (orange (… mango), gold, red, autumn-like colors); A place to sit down like a café (4 small tables, all natural wood, simple clean lines)

[smell] like fruit; citrus (oranges)

[feel] good; bright and airy; wholesome feel; should have stuff to read while I stand in line like:

1. Nutritional info—reading the wall (posted info) on the latest and greatest health information
2. Magazines like Cooking Lite; Vegetarian; Healthy Magazines like Fitness

[on the menu] sandwiches and other similar products; selling juice; healthy lunch-type food (sandwiches, deli bar, salads, prepared stuff, snacks like blue corn chips, organic snack food); fresh produce prominently displayed especially apples and bananas; product visible from shelves

[Tell subject that Juice Guys specializes in fresh juice and smoothies]

Subject says: “That’s the company with Tom and Tom, right?”

**Q2. Who are you with?**

- A girlfriend
- NOT my husband

**Q3. What time of day is it?**

- Saturday for a lunch break (between noon and 2 PM)
- Weekday—3 PM to 4 PM for a mid-afternoon break

[store crowded?]

On Saturday @ noon it would be pretty busy “a positive chaotic scene with kids and dogs …”

[wait in line]

[are you in a hurry] “On a week day, I want to enter and leave the store pretty quickly”

**Q4. Where are you coming from prior to entering the store?**

- Working out with a friend
- The office/ work
Q5. Where are you going after you leave the store?
- To run errands
- To my home

Q6. What are you ordering?
1. Strawberries, pineapple with ice
2. Raspberries, pineapple with ice

“Could be … but I would order 1) fro yo; 2) apple juice; or 3) soy milk to make it more filling”

[a snack]

“During the week I would consider a smoothie a “treat” like every 3 weeks or so ….”

Define a “treat”: “something you wait for”; “something you limit yourself from having”; a reward; a break

Q7. What else would you order if that specific item were unavailable?

[juice] A full juice bar from the basics to serving wheatgrass shots—although “it’s funny to think that people drink grass”; “it seems a little ridiculous that a shot of grass can cost $2 or $3”

[baked goods] Bagels; salads; turkey sandwich; healthy snacks

[hot drinks] In the winter … “picture it as a self-serve store, not a juice bar”
- You need to have great lunches to draw people in—in Chicago, they had this great salad bar place
- “Healthy low fat hot meals (fat, calories content, everything is listed) … although hot meals do not really complement juice”
- Sandwich bar
- Soups: chicken noodle, tomato, minestrone

[fro yo] Yes, they should have fro yo

Misc: Power bars, granola bars, etc; fresh produce to take home or to work; “Easy to eat healthy- to-go-food” like apples, bananas, oranges and grapes

Q8. What would really disappoint you [anything about the store]?
- Not a healthy place to eat
- DIRTY—must be clean and healthy looking
- Inappropriate employee actions while preparing the food (e.g., lack of hygienic processes)
- Spoiled food (e.g., if bad produce was on display)
- WAIT TOO LONG—10 minutes (15 max) especially if I could read while I was waiting. Additionally, if the store is crowded but the line is moving efficiently (re: I can see progress often) that’s OK but slow service (especially when crowded) is bad
- INEFFICIENT SERVICE—line just moves too slowly
• Rude employees

Q9. What would delight you [anything about the store]?
• ONE-STOP SHOP —Getting fresh produce, smoothies, salad, sandwiches in a convenient efficient, well-located store
• Fun place to go
  1. routine customer—“first name basis with staff makes me both go more often and buy more!!”
  2. greet you when you walk in
  3. pleasant, friendly helpful service and staff
• Pleasant shopping experience for unique products … that’s interesting to me
• Fresh fruits are high quality
• Good food consistently
• Variety—newness of product; new organic foods tasters
• CONVENIENT (e.g., in-and-out fast, near by … “I would go on a more regular basis for small things more frequently”)
• SUGGESTIONS: Manager’s Choice each week “otherwise I eat the same thing every time”

Q10. What are some ‘favorite places’ that you visit in your neighborhood?
  1. Starbucks (great place to hang out … I love their hot lattes)
  2. Heath-food store (e.g., holistic products, teas, medicinal products, good snacks)
  3. Tower Records (listen to music, lots of features that catch my attention, fun)
  4. Barnes and Nobles (big, huge selection, good people watching place, can read about upcoming local events)

Segmentation Questions

1. Had you heard of NN before this interview? Y
2. Had you heard of “the JuiceGuys” before this interview? Y
3. Have you ever ordered or consumed a smoothie [health shake]? Y
4. If yes, do you like them? Y