

INTERNATIONALISATION: ANALYSIS OF JOE & THE JUICE IN
AUSTRALIA

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1. Resumo

O principal objetivo deste trabalho é identificar oportunidades e obstáculos de mercado, para a penetração de Joe & The Juice no mercado Australiano, com especial atenção à expansão e métodos de entrada no novo mercado.

É dada ênfase à estratégia de internacionalização, de um ponto de vista estratégico, enquanto é apresentado um projeto *in-company*, em colaboração com a marca Joe & The Juice. Foi elaborado uma análise de mercado para avaliar o nível de atração que o mercado Australiano teria para a Joe & The Juice, com base na percepção da marca e imagem. De forma a que a empresa estabelecesse a sua atividade e operação, foram então identificados os fatores que contribuem para uma entrada com sucesso no novo mercado. É apresentada uma estratégia de marketing com recomendações para adaptação à indústria estrangeira, bem como um *Business Model Canvas* baseado numa análise *SWOT* e análise estratégica.

Para servir o propósito deste trabalho é elaborada uma análise qualitativa, consistindo em dados primários obtidos a partir de entrevistas detalhadas, realizadas a altos cargos na indústria. Através desta análise é possível determinar que o processo de internacionalização é sobretudo um compromisso de recursos que implica a compreensão das decisões relativas ao método de entrada, objetivos para definição da operação e motivos para a definição do grupo-alvo.

Palavras-chave: internacionalização, método de entrada, expansão, mercado estrangeiro

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Abstract

The purpose of this research is to identify the market prospects and obstacles for Joe & The Juice to enter in the Australian market, focusing on expansion and entry modes.

The emphasis is on internationalisation strategy from a strategic point of view while presenting an in-company project in collaboration with the Joe & The Juice organisation. A current market analysis has been conducted in order to see if the Australian market is attractive for the organisation based on its brand perception and image. In order for the organisation to establish its

activities and business operations an attempt has been made to identify the dynamics contributing to a successful entry. A fitted marketing strategy with recommendations for the organisation to adapt to the foreign industry and a proposed Business Model Canvas based on a SWOT and strategic analysis are exhibited.

In order to serve this purpose, a qualitative research is conducted consisting of primary data in the form of in-depth interviews provided by senior executives in the industry. Through this research, we can determine that an internationalisation process is a resource commitment implying the understanding of entry mode decisions, the objectives of driving the operation and reasons defining target groups.

Keywords: internationalisation, entry mode, expansion, foreign market,

2. Executive Summary

The research draws attention to the fact that Joe & The Juice has had massive success in Denmark and the European markets with its brand perception and values being evident for the organisation. This research thesis was commissioned to examine why Joe & The Juice have yet not expanded to Australian café market despite their rapid internationalisation strategies and success on other recognised markets. The emphasis is on the brand and image behind Joe & The Juice and sets out to determine how the current market prospects are in order for the organisation to successfully establish and how they could potentially enter with a market entry strategy. The research provides an analysis of the current market situation and competition, and a proposal of the best suitable way for Joe & The Juice to penetrate the Australian market. Joe & The Juice brand identification is their atmosphere and ambience in their café providing the café experience with impressive customer service due to the male dominated employees behind the counter, together with their high quality products.

Based on the research questions and objectives the research method used is predominantly based on qualitative findings and data collection in the form on primary and secondary sources. The primary data is in depth semi-structured interviews with senior executives from the Australian industry and from Joe & The Juice, which has provided reliable insight from an experts' perspective, as the interviews allows quality and valuable information. This method has been use in order to give a deeper and elaborated understanding on the café culture and is more explorative compared to the quantitative method. International business theories such as internationalisation process, market strategies and entry modes are examined focusing on factors contributing or may influence the internationalisation process. In order to use the collected data, it was supported by conducted frameworks such as PEST, SWOT, Porter's Five Forces in order to identify obstacles that may impact Joe & The Juice market prospects. Additionally a fitted Marketing Mix will be presented in which it is exhibited how the organisation should adapt to the Australian market while still standardising their entry mode and maintaining their brand perception. With these analyses as fundamentals, the Business Model Canvas was conducted in order to firstly give an overview of the current market situation and subsequently conduct a new proposed business model suitable for the Australian market.

The key findings and conclusion in the analysis is the intensity of rivalry of a vast amount of competitors alongside the café culture and consumer preferences. An increase has occurred of small businesses establishing in the Australian café industry given the low entry barriers, which results in intense and competitive rivalry among the established cafés. The popularity increase in health-consciousness and awareness in consumers' healthy lifestyle has led to majority of café providers in the Australian industry to offer health-based customised beverages with plant-based and fair-trade ingredients. The trend has attracted different segments across age and subgroups. The quality of beverages alongside the competitive price is a major factor that influences the decision-making.

The new proposed business model suggest Joe & The Juice to keep their value propositions such as their strong employee culture and marketing and branding strategy, as it is a significantly part of their brand identification. However for Joe & The Juice to succeed in the Australian market without adapting much to its culture and demands, it is proposed to focus on new segments and expand their target group in order to create sustainable revenue.

Finally, the new business model contains proposed assumptions based on the organisations analyses with emphasis on the SWOT framework formulating recommended innovative strategies in order to implement these for a successful establishment. The proposed and best suitable entry strategy for the organisation was the Uppsala entry strategy, as it allows Joe & The Juice to obtain knowledge and experience from foreign market, due to the process of gradually moving to international markets by using the knowledge and experience from previous foreign market entries.

This research also investigates the fact that the analysis conducted has limitations. Some limitations include the not enough precise information provided due to costly and restricted official reports and the research grasps of the which has been attempted to study to the full extent with some assumptions exhibited on a broader perspective or examine on a more conceptual level.

3. Introduction

Globalisation force many businesses multinational like local to modify their marketing strategy in order to successfully enter and adapt to the specific country and its cultural differences. A more connected world means better and advanced accessibility to products worldwide. Thus companies try to understand the foreign culture and its gaps for the purpose of improving their marketing strategy.

Joe & The Juice¹ is a health-based chain that has great current and future prospects in Denmark. In this thesis the emphasis is on Joe & The Juice with emphasis on their brand and image how they should successfully enter the Australian market with suggested internationalisation and marketing strategies. The brand perception is different depending on the culture. The theoretical background and fundamentals focus on general marketing strategy that covers aspects of issues within the café industry, and entry modes. Due to increasing growth in the industry as well as increasing demand, it is essential to analyse and determine the most suitable marketing strategy for a new potential market.

The café culture and its product consumption has gradually become an important part of people's lifestyle. Café visits regardless of country have become popular. A normal everyday scenario and daily routine for café consumers in Australia is to go get a cup to go from a café before work, class in the morning or anytime during the day (Decena, 2018).

The busy lifestyle has lead to more evident demand in café beverages and which has greatly increased the industry revenue. It would be compelling to study and scrutinise if one of the main Danish café chains would be successful in Australia with a successful entry and sustainable future (Gargano, 2015).

In this thesis the emphasis is on how Joe & The Juice would fit into the Australian market focusing on the internationalisation process and which factors an obstacles Joe & The Juice may encounter based on their brand and image. When an international organisation desire to enter a foreign market, the international marketing strategy and entry mode strategies are significant.

¹ Joe & The Juice will be referred to as JATJ throughout the thesis after the introduction section

Due to the growing development in the industry as well as increasing demands, it is important to analyse and determine the most suitable entry mode.

3.1 Background knowledge

In the following section an account of JATJ company profile will be provided for the reader(s) to be able comprehend and understand JATJ's foundation and concept, which will provide a better understanding of the analysis. The description of the company is based on primary and secondary data including JATJ's official website information.

JATJ is a Danish café chain and was established in 2002 by founder Kaspar Basse, who at the time had a capital of 200.000 DKK. Kaspar's purpose of JATJ as an entertainment café concept was due to years as an elite athlete where the nutrition played a huge role. This is where the concept of juice occurred as Kaspar did not consume enough fruit and vegetables in his diet through meals, while at the same time a big fan of the Starbucks concept. This eventually resulted into shaping the company with *"a funky cover of the nutrition in the form of fresh juice with an "ambiance", and a trendy atmosphere one would like to spend time in. A stylish café where you feel good with what you consume"* (Basse, 2010). The organisation is established on the concept of health and entertainment in which an attempt has been made to adapt to the busy metropolitan environment giving their cafés a very simplistic and modern style. The interior decoration has the characteristics of urban life with a nightclub feeling to the atmosphere. This is particularly inspired by their target group, which the majority is the confident and active youth. Since the concept is based on health and entertainment, the target group is health conscious consumers to a great extent with majority of the segment being young women, to which JATJ has attractive and characteristic young men they call "Juicers" to customise the individual customer's beverages.

The company's emphasis is on the employees to a great extent, thus an in-depth interview with potential employees is made in order to see if they fit into the concept of JATJ with interpersonal skills such as their enthusiasm and characteristic personality traits. "The Juicer Academy" is the organisation's own boot camp in which the employees are educated, trained and tested in efficient juicing and blending coffee under pressure. These "Juicers" is what makes JATJ stand

out as their performance and culture create value, which is a major part of their brand image and positioning (Mørk, 2018).

The Danish consumers have met JATJ with a great enthusiasm resulting in a rapid growth in sales for the company. As part of JATJ's marketing strategy, the cafés are typically located in concentrated and populated areas with the noticeable brand logo (Mørk, 2018). Kaspar spend the first three to four years to structure and shape the innovative concept while defining the essential principles for the company. Through the innovation Kaspar has achieved a differentiated café in the industry in Denmark resulting in an award for his new concept.

The company went from being two employees in the first established café in Copenhagen growing to 280 employees in nine years only. Today JATJ operate 248 cafés spread across 14 countries with the aim of growing with 1000 cafés on a global plan.

While the organisation's vision is to exceed Starbucks concerning market position and company size, the mission is to provide a unique customer experience based on their service and concept healthy products.

The greatest ambition for JATJ is establishing a connection on a more intimate level with their customers with their core values such as high quality products, efficiency, health and nutrition, and fashion (Joe & The Juice, 2018).

4. Exposition of the context of the issue

In this section the exposition of the context of issue will be explained for the reader(s) in order to give a better understanding of the analysis on why the Danish success chain has yet not expanded and identify the main factors that has prevented the company's expansion.

Businesses today have a remarkable opportunity compared to just a decade ago. Globalisation is a good opportunity to reach other segments within the same target group. Just as individuals adapt to culture, social constructs and traditions when crossing the borders, it is essential for businesses to adjust their marketing strategy into their brand positioning when expanding and entering international markets (Usunier and Lee 2008).

The brands and the conception behind it play a fundamental role in companies' marketing strategy. Marketers use brands in order to gain their customers' awareness and the way they perceive different brands to distinguish and differentiate their products apart from their competitors. Brands have multiple of different functions for consumers, such as guiding consumers during the purchase decision process, the characteristics of the product, and how consumers can express their individuality and character through their purchases (Usunier and Lee 2008).

Consumers have high expectations towards their purchases and experiences before, during and after purchase, as they have access to loads of information, especially through today's easy access to any kind of technology. Consequently, this main change in trends and individual preference has created the necessity for businesses and marketers to modify and adapt their marketing strategies within each country in order to uphold customer loyalty and retention (Gambetti, Biraghi, Schultz, & Graffigna, 2016). Therefore it would be interesting and relevant to analyse if JATJ has market potential on the Australian market.

Despite JATJ's success on numerous international recognised markets including United Kingdom, United States of America, Hong Kong etc. it would be compelling to find out why JATJ have yet not entered the Australian market. Australians have become accustomed with global brands and products throughout decades, which has made an impact and influenced the culture and society in today's present Australia (Jack, 2018). This has developed new trends, demands and consumer

lifestyle preferences. Is it the Australian culture and market trends or entirely different circumstances that prevent JATJ on the Australian market? This research aim to successfully establish JATJ determining the prospects and obstacles of the market, and how the organisation could possibly market penetrate with a proposed market entry strategy. This research will be conducted on following problem statement: **Why is Joe & The Juice absent from the Australian market, and what would be the best internationalisation process/entry strategy?**

5. Literature review

In this section a literature review is presented with relevant theories in internationalisation and market entry modes for organisations that desires to expand beyond their home market. This contributes in laying the foundation of an exploratory research in order to meet the objectives.

Before deciding on expansion to international markets, businesses must have the knowledge within their degree of development together with the industry and country related fundamentals that allow them to successfully enter international markets in ways that the occurrence of potential risks are significant reduced.

5.1 Decision to internationalise

The decision of the right entry strategy is a difficult and complex process for companies, and they may encounter difficulties gauging their strength and their future vision of their company values in a foreign country. The following part of the thesis will provide motives and reasons as to why it is attractive for a multinational company to expand to international markets and which factors that enable a company from being a multinational company to a global company.

According to Whitelock (2002) the study of internationalisation theories and market entry are inevitably connected. There are four factors that push companies for globalisation (Lasserre, 2007). The first one being political factors is primarily regarding investments and the development of free trade among nations including the two main organisations in trade liberalisation; World Trade Organization and the European Union allowing trade of goods and foreign investments. These trade organisations make it possible for different countries and industries to exchange goods across the world by initiating negotiations with the purpose to reduce tariffs concessions and create liberalisation of trade, hence makes it more favourable for companies to trade. Additionally, these organisations make it possible and encourage direct investment in developing countries in order to increase the economic activities in that particular country.

Another push factor for globalisation is technological factors including transportation, communication and economies of scale. Companies are able to reduce the cost structures

enhancing the efficiency in transportation methods by benefiting from reasonably priced transportation choices using optimised maritime shipping. In fact Lasserre (2007) mentions the improvement in distribution and communication costs regarding ocean freight transport, air transport and transatlantic phone calls, which individually has decreased favourably up until two decades ago. Transport by air has never been easier favouring the travel of managers going to the foreign markets. Likewise the development of telecommunication has enabled reduced cost of companies in terms of exchanging information between business partners diffused in different countries and markets (Lasserre, 2007).

The increasing progress in production technology enables firms to achieve huge economies of scale in terms of faster and more efficient productivity, allowing the integration of production systems. Alongside the production technology, firms have the accessibility to source services and components from low-cost developing countries, as previously mentioned, by setting up manufacturing operations favouring the low-cost country (Lasserre, 2007).

In addition to the political and technological push factors, the social factors is also a key factors and main aspect of globalisation. The improved transportation, especially air transport, and the scattering of cultural lifestyles through TV have favourably increased companies' brand awareness to worldwide consumers on international markets. The digital technology has had an impact of the homogenous consumer behaviour across the globe, where the convergence of consumer needs and behaviour is possible facilitated by urbanisation and industrialisation of societies. The social aspects favour the global branding and standardisation by internationalising. Lastly, the competitive factors can be seen as both a push factor but also a threat of internationalisation. However, the push factor is for companies that are able to adopt a global approach at the very beginning of international expansion and emerge as competitors to new local markets, in order to later on dominate the market or have a great market share. Some industries, depending on the host country, may not have national subsidiaries and intense competition (Lasserre, 2007).

As favourable and encouraging the push factors are for companies to expand internationally, there are also factors that work against globalisation that firms need to consider. As prior mentioned the social factors favours the standardisation and homogenous consumer behaviour, however, some aspects might defeat the standardisation such as product linked to traditions and religious values. Cultural events and goods can be adopted, although still remain the flavour in

food or drinks, social interactions of negotiating, attitudes towards hygiene, and may also differ from culture to culture. Commercial factors such as distribution, customisation and responsiveness vary from country to country. Managing the distribution network by motivation, pricing and negotiation are barely controllable in the global market, as different countries have their own specific system in each industry. Standardisation can be overpowered by customisation and responsiveness to customers' demands and a rapid reaction to customers' requirements and needs are needed in order to gain competitive advantage. However, some processes are fundamentally standardised or almost identical on a global basis, hence customer requests are favourably taken into consideration.

The technical standards can be problematic for global companies, especially in the industrial industry, as technical standards differ significantly, and consequently economies of scale and cost benefits in the process of product standardisation makes it difficult to be utilised thoroughly. The spatial presence is significant for firms in industries that require occupying physical space. However, depending on which exact industry but most likely industries with immaterial services, the e-commerce may reduce or replace the spatial constraint significantly. Not only immaterial products can create a reduction or replacement in spatial presence, but physical product as well, due to the improved globally logistical system.

Lastly, the legal factors like regulation and national security issues allows the government to enforce regulations and constraint that do not benefit globalisation such as restraining the free flow of personnel within companies or favours the local constraints. Some countries are stricter regarding national security, and will prevent foreign entrant companies in acquiring too much control on specific industries (Lasserre, 2007).

The factors that push and work against globalisation are fundamental for firms to consider in order making internationalisation decisions. Especially the political, social and technical factors participate in shaping the culture and values of a new market that is significant to consider. Before deciding on the most suitable entry strategy for companies who are determined to internationalise, there are few crucial factors influencing the choice of entry mode. According to Hollensen (2012), the influencing factors can be classified into internal and external factors, where each of them is supposed to affect the choice of a foreign entry mode. The next section will be a more in-depth explanation of factors that influences expansion, mainly based on Hollensen's (2012) theories.

5.2 Theories of internationalisation

In the following section, the most typical and main factors on how to drive internationalisation and expansion are examined. The theories of different entry methods are explained in order for a business to enter into a foreign market or a host country.

Uppsala:

Despite the vast amount of theories of internationalisation that attempts to explain the complexity of market entry strategies and decisions, Moen (2002) arguments for the well-known Uppsala Model created by researchers Johanson and Wiedersheim-Paul from Uppsala University. The model represents theory of how a business gradually develops and intensifies their internationalisation or activities in foreign markets overtime, which is based on how the business progresses and develops incremental knowledge in the foreign market. However, Whitelock (2002) arguments that a crucial indicator of a firm's first expansion in the Uppsala Model is the psychic nearby market, in which the firm gain enhanced knowledge of the market and subsequently gradually expand to more distant markets. Whitelock (2002) argues that the Uppsala Model is unique in the way that it provides information about a market based on experimental knowledge, however the model does not explicitly mention the influence of market entry competition, although it can be argued if the emphasis of experimental knowledge is substantial of an implicit awareness of the impact of market factors on any market entry decision.

Direct/Indirect Export:

Businesses with minimal to no experience seeking to expand their company to international markets are more likely to use export entry mode, allowing them to gain flexibility on the new market as well as reducing debacles such as risks from international procedures. According to Root's International learning experience (1998), this kind of entry mode allow firms to gain benefits such as explorative advantage including better knowhow and experience within the foreign market, which later on can be an advantage for competition on the market.

Export can be grouped in direct export and indirect export consistent with Hollensen (Hollensen, 2008). Direct exporting involves the firm or organisation selling directly to the customer in the foreign market. Although it is direct exporting, the organisations can still include distributors, wholesaler, retailers, as these organisations are customer based in the target market. Using direct exporting as an entry strategy for the foreign market allows the firm full control of the production

processes, thus avoidance of risks that is associated with overseas production. It also allows the firms to withdraw from the foreign market somewhat inexpensively if necessary (Bernard et al. 2011). While indirect exporting involves the firm selling to the intermediaries such as export houses or trading merchants from its own country. These intermediaries take on the responsibility to organise and arrange activities regarding the exporting such as permits, shipping and other related product activities. This exporting method allows firms to expand on international markets with no exporting experience or knowledge required as the intermediary performs those activities, opposite direct exporting where the firm has the advantage of obtaining experience and knowledge regarding pricing and marketing plans (Bernard et al. 2011). However, Whitelock (2002) argued that not only smaller firms but also larger corporations with significant commitment, international knowledge and experience use both methods.

Joint Venture:

As previously mentioned, according to Whitelock (2002) a crucial indicator of a firm's first expansion in the Uppsala Model is the psychic nearby market, however Bell (2001) argues that due to the globalisation the markets have become more homogeneous, focusing less on the psychic distance entry mode. More firms have gradually adopted alternative internationalisation strategies as an entry mode into a foreign market, such as joint venture and licensing (Bell, McNaughton, & Young, 2001). According to Chetty and Holm (2000), joint venture is not only considered as an entry mode, but may be part of a business' networking and substantial relationship marketing. The networking is an illustration of how businesses create relationships organically to internationalise, thus the dynamics of how firms interact with their network partners in order to successfully expand and integrate into foreign markets. Networking allows businesses to enhance their exposure of new opportunities, acquire knowledge, learn from experiences, and benefit from the synergistic collaboration of joint resources. The joint influences and networking is a crucial strategy factor of internationalisation in addition to exporting activity that has a positive impact of the relationship between network partners and firm growth (Lu and Beamish 2006).

A great amount of researches has been made on international joint influences like joint ventures, in which Keegan and Green (2003) explains it as an entry strategy in a target market country where two organisations collaborate to share, create and build new business establishments. Each

organisation are responsible to contribute with equity including tangible and intangible assets such as financial assets, technology, equipment, knowledge, patents and trademarks. Joint venture is a popular entry mode for businesses as it allows new entrants to avoid political uncertainty in the target country or to reduce the financial risks. Furthermore, joint venture allows a business to get a significant exposure into the new target market environment or alternatively increase the financial capacity considerably. Joint influences can be either a risk or an advantage that firms may possibly meet entering into a joint venture agreement. Keegan and Green argue that joint influences allow businesses to gain access to desired target markets and avoid tariffs and trade barriers (2003). According to Talay and Cavusgil (2009), risks may interfere in joint venture agreements such as the partner may become a competitor duplicating the idea, product and skills.

Licensing:

Another form of internalisation is licensing, which is a contractual agreement between two firms of different countries, authorising and allowing the licensor in the home country to concede exclusively or non-exclusively to the licensee in the host country the right to use the registered brand, patents, intangible assets, manufacture the proprietor's product in exchange for an initial financial payment. This kind of agreement is typically a long-term commitment between one company using the confidential business practices of another company. The licensee may engage in this form of agreement due to a various number of reasons such as an increase of the financial capacity. Nevertheless, there are risks and benefits associated to a licensing agreement for companies using this entry strategy method (Root, 1998).

According to Carstairs and Welch (1982), licensing appears to be less costly, less risky and a much simpler strategy for international marketing, which is why it is so attractive for companies to use. Carstair and Welch additionally noted that licensing is relatively simple and and straightforward to implement from the outset. Quite often, the option of licensing is most commonly forced on the company if it is not prepared to risk foreign investment move, due to the imposition of various types of restrictions that may occur when entering into a foreign market. The risks of a licensing agreement as an entry mode may occur if a firm is not in possession of required resources such as the brand recognition or a charateristic trademark. Licensing may possibly create competition, as the license places the competition on the same level as the company because the competitor has the right to the same manufacturing processes. Furthermore,

the licensor allows the licensee to use confidential proprietaries which may increase the potential risk of exposure of confidentiality breach. The licensor has no direct control over the licensee's contractors and the process itself (Root, 1998).

Franchising:

Franchising is very similar to licensing, and is a long-term contractual agreement between two firms of different countries, authorising one business, who is the franchisor, to use their confidential business practices of another business, who is the franchisee. Just like licensing, the franchisee is conceded the right to use the registered franchise brand, patents, and intangible assets in return for a financial fee, royalties or even an annual fee. However, the major difference between licensing and franchising is that the franchisee is authorised to use the franchisor's distribution systems, marketing campaigns to sell products, and the franchisor has the ability to control how the business run. Although franchising includes licensing, the franchising typically cover confidential information, trademarks, logo, copyrights and knowhow. Thus, licensing can be seen as a patent of intellectual property that is granted from the licensor to a licensee in order for the licensee to have the right to use (Doherty, 2007) (Root, 1998). By franchising, the franchisee does not have full possession of the profit made from selling the franchisor's products, and limited control of business operations (Root, 1998).

Transaction Cost:

Transaction cost theory is the most typical and yet occasionally underestimated framework regarding internationalisation process. It can be seen as one of the most important theory in terms of internationalisation. The theory sets out to explain why businesses exist, and why firms outsource or expand their activities to foreign markets, and presumes these businesses attempt to minimise the administrative cost of exchanges within the business and exchanging resources with the environment. Thus, firms are weighing the internal administrative transaction cost against the external transaction costs with the environment, before deciding to keep the internal activities or to outsource and expand to foreign market environments. When external exchanging resources are higher than the internal administrative cost of exchanges, the business will grow due to inexpensive activities within the company, compared to if the activities were performed in the external market. However, if the internal transaction costs to perform the activities are higher than the external environment costs, the business will most likely be vastly downsized (Mroczek,

2014). Kessler (2013) argues that it is only attractive for a business to expand, when its transaction cost activity can be performed more inexpensive within the internal business, than performing the activities to external providers, such as outsourcing. Transaction cost occurs *“when a good or a service is transferred across a technologically separable interface”* according to Williamson (1981). Thus, transactions costs occur whenever a product is transferred from one phase to another, as it represents the labour that is required to bring a product or service to the market (Williamson, 1981).

The Network Model:

The network model illustrates the internationalisation procedure in which it demonstrates the establishment, maintenance and development of network relations in the overseas market (Johanson and Mattsson 1988). These network relations are created by autonomous business actors that are linked together and can be adapted as prompt changes and variations in the environment may occur. The network model emphasises the significance of developing long-standing relationships, where the business actors' requirements and abilities are facilitated through exchanged interactions in the relations. For each business actor it is required they are encouraged to engage in the interactions and invest in network relations as it benefits the companies resource commitment. The level of a company globalisation is determined by the importance, integration and position it engages in networks. A strong and significant position in the network reflects a high level of globalisation. In order to enter a network from outside require other business actors to engage in the network interaction which is resourceful and may require other companies to make adaptations and changes in their business activity. Hollensen (2008) noted that the relationships of a company in a national network can be used as a bridge to enter foreign networks. What keeps the network relations together is mainly based on the environmental influences such as technical, economic, legal and in particular personal ties, in which it is characterised by the companies involved in the network. However, depending on the industry and country the importance of relationships may vary. Although it can be predicted that personal ties forms and establishes the relationship and to a significant extent is the strongest relationship until systems and routines compensate the business relationships later in the process (Hollensen, 2012).

Born Global:

Born globals are organisations that from the beginning rapidly internationalises without prior experience. They typically aim at global markets if not going international right from when they are established, which is an untraditional way of proceeding the internationalisation process. These types of organisations are characteristically small medium enterprises with less than a few hundred employees, managed by skilled executive visionaries who perceive the globe a single marketplace (Oviatt & McDougall, 1994).

Typically today, the born globals are technology-based enterprises with internet-based organisation platforms emerging and being widespread. According to Gabrielsson (2003), these internet-based enterprises are start-ups establishing e-commerce or other digital platforms with a global audience and target group. This emerging market for internet-based born globals offers great opportunities, with not only Internet activities, but physical intermediates as well. This is evident in e-commerce when selling a physical product, and the implementation of distribution and operations is significant (Gabrielsson & Gabrielsson, 2003; Arslan & Wang, 2014).

Acquisition:

Finally, Hollensen (2012) argues that acquisition is a way to access a new market rapidly as it typically gives access to distribution channels, and that it may be an attractive choice for businesses with little to no internationalisation experience and knowledge about the foreign market. In contrast to Woodcock et al. (1994) who argues that acquisition as an entry strategy most like only provides admission to local resources including human capital and local authorities in order to establish and gain a strong market position. Businesses that consider acquisition entry mode must be cautious of the risks, as the business might end up acquiring a business in the host country with financial insecurities, even though this entry strategy is a cheaper approach to enter a foreign market (Arslan and Wang 2014).

5.3 Internal factors

Firm size:

The size of a company is an indicator of the availability of the company's resources. A high availability in resources provides a high level of international involvement over time for the

company (2012). Root (1998) and Hollensen (2012) both argue that SMEs usually have limited resources and thus less options and choices. Typically, SMEs desire a high level of control of their operations on the foreign market, and achieve greater economies of scale, which is why they are more likely to initiate their international markets through export modes, as they do not have the required resource commitment that provides a high level of international involvement yet. Export entry mode has lower resource commitment, which may be more suitable for smaller companies. However, according to Root (1998), the firm size influence depends on the specific industry resources when choosing the market entry mode.

International experience:

According to Hollensen (2012), an essential factor for internationalisation is international experience of the managers and their prior experience and knowledge within the field. The experience can be achieved by their involvement in operating internationally such as operating in a particular country or generally in an international environment. The international experience from the management may help the company reduce the degree of cost and uncertainties that may appear in the foreign market. In contrast to this, the international experience increases the chance of high resource commitment of companies. Likewise, Koch (2001) noted that without sufficient knowledge and relevant experience the uncertainty and risk involved in internationalisation marketing decision tends to be higher. However, Hollensen (2012) additionally mentions that not all forms of experience are equal. International experience from countries with a low psychic distance is more likely to obtain greater control of their entry mode. While developing his theory in internationalisation, Hollensen (2012) mentions that uncertainty in international markets is decreased through actual experiential knowledge from the management.

Product/Service:

The physical product or service and its characteristics are an essential influencing factor for entry mode. Factors such as value, ratio, and composition are significant in deciding the location of production. Products with high value may require high transportation costs and import duties are typically used for direct exporting, particularly in markets where the production of economies of scale is substantial. However less expensive or highly competitive products may only need to establish licensing agreements.

The product itself has a favourable affect on the internationalisation entry mode, as the

characteristics and use differ so extensively as well as the marketing of the products may vary depending on which market selected. Hard and soft services are distinguished according to Blomstermo et al. (2006), accentuate the production of hard service is easier to decouple or eliminate, whereas the soft service production and consumption cannot be mass-produced and therefore not standardised as they are highly likely to be customised products. Marketers are more likely to choose a foreign market entry mode where they have high control compared to hard services.

Hollensen (2012) emphasises that products that are prominent by brand image, sales services, and physical variations or in general promote preference over another product may increase the company's costs. The product differentiation advantages enable companies to raise their product prices in order to cover their costs. Furthermore, it also allows entrants to limit competition through entry barriers, which is essential and sometime necessary in the competitive strategy of the company. This enables companies to serve their customers' needs better and intensify their competitive position.

5.4 External factors

Sociocultural distance between country and host country:

According to Hollensen (2012), the sociocultural differences between a company's home country and the desired host country influences the entry mode as it can create internal uncertainty. Countries with similar socio-culture have similar cultural characteristics including business operations, industrial practices, similar language and comparable education level. Language, especially in host countries with a perceived high distance, do not have as big an impact compared to issues like religion, industrial development or democracy degree, which are important factors influencing the entry mode. The greater the perceived sociocultural distance gap is between the home and foreign market, the more likely the company will prefer low risk entry modes where resource commitment is moderately low and the flexibility is high. The preferred entry modes could be agents or importer rather than direct investment. However, in Agarwal's (1994) research he noted that the difficulties created by sociocultural distance can be managed by choosing shared control, and emphasised the importance in why companies do not choose joint venture when selecting countries that are socio-culturally distant. Agarwal (1994)

found that joint venture or other forms of joint influences has a negative impact on a company's success in the host country, as it has extensive consequences in many operational aspects of the company in the host country.

Country risk/demand uncertainty:

Companies may face economic risks that affect their entry mode decision in the desired foreign market. Markets in host countries are typically perceived much riskier than the market in the home country. The company risks inventories and receivables besides their investment into the foreign market. The political risk has an impact on the company's resource commitment in the desired host country, as companies would want to limit its exposure if the host country has high country risk (Hollensen, Essentials of Global Marketing, 2012). However, according to Brouthers (1995) not all risks are strategic risks that may affect the long-term profitability for the company. These risks may be fire or if the company has any equipment that may have a short-term effect that temporarily make production of products difficult. Although, strategic risk may have unfavourable effect on the company in the long-term, the non-strategic or temporary risks that are fundamental or cannot be replaced to the company's operation may be inferior. Furthermore, Brouthers (1995) noted that decisions in one risk area may affect the other risk areas. In addition to this, he mentions the importance of not ignoring the other risks, as studies has showed that only paying attention to one risk variable may lead to incorrect entry mode decision. Hollensen (2012) emphasises the unpredictable political and economic risks in the foreign market affects the demand and enhances the risk uncertainty.

Market size and growth:

The size of the country and market growth are important factors influencing the mode of entry in the foreign market. Hollensen (2012) explains that countries that are larger in size and thus higher growth rate are confidently more attractive foreign markets for expansion, as companies have high probability of resource commitment. The entry modes in these kinds of markets may include majority-owned joint venture, as firms do not have high-risk involvement in entering the market and hence obtaining operation control that allows the management to direct the market development more efficiently. In contrast to small market size that are not as lucrative and attractive for companies to enter, particularly if they are geographically difficult to enter and serviced. Companies may use entry modes like exporting or licensing, and prioritise their

resource commitment to more profitable markets (Hollensen, Essentials of Global Marketing, 2012) (Brouthers, 1995).

Direct and indirect trade barriers:

The tariffs have a positive impact on the establishment of operations in the host country.

According to Hollensen (2008), the regulations on trade or product in the particular host country affect the decision on entry mode, because some countries prefer local suppliers, which influences the operation decisions. The preference of local suppliers and products encourages new company entrants to consider contractual agreements such as joint ventures with domestic companies. The local business takes responsibility to perform the administrative activities in the host country such as establishing distribution channels, market activities, negotiating sales, business development, shipping etc., and in this way can ease the access with local contacts. The barriers' impact on the company's involvement in the foreign market is therefore significant, as the regulations might require adaption or modification where the firm is forced to establish or assembly production (Hollensen, Essentials of Global Marketing, 2012).

Intensity of competition:

The intensity of competition is measured by the number of companies that are in the same industry with the same target group, and possibly competing with products that are easily substituted (Tepjun, 2016). Hollensen (2012) argue that when the intensity of competition in the host country is high companies tend to avoid expansion, as it is much less lucrative and profitable and hence does not encourage dense resource commitment. Thus the higher the intensity of competition the higher the possibility companies prefer entry modes with lower control involving low resource commitment.

5.5 Brand

According to Keller (2002), a Brand is *“a name, term, sign, symbol, or combination of them that is designed to identify the goods or services of one seller or group of sellers and to differentiate them from those of competitors”* (Keller, 2002). Not only is a brand born when a marketer creates a new logo, name, symbol or product, but also when the brand somehow has obtained a certain

amount of reputation, awareness and importance in the marketplace. Thus the distinction between the definitions of a small brand versus a big brand is important to recognise.

Aaker (1997; Blomstermo, Deo, & James, 2006) describes the brand personality “*as humans characteristics or traits that can be attributed to a brand*”. He has created a brand personality scale, which consists of five factors of personalities that a brand can have. The first one is sincerity, which is an honest, down-to-earth and genuine brand. The second is excitement, which is a cheerful, spirited, daring and modern brand. The third factor is competence that makes the brand stand out in terms of intelligence, reliable and successful. The fourth factor is sophistication, which represent an upper class and charismatic brand. The fifth and last factor is ruggedness, which characterise a more tough and outdoorsy personality of a brand. These different brand personalities are important to consider in cross-cultural exploring and analysing, as different brand personalities affect different types of people and cultures in different types of consumption surroundings (Aaker, et al. 2001).

Branding can be considered as various brand elements that are composed together in order to become a brand. The brand elements trademark the identity and help differentiate the brand from other competitors. Every brand differs from each other in terms of brand name, symbols, logos, slogans etc. Criterias has been made by Keller et al. (1998) to choose the brand elements in order to build the brand equity. The criterias for the brand has to be; memorable, meaningful, aesthetic appealing, transferable within and across product categories, geographical and cultural boundaries and market segments, adaptable and flexible over time, and lastly legal and competitive protectable and defensible (Keller, 2002).

5.5.1 Brand perception

Brand perception is created and owned by the consumers and not the brand itself. It is how consumers see and perceive the brand. What we experience and see does not always end up being stored inside us. Our mental information and perception are an outcome of our experience that has been consciously and/or subconsciously filtered. Our perceived reality does not exactly mean

that it is an accurate reflection of reality, as we filter the stimuli we receive (Tifferet and Herstein 2010).

Perception has multiple stages. The first one is exposure where the consumers typically see an ad and from this sense a stimulus. Second stage is the attention and recognising it is an ad with the nature to identify a stimuli. Third stage is awareness where consumers realise the meaning to the stimuli, and the meaning and message behind the ad for a particular product. Fourth and last stage is retention where a meaning is added to the stimuli, and something the consumer will remember (Tifferet and Herstein 2010).

As mentioned above, brand perception is how consumers identify and perceive a brand regardless of the conditions that is reflected by the brand identification and recognition (Kotler and Keller 2006). Keller (1993) describes brand recall as the consumers' ability to memorise the brand from their memory by using the stimuli.

According to Pappu (2005), the four-dimension model supports and describes the brand equity, specifically consumer-based brand equity; brand awareness, brand association, perceived quality and brand loyalty. Brand awareness and brand association resulted to be the two most distinctive dimensions of the brand equity model. Brand awareness includes several levels of recognition in the consumers' minds starting from little recognition to domination of brand (Aaker D. , 1993). This is due to the strength of brand perception and awareness in consumers' mind as consumers have the ability to recognise and identify the brand and the stimuli behind it.

The third dimension from the model is brand perceived quality, which is the value behind the brand evaluated and determined by customers in order to make the customer purchase products from the brand. Perceived quality intends to make the consumers distinguish and choose the products or a brand from its competitors' products. In order to maintain and uphold brand equity, brand awareness and perceived quality are related and are two significant aspects for consumer brand equity. The relations between brand equity, brand awareness and perceived quality are positive (Aaker D. , 1993).

5.5.2 Brand orientation

According to Reid et al (2013) brand orientation is an identity driven approach that represents the core and functions of the brand and its strategy. This supports a solid relationship between the brand's customers and stakeholders regardless of the brand level of product, service or corporation (Reid, Luxton and Mavondo 2013) (Evans and Bridson 2004).

In other words brand orientation is a competitive advantage in the marketing strategy that is crucial as to whether a brand will be used or not. From Urde's (1999) point of view he explains brand orientation to be; *"an approach in which the processes of the organisation revolve around the creation, development, and protection of brand identity in an on-going interaction with target customers with the aim of achieving lasting competitive advantages in the form of brands"*.

As a part of a business' strategy the brand orientation can be generated as a requirement along side with well-known and recognised brands, in order to enhance the competitiveness and to create growth and profitability (Urde, 1994). Hence the brand orientation is a marketing strategy choice that can determine the business' competitive advantage with the possibility of future stable and solid existence on the market. Consequently, brand orientation according to Urde (1999) indicates to a long-term approach that enhances future survival (Urde, 1999).

Businesses and marketers do not only have the purpose to satisfy and meet their consumers' needs, but rather generate a strategic meaning and value to the brands. This becomes an incorporated part of the company value as well as an important significant strategic asset. The strategic importance of a brand can be considered as an integrated marketing proposition of a business' driving force (Wong and Merrilees 2005).

A firm's brand orientation refers to which extent the marketing strategy and actions are positioned and centralised on the brand with the purpose of strengthening the distinctiveness. The actions refer to how the business approaches their branding. Thus brand orientation becomes the driving force for brand-oriented businesses that consider branding as an essential matter in all the strategic business decisions (Wong and Merrilees 2005). This focuses on the position and deployment in which the marketing mix is provided and perceived in the mind of consumers.

Branding within the specific company is significant in order to maintain the brand value delivered to the customers.

According to Evans et al (2004) a review indicated that brand orientation help establish a strong relationship with main stakeholders as previous mentioned before. The review suggests that it should be embedded in all organisational activities in order to uphold the relationship among the stakeholders.

Urde (1994) (1999) was the first to develop the principal concept of brand orientation provided with scientific theories. However, over time multiple theoreticians have emerged with their own theoretical definitions of brand orientation. From these new emerged theoreticians there is no correct accepted definition of brand orientation as different aspect has been highlighted from the concept. They are all somehow focused on the intangible value of a brand, its identity and how it is perceived in the consumers' mind. However, according to Evans et al (2004), Hankinson (2001) and Urde (1994) (1999) brand orientation was described on the emphasis of branding and building the brand capabilities (Wong and Merrilees 2008).

5.6 International marketing standardisation and adaption

Throughout recent decades we have witnessed a substantial globalisation of international businesses mainly due to international trade policies, increased stability in monetary transactions, continuous and non-stop flow of goods, transportation advances, technologies etc. These factors combined have resulted in a fierce competition among businesses such as small local firms or multinational corporations, within different industries, cultures and country origins.

Theodosiou and Leonidou (2003) explain that in order for international marketing strategies to compete effectively and efficiently in new environments they must do a great amount of research. This has particularly focused on whether firms regardless of their chosen entry mode should standardise or adapt their marketing strategy in overseas markets. According to Theodosiou and Leonidou (2003) the standardisation approach sees the globalisation trends in the world as the driving force behind market, a more homogeneous convergence of consumer needs, and preferences. Furthermore, standardisation is facilitated by the rise of increasing communication

channels, appearance of global market segments and the emergence of the Internet that better connects people.

Theodosiou and Leonidou (2003) claims that the adaption approach, regardless of increasing globalisation tendencies, variation in consumer needs between countries, functionality conditions, purchasing power, commercial infrastructure, culture and traditions, law and regulations, technology development are nevertheless great, thus it is necessary for the business to adjust the marketing strategy to the particular settings and circumstances of the overseas market.

Critics of the standardisation strategy are perceived as an oversimplification of reality, which is contradicting the original marketing concept. Another critic is that standardisation is not cost reduction through this strategy method.

According to Theodosiou and Leonidou (2003), in order to overcome the above divergence, a third party of researchers has offered their perspective to the debate whether to standardise or adapt. Both strategy methods standardisation and adaption should not be seen in isolation from each other, but as two end of the same continuum. The decision whether to standardise or adapt the marketing strategy to the foreign market depends on the specific situation and industry, and should be considered after an analysis of relevant factors in the specific market at a specific time. Lastly, the strategy level of standardisation and adaption should be designated by the impact of the firm's performance in global markets. Thus, the challenge for overseas businesses is to determine to what degree and under which conditions specific strategy elements are appropriate to standardise or adapt (Theodosiou and Leonidou 2002).

6. Conceptual framework

The literature section has illustrated the respective merits of distinct elements in order to frame the overall research question and objectives. Several main elements appear to be significant in order to conduct the analysis and find out the cause as to why JATJ is absent from the Australian market and how they will successfully expand the internationalisation process with the internationalisation theories. For a better explanation and understanding, these elements can be categorised into three variables; independent variable, dependent variable and moderator variable.

The moderator variable is a cause-effect relationship that changes element effect between the independent variable and the dependent variable. This is because the moderator variable's value modifies the effect the independent variable has on the dependent variable (Namazi & Namazi, 2015).

The independent variables are JATJ's company strategies including the internal and external factors of an organisation that seek to expand beyond the home market. These variables are inputs in order for an organisation to succeed their business operations when engaging in activities that may lead to a successful expansion. The independent variables are inputs and something the organisation have an influence on. Apart from JATJ's internal and external company strategies as the main independent variable, the independent variables also includes the brand image and perception, growth models, marketing mix and competitor analysis.

The importance of the moderator and its value can change the dependent variables and can directly or indirectly dominate and control the organisation's activities. The moderator variable is the Australian café industry/culture and has a great impact on the whether or not JATJ will successfully enter the market by using the correct independent variables. This means that depending on market demands, trends, culture and behaviour JATJ must alter their business activities and strategies accordingly.

With this in mind, this thesis seeks out to combine the independent variable with the moderator variable to ensure that the dependent variable will be successful, sustainable and profitable for the future. The dependent variables are the outcome or results, in which JATJ desire a successful market entry while still maintaining their brand image. In order to have desired results it is

important to find a balanced way in which the moderator and independent variable can be combined as some of JATJ's activities may be more significant than their business operations.

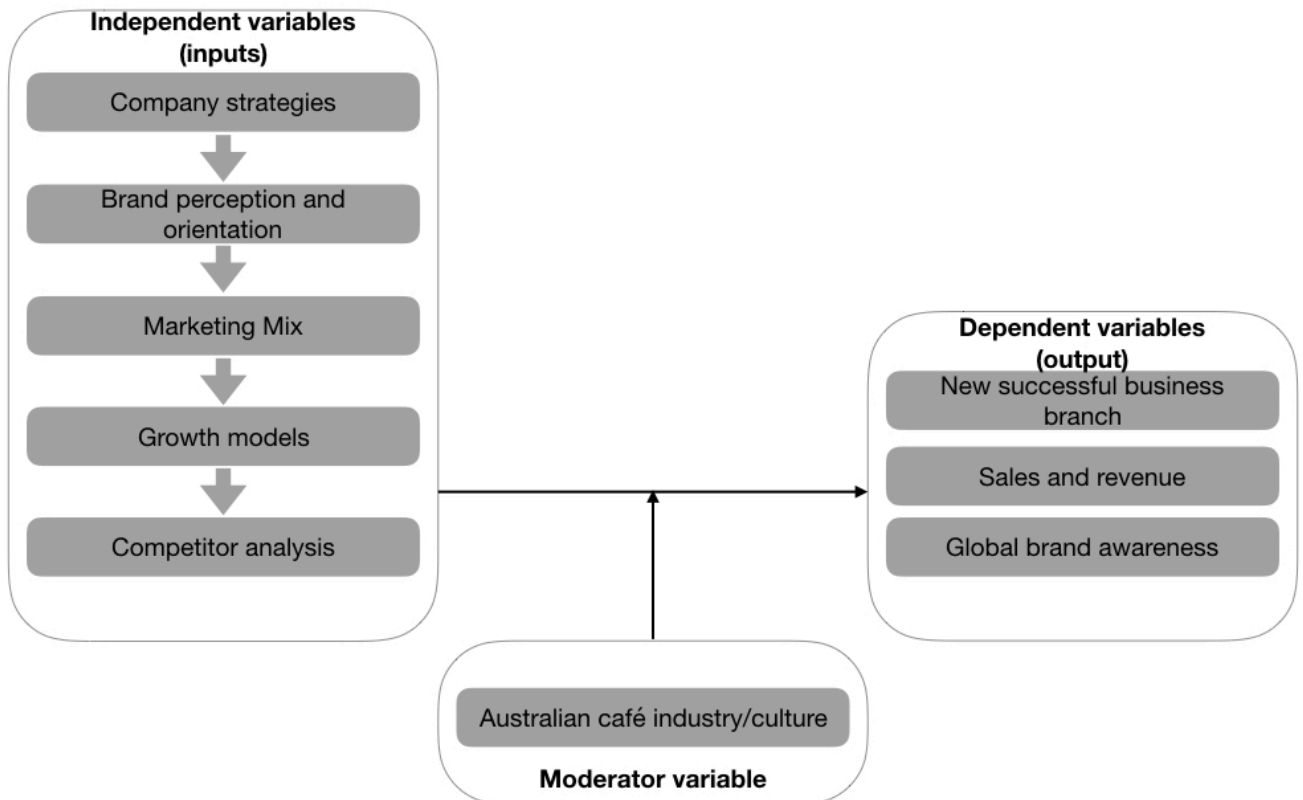


Figure 1, JATJ's desired variables and objectives to achieve.

8. Methodology

The methodology section serves the purpose to describe the method and approach that this research conducts in order to answer the research question and objectives by using different theories. According to Fuglsang et al. (2013) methods are ways to obtain knowledge and may describe different approaches. The conducted research method is qualitative in order to gain knowledge about JATJ's strategic decisions and involves understanding their visions and outlooks regarding various essential issues that are fundamental when entering into a new geographical market. The visions and outlooks are not only vital for comparison purposes, but also significant when conducting a practical business plan when entering into a new market. For the research purpose, the following questions were addressed:

Why is Joe & the Juice absent from the Australian market, and what would be the best internationalisation process/entry strategy?

In this thesis the emphasis is on the brand identification and image behind JATJ and if they would be suitable on the Australian market. When an international organisation seeks to enter an overseas market, the international marketing strategy and entry mode strategies are significant. Due to the increasing growth in the industry as well as increasing demands, it is essential to analyse and determine the most suitable entry mode.

The qualitative method is significantly different to the quantitative method as it is characterised by the use of "soft data" including interviews and reports that are used as data findings in this research paper. This method has different perspectives and approaches and is ways we use to understand the behaviour and approach behind every individual. The qualitative research method also includes text material such as scientific articles and theoretic books (Fuglsang et al., 2013), and is more explorative compared to the quantitative research methods. When working with the qualitative method philosophic assumptions and logical purposes are characterised, which makes it more explorative (Creswell, 2014).

8.1 Research method

This paper is predominantly based on the qualitative research method, and is used on the basis of a profound and explorative understanding of how JATJ should consider establishing focusing on entry mode, penetration and adaption or standardisation to the Australian market. Moreover, the qualitative research method is significant allowing for adaption, which can be useful if the outcome is different than expected from the results of the analysis and objectives (Flick, 2009). The qualitative research method is additionally based on empathy and interpretation that thus creates an elaborated understanding of the examined research question and objectives.

The research method of this thesis is focused on international business theories and JATJ's company background of internationalisation, expansion and foreign market strategies, and entry modes. For this purpose, scientific articles and books from market experts are used regarding foreign market entry, in which JATJ can use for their possible internationalisation process. Additionally, the focus was emphasised on factors that may influence the internationalisation process and possible obstacles for entering the Australian market regarding culture, economy and consumer demographic. The country data was obtained from the reliable source of information database Euromonitor and national statistic offices. In order to efficiently utilise these data, analysis such as PEST and SWOT were conducted in order to identify the current political and economic factors, and a competitor analysis in form of Porter's Five Forces to determine and analyse internal and external factors that may be obstacles or possible prospects for JATJ's market entry. The current market situation such as trends, needs and prospects for future progress will be analysed through the Marketing Mix. Emphasised will be the culture and trends that has a great influence in foreign market entries in Australia. By means of the conducted analysis from these analysis frameworks it will result in a Business Model Canvas, as it gives a better overview and visualisation of the situation of the elements. The Business Model Canvas is used to suit specific business scenarios, which in this context will illustrate JATJ's market fit in order to adapt and establish themselves on the Australian market.

This thesis is not exclusively based on international business theories and database sources, but also from qualitative research in form of in depth interviews that has been conducted in order to

provide exclusive information and insight within JATJ's company and the Australian market. The use of interview is suitable in order to collect valid and reliable data that is significant to the objectives of this thesis. Initial contact to in-person and Skype interviews were made with experts in the Australian café industry and a senior executive from JATJ, in which they were interviewed for in order to obtain necessary information regarding company and industry activities needed for this research.

8.2 Purpose of writing this thesis

The inspiration behind this topic came from yours truly's interest in globalisation and international recognised companies. The internationalisation process for the north American and Asian market has been extremely successful by streamlining the entire chain down to every detail, however JATJ is yet not to be seen in Australia. The idea behind JATJ and their rapid expansion to other markets came from the media coverage JATJ has had in foreign markets compared to Denmark and after a discussion with one of JATJ's regional managers. The regional manager expressed his significance into handling JATJ's expansion plans and internationalisation process into another foreign market that they have yet not expanded to. After concluding the informal dialogue with the company's executive, it was possible to determine that JATJ has recognised the importance of expanding the company's operations in order to achieve global brand awareness and growth.

8.3 Data collection

There will be used various materials concerning JATJ in collecting information and data, however, this research is predominantly conducted using in depth interviews. However, data was obtained from IBISWorld report and the reliable source of information database Euromonitor, which is based on statistics from national statistic offices. The Euromonitor report is an official report issued by Euromonitor International and contains useful information regarding Australian consumer lifestyles that has been extracted such as consumer trends, income, demographic, and

consuming habits. The industry report from IBISWorld is an official report that contains facts regarding the Australian café industry, its performance, dominant market players, operating conditions and much more.

The conducted interview is with JATJ's senior executive Viktor Mørk who has reliable and valuable insight in the internationalisation process to the Australian market, in which the research's company insights are based on. Additionally, interviews were conducted with industry experts and seniors in the Australian café industry. The main reason, for conducting the in depth interviews, is to provide insight views into the Australian market, local knowledge, perception, expertise and understanding. For the purpose of this research a standardised question list was used for all the industry expert participants with small alterations, due to unexpected answers and a slightly different background and occupation proficiency. Furthermore, any primary sources such as official reports and JATJ's website will be used as data findings alongside scientific articles and books to support the understanding of this research.

Regarding the quantitative research approach, the biggest disadvantage is not being able to generalise the obtained results and outcome, but to focus on one particular fact or person and not the whole on a conceptual level (Flick, 2009). The quantitative method is not suitable for the purpose of this research as the purpose is not to demonstrate or corroborate certain hypothesis. In the qualitative research method expert interviews are used to obtain knowledge the experts possess and gain access to reliable information. The purpose of the interviews is to find the experts visions and outlooks on different factors that affect the organisation and how to ensure that JATJ venture the Australian market successfully. The expert interview type is conducted in a semi-structured way, which allows a more detailed and profound meaning of the interviews, allowing the interviewee to be more flexible when answering the questions. The purpose of this type of interview is to get the experts' information based on their knowledge of experience on the Australian market and its industry in order to get a profound understanding of the matter. The semi-structured interviews are important in ensuring to get the main research question addressed while giving the interview participants the freedom to enhance additional and more in depth remarks that could support the research with valuable inputs (Saunders et al. 2016). This type of interview is an advantage as it allows to gain an insight into the knowledge the experts possess

and have developed through business and market experience. Hence, the experts are a primary source to access information that would be difficult to find (Flick, 2009).

8.4 Participants

The participants for this research were senior executives, top managers and a former director acting as industry experts with influence on the industry. For the semi-structured interviews the participants were informed that the interviews were entirely voluntarily and would be recorded for research purposes. The participants were not required to provide their identities or specify any information that could be traced back to them in case they wanted to maintain their privacy.

The interviews were conducted in two languages, English and Danish. The interview with JATJ's senior executive Viktor Mørk was conducted in English and Danish and later fully translated to English. The questions by yours truly were asked in English, but answered in Danish by Viktor Mørk as he felt more comfortable elaborating the matter in his mother tongue. He is exclusively responsible for the internationalisation process to the Australian market.

The remaining interviews conducted with industry experts were fully in English with senior executives, top managers and a former director possessing knowledge of the Australian café industry as well as insight trends.

8.5 Data analysis

After the qualitative interviews and gathered material of supported reports were concluded, the analysis of data collection began. All interviews were recorded and listened to repeatedly in order to translate and transcribe the entire dialogue. As the interview with Victor Mørk was partly conducted in Danish a translation was made, however, phrases and saying could not be translated word for word into English. Consequently, abstracts in different themes were made based on the transcription instead of coding, as that is a more quantitative method approach. The interview research method is based on the phenomenology method, in which the researcher already possesses certain information and knowledge regarding the conducted research in order to have an insight

into the subject of the study. Additionally, this method was chosen as it provides more freedom and flexibility between the exchanges of the interview participants and researcher (Orbe, 1998). The natural and semi structured exchange allows researcher a flexible approach in conducting the interviews depending on the flow of conversation as some questions may be omitted due to a specific organisational context that has encountered in relation to the topic. This way additional questions may be required in order to effectively explore the research question and objectives (Saunders et al. 2016).

The phenomenology method is divided into three stages with the first one being *description*, which includes selecting the participants in order to collect data and descriptions of their expert knowledge and views. Second phase is *reduction*, in which the researcher reduces the original gathered data from the interviews by carefully selecting certain elements and divide into themes from the description. The third and last stage concludes the attempt to piece together the relationship between the created themes, draw conclusions as to how they are related and finally analyse how the conclusions and themes influence the objectives of the research (Orbe, 1998).

8.6 Research limitations

The purpose of research limitation is to limit the thesis some potentially relevant themes and topics that thesis cannot elaborate because of the academic extent. This is completed in order to draw a more precise conclusion to the research question and objectives.

In this research, the perspective of the Australian economy and the economical approach is very limited although highly taken into account. The deselection is made on basis of the selected methodological qualitative approach rather than quantitative approach, however the overall understanding of economical factors and influence of the industry is presented.

From a cultural perspective side, it is significant to mention that the individual consumer is not taken into consideration for this thesis. The consumer culture and behaviour has only been vital to examine on a more conceptual level alongside with practical views, which has been obtained from observations of the data collection.

As already mentioned, JATJ has already started their internationalisation process and successfully endeavoured onto other foreign markets including Australia. However, JATJ is

presented as non-existent on the Australian market, due to the fact that they only recently have opened in two terminals of Sydney Airport. Additionally, JATJ was present with four stores spread around Sydney city, but has closed them in order to launch a bigger one with greater exposure on Bondi Beach. Thus, in this thesis JATJ is considered absent.

JATJ has wide range of products and subcategories in their stores. However, juice is their core product and in general most popular feature of the company. The product range consists of hot and cold beverages such as juice, smoothies, shakes, healthy shots, herbal tea and coffee. Additionally, JATJ offer food in form of Panini sandwiches, omelettes and traditional Danish rye bread. With this in mind, the thesis is based on the beverages like coffee with emphasis on juice as their core product.

8.7 Data critique

In this section an additional consideration and critique on the use of theories and empirical data is evident. The competitor analysis of Porter's strategies and the PEST analysis framework complement each other to a certain extent, as limitations are important to take into consideration before entirely relying on its outcome. The external factors that strategically affect the company in the PEST analysis framework are challenging to accurately forecast due to the fast pace and uncontrollably environmental change. Additionally, collecting vast amount of secondary data that is relevant and valuable for the external factors is extremely time consuming, as these data are most likely to be gathered from external agencies in the professional world. In this research an official report from Euromonitor International 2009 is used, due to costly and restricted access, and some non-existent, on more recent official report sources. This may have a minor impact on the research conclusion due to the imprecise information attained and changing trends and population development, as the data is contemporary.

Likewise the PEST analysis framework Porter's strategies have some similar limitations, as it is difficult to predict and forecast the strategic future with the fast paced external environment. The complete conditions outcome in the model allows businesses to use as a starting point for a further in depth analysis, as it only illustrates the current competition situation and is structured in a informal easy way.

The Business Model Canvas only has limitations if it is applied the wrong way as it omits three important business aspects such as external, market and competition factors. The purpose is to create value with revenue in return. The Value Proposition element is narrowed down, in which it should be the first canvas to focus on, as it improves the core product or business model of a business enhances the customer development. The other elements should be enhancing what an organisation needs to do in order to improve the Value Proposition canvas.

Majority of applied literature is considered trustworthy, however there is always limitations to consider. As for the interviews, the participants are all considered industry experts due to their knowledge and high positions within the industry. However, with qualitative interview research methods considered as primary source, some participants may have omitted some important information that is relevant and valuable for the research question and objectives. As for the secondary source and websites are not directly used as empirical data, but for supporting the primary sources and to give a better understanding in order to be able to interpret the three stages from the phenomenological method, which is based on the hermeneutical method (Orbe, 1998) (Creswell, Research Design, Qualitative Quantitative and Mixed Methods Approaches, 2014).

9. Analysis of Industry Environment and Internationalisation Operation

The following section has the purpose of analysing and identifying JATJ's situation on the Australian market in order to start their internationalisation process and best suitable market entry strategy. As mentioned in the methodology section, several analyses and frameworks that complement each other will be applied in order to conclude and answer the research questions and objectives.

9.1 Current Business Model Canvas

The following section the current business model will be described. The description will be made on basis of gathered information through the conducted interviews and secondary data. The current business model will be illustrated in order to create an enhanced overview of the different canvases.

The Business Model Canvas

Designed for:

Joe & The Juice

Designed by:

Jenny Ly

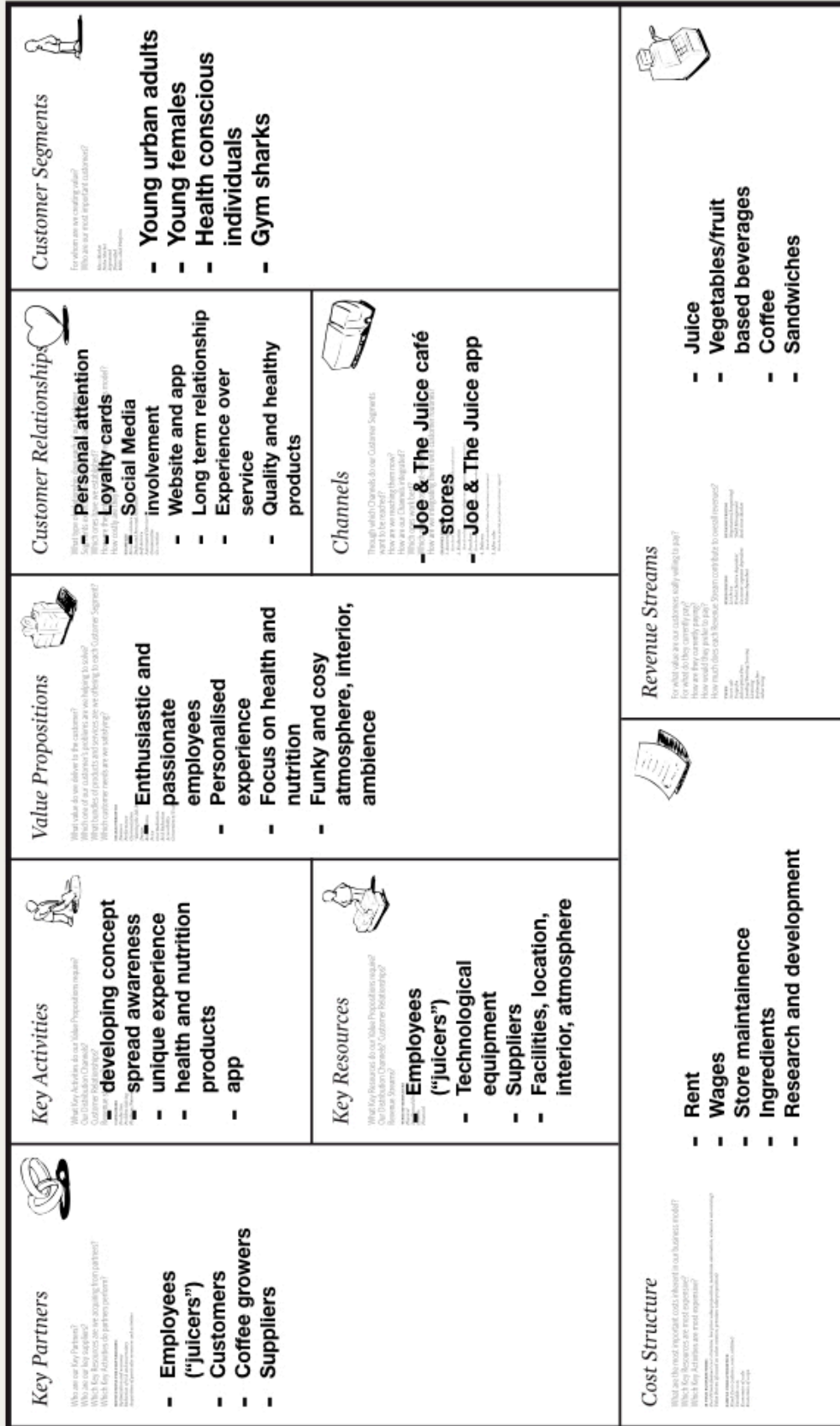
On:

Day

Month

Year

Iteration:



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Figure 2, source: Business Model Canvas

9.2 SWOT Analysis

A SWOT framework is conducted in order to give a better overview of the company. The SWOT analysis is the ideal tool in order to make a foundation for the analysis as it describes the strengths, weaknesses, opportunities and threats for JATJ.

Strengths:

- Differentiation
- Strong image – growing international brand
- Strong concept with focus on current trends
- High quality products
- Engaged employees (Juicers) with desired skills and competences
- Financial growth and development
- Central café locations with great exposure
- Create experience for customers
- Successful CEO with knowhow
- Dominant chain for juice and health

Weakness:

- Location surrounded by competitors
- Weak image in countries with perceived high sociocultural and geographical distance
- Concept based on trends which can potentially decrease
- Limited target group (elderly and families)
- High prices

Opportunities:

- Expansion
- Increasing market globally
- Market share from competitors such as restaurants and takeaways
- Increasing health consciousness and interest in wellbeing
- Few niche chains focusing on juice and health
- Pricing aimed for price sensitive segment

Threats:

- Many small and large competitors in the industry
- Easy entry barriers
- Inflation and increasing prices on fresh produce

9.3 Porter's Five Forces

Michael Porter's (1980) framework of Five Forces is utilised to identify the positioning of JATJ and designate the market forces that appears to be threats in the Australian café industry. It is crucial for JATJ to analyse and identify the competitive environment and situations in order to possess and gain a significant market position, as they are a new potential entrant. The following section will be an in depth analysis of the five market forces based on the primary data of interviews and secondary research.

9.3.1 Industry competitors

The entry barriers into the café industry is relatively low, which makes the industry intensely fragmented and is defined by a great amount of small businesses or single-establishment provider cafés. Given the low entry barriers it is very attractive although not necessarily lucrative for new potential entrants including JATJ to enter. The market share intensity is fairly low in the industry given only one firm has a market share over 5 per cent of the entire market. Substantial brand chains and franchised providers seem to struggle in the industry because the consumers have expressed their general association in service and quality with locally small single-established cafés. This evidently leads to a continuous intensely fragmented and concentrated café industry where substantial brand chains have difficulties to expand their market share within the industry. Numerous of similar operators equivalent in company size and resources will encounter intense rivalry and competition among each other (Gargano, 2015). These small single-established cafés are able to make evident changes for their individual businesses without being noticeable or affecting the industry like carry out fair trade and implementing plant-based milk in addition to their products. The other providers, local or larger operators, will eventually follow, as

competition gets intense in the industry. These different-sized operators are not only competing against each other among the established coffee shops and cafés within the industry, but they are also competing against other hospitality industries. The price rivalry has increased significantly from external sources the past two years according to (Gargano, 2015). The high concentration of rivalry is not likely expected to change severely the following years. This implies that the café industry is rapidly growing and expanding along with the intense concentration of rivalry among existing establishments and new entrants. However, this may likewise imply that it may be less difficult for the small and single-established cafés to enhance their results by simply following the industry and its trends and keeping up with the prosperous operators (Gargano, 2015).

The lucrativeness within the industry has reduced fairly due to the competitive situation over the past years because of low entry barriers. This has caused an enforced price reduction in beverages from the operators in order to be competitive and attractive to the consumers. The expenses of running a café business together with the administrative and distributional costs support the increase of the average individual beverage price while the demand has remained reasonably the same. However, the consumer demands and the reduced prices in beverages have in fact benefited the revenue.

Due to the fierce competition and intensely concentrated industry, some café providers have had difficulties maintaining revenue and as a result unwillingly forced to keep the competitive prices in order to survive despite the switching or high costs (Gargano, 2015).

JATJ are considered to be a niche operator on the market given their capability of focusing and specifying their unique concept, which makes them stand out as a provider on the market. However, they can also be considered a market challenger as Kaspar Basse's concept is based on Starbucks' and their vision was to become the new Starbucks (Mørk, 2018). Because of the fierce competition and concentrated industry the consumers are allegedly determinedly expected to select the locally small-established café or single operators over larger chains, which may imply in an increase towards niche operators. While the locally small and single established cafés more or less dominate the café industry, the franchised operators and most protruding chains such as Boost and Gloria Jean's Coffee are present with a substantial market position. These franchise operators have a great foothold on the market and a numerous of cafés in Australia however, they are incapable of influencing the industry in terms of consumer preferences, pricing and product

trends the same way as the smaller café operators. The larger chains have limited control and dominance within the industry due to consumers' emphasis on quality and not quantity. The success of an established café is determined by quality, price and indeed the service received by consumers, and is not influenced by globalisation (Vergara, 2018). The majority of café establishments operated on the Australian market are locally owned cafés or at least domestic brands. The beverages purchased from the local cafés are most likely made from ingredients derived from Australian agriculture for the purpose of domestic consumption. However, the globalisation is in fact slowly increasing, which is a favourable opportunity for JATJ (Gargano, 2015).

The existing chain establishments and larger operators in the industry have favourable advantages in terms of production and capital requirements, despite no particular requirements upon entering the industry. What consumers value the most is what has become a trend and a niche within the industry, and that is the emphasis on fair-trade and organic Australian made products made for domestic consumption. The independent small establishments are successfully keeping up with the demand from consumers and are in fact contributing to the trend by differentiating themselves with quality products and raw ingredients that they know consumers will value. The revenue growth in the industry will be determined and contributed from the dominance of organic and fair trade products that are currently evident on the Australian market and consumer preferences (Gargano, 2015).

According to Mørk, Kaspar Basse's has expressed his enthusiasm of Starbucks and its concept, and the fact that JATJ will be just as powerful as Starbucks. However, JATJ must take into consideration that Starbucks has prior exemplified a failure of a great amount of stores on the Australian market. It is crucial for JATJ to compromise while still holding on to their core values and key competences when entering the market (Mørk, 2018).

9.3.2 Threat of entry

The current competitive situation in the Australian café culture is highly fragmented and concentrated. Particularly local and single-established cafés are competing intensely. Numerous of local cafés or small businesses and a few large chains define the industry and form the Australian café culture to monopolistic competitive. This entails that it is relatively easy to enter the market by opening a small café business, although moderately difficult to establish and create a large chain. Nevertheless, either way the competitive situation on the markets will be intense (Gargano, 2015). By indication of the great amount of entries into the Australian café industry, the entry barriers are low for new entrants. Due to the low entry barriers together with the vastly intense rivalry implies that JATJ has a great prospects to gain a piece of the market share in the industry without competing with larger dominant rivalries. However, the tendency of bankruptcy and failure for new entrants is higher which is a deterrent for potential new entrants. Thus, prior considering entering the Australian café industry it is important for JATJ to be conscious of the intimidating barriers. It is anticipated for JATJ if they desire to establish in the industry to utilise economies of scale to a great extent in terms of purchasing for the entire chain and not exclusively in each café. In this way JATJ are able to reduce management and product development costs assuming the newly launched products in each café are implemented and practised throughout the entire chain and not exclusively (Gargano, 2015).

The monopolistic competitive situation within the industry characterise the competition between the many established cafés and coffee shops, since the numerous of rivalry operators attempts to create their own individual brand image. It is crucial for JATJ to gain brand perception and orientation in order for the Australian consumers to be able to differentiate JATJ's products given the consumers' preferences and loyalties (Vergara, 2018) (Decena, 2018). Pre-advertising and first-mover actions within the industry are requirements that JATJ fail to meet. However, creating their brand through service and experience, product differentiation, advertising and improvement in order to gain brand perception and orientation will obtain and redeem value to their business. JATJ spends a great amount of financial resources to defeat the existing loyalties in terms of creating a loyal customer base among the consumers, which can lead to start-up losses.

Financial resources such as capital is crucial and undoubtedly one of the major barriers for new potential entrants. Unlike the local café businesses JATJ is a substantial chain and thus

mandatory to possess financial resources in order to cover distributional costs, inventories, housing, legal requirements, advertisement etc. During the first developing stage of JATJ's start-up in the Australian market they may come across financial encounters such as switching costs. These costs may include staff training in order to retain highly skilled Juicers and employees as this represents the brand in their cafés exclusively. Another major entry barrier for JATJ to be conscious about is the accessibility of distribution channels as the existing chains and dominant actors have established contracts and long-standing business relationships with suppliers, which can be a deterrent for JATJ to establish and access sustainable relationships to suppliers. This may result in less expenditure per unit for JATJ and avoid price competition for new potential entrants. (Gargano, 2015)

An increase has occurred of small businesses establishing in the Australian café industry given the low entry barriers, which results in intense and competitive rivalry among the established cafés. The entry barriers are different and may be unpredictable depending on the size and how the business desires to enter. For smaller domestic businesses it may be a more straightforward and simple process requiring less resources to establish on the market compared to launching a considerable chain and competing against dominate actors and gain market share. There are no correct credentials required in order for JATJ to enter, however employee training and hospitality may be vital for a successful establishment. Overall the threat of potential new entrants is high caused by the low entry barriers, however owing to the fact that the industry's rivalry is intense and the business relations, it creates barriers to establish depending on the business situation for each individual potential entrant (Gargano, 2015).

9.3.3 Threat from substitute products

Ordinary daily products like beverages including coffee, tea and juice have become standardised products and can be found to a much higher price in cafés. This implies that there is a great amount of substitute products for consumers to choose from depending on individual preferences. JATJ's beverages, service and the entire experience can be substituted to a certain extent; hence it is fundamental for JATJ to gain great brand perception and orientation in order for consumers to identify the product and create loyalties. It is typical and frequent for consumers in the café

industry substituting to easy competitive providers like McDonald's or Starbucks if they are not completely satisfied with service or quality of their beverage (Gargano, 2015). Likewise it is significant that beverages are substitution and easy replacement if they are purchased elsewhere or home made. JATJ's substitute products are beverages that are easy accessible and can be purchased in supermarkets, convenience stores, kiosks or even gas stations. The rivalry from convenience stores or fast-food providers offers more inexpensive alternatives, which is expected to increase the subsequent years within the industry. The prices of substitution beverages are typically more attractive compared to beverage prices in cafés and coffee shops (Mørk, 2018).

Kaspar Basse's concept and idea behind JATJ was to make it a third place outside of home and office for customers to come and relax, which is similar to Starbuck's concept. It has become trendy and attractive for consumers to hang out around cafés regardless of whether the beverages are good or not. Allegedly, depending on each preference exclusively, outside beverages seem to be better in another place, however supposedly customers do not want to hang out and spend time at fast-food places or fine restaurants in the same way regardless of the better quality of beverages. Hence, the products of the café market can be grouped into two variables: the experience and the beverages. The beverages include coffee, tea, juices etc. sold in the individual café business and is the physical product marketed towards mass consumption and thus easily substituted. Whilst the experience is the non-physical product that includes the service and the environment, which is marketed towards consumers who want the complete trendy "café-experience". JATJ has endeavoured to differentiate themselves from their competitors in the industry by transforming regular and mass consumerised beverages to something extraordinary. In this way it will be more difficult for rivalries to substitute JATJ's complete product, which is the quality beverages and the extraordinary café experience and environment (Mørk, 2018).

Overall the threat from substitute products is high if only the customers' desire is to cover the need JATJ's physical products from their beverages do, as they have the same product performance and function from substitutes. These substitutes can be highly price-competitive if customers prefer the beverage itself over the complete experience, and only enters to purchase something to take away.

9.3.4 Bargaining power of buyers

The buyers' bargaining power is moderately high with a progressive increase in cafés and coffee shops offering homogenous beverages or alternatives to JATJ in the Australian market. The bargaining power is in the customers' favour where they have opportunity to choose between JATJ and its competitors. There are two main factors that are specifically evident and intimidating when analysing the bargaining power of the buyers. The most evident and crucial one is the fact that the café industry operates in B2C, which is a deterrent to affect the price. This implies that the typical individual consumer does not purchase large quantities of beverages in juice or coffee and JATJ may experience price fluctuations on a daily basis. The price consciousness has a significant influence on the competition in the industry, as it is a decisive component for consumers who do not want to pay a high price for beverages like juice or coffee. This is in particular noticeable when consumers are already aware of prices at JATJ and its competitors, in which the consumers have individual and subjective preferences that allows them to choose among a variety of different cafés that covers their needs in the best way possible in terms of price, service and quality.

The consumers do in fact save money by purchasing their juices or coffees at JATJ's competitors as JATJ has slightly higher prices. However, price and quality are greatly associated, and JATJ's innovative attempt in the matter of their products and services for the customers create loyalties. The second main factor that defines the buyers' high bargaining power is the facts that the beverages offered at JATJ are products of mass consumption and is easily substituted at home, where the consumers are able to make either juices or coffees by themselves. However, it is indeed difficult to substitute the experience and service that JATJ offer in the cafés. This implies the bargaining power of buyers to be low, because the experience is not easily substituted, and determines the consumer behaviour by each individual preference regarding the café experience (Gargano, 2015) (Mørk, 2018).

9.3.5 Bargaining power of suppliers

As prior mentioned the beverages that can be purchased in a café have become standardised products and is marketed towards mass consumption, which makes it fairly easy for JATJ to obtain a high bargaining power over the suppliers. Regardless, there are countless of suppliers

trying to obtain a great foothold within the industry, which results in rivalry among the suppliers and competitive prices. The outcome is a weak position for suppliers in the café industry and a low bargaining power, which is only an advantage for JATJ. This implies a strong position for JATJ and makes it easy for them to replace suppliers if a disagreement should occur.

Additionally, the various suppliers offer more or less the same as it is raw ingredients and semi-finished food products that JATJ solely needs to work on, which makes them indeed less reliant on one specific supplier. Moreover, JATJ is a substantial chain, which makes it lucrative for suppliers to commerce and obtain a profitable capital. JATJ can benefit from their size and knowhow together with their high bargaining power to negotiate favourable prices and in this way weaken the suppliers (Vergara, 2018).

Nevertheless, JATJ should be considerate as competitors in the industry may allegedly request lower demands to suppliers in comparison to what JATJ is seemingly expected to do.

Furthermore, the suppliers may also be well-established distributors or wholesalers and have this as an advantage in which they can use against JATJ if they were ever put in an unfortunate situation. Hence it is important for JATJ to keep in mind of the advantage the suppliers can possess and later use against them.

Overall the bargaining power of suppliers is in JATJ favours due to the great amount of suppliers that source more or less the same products to mass consumption. The suppliers are allegedly in a position where it would be profitable for them to trade with substantial businesses that are sustainable in the long-term, and consequently simply possess a low bargaining power. However, the suppliers can possess a great advantage depending on their position and use these as arguments against the industry or its established businesses.

9.4 PEST Analysis

The following section a PEST Analysis framework is conducted in order to understand and gain knowledge from the Australian café industry. This enables JATJ to adapt accordingly to the Australian market by means of four external factors that will be illustrated in this section.

9.4.1 Political and legal factors

The cafés and coffee shop subjects to a medium level of regulation in the industry, meaning the regulation is mainly focused on hygiene, service of food and beverages, safety and also with certain bureaucratic requirement in place. The hygiene in Australia is controlled and regulated by Food Standard Code, in which inspections from officers are made in order to ensure that the providers are responsible to deliver the utmost hygiene with the emphasis on educating the operators in identifying safety concerns (Gargano, 2015). The council legislation typically requires café providers to undertake training in proper food handling, which is significant for JATJ as they predominantly use raw material such as fresh ingredients to their juices and relatively food orders. It is essential for the café providers to emphasis on training and education in order to demonstrate their sustainable plan for their establishment in the industry.

Regarding import, it is not something JATJ should consider unless they are developing and expanding their current range of products from fresh made juices to imported good such as bottled concentrated juice beverages or quality coffee in bottles or cans.

Prior establishment in the Australian industry JATJ are obligated to adhere with the planning laws for new entrants, as the fast growth of café has increased in high density areas with customer exposure and thus made building and planning regulations more significant. However, these regulations vary across the states of Australia and is mainly controlled and regulated whether or not the location is zoned for use as café, appearance of new structure and which building can be carried out. This may affect JATJ as they have to consider if their physical establishments are within a café zone according to the regulations. Another local council relegation includes licensed premises such as liquor license, which is not a priority for JATJ as they do not serve alcohol or plan to expand their product range with alcohol, despite their club atmosphere in their cafés.

Minor regulations that may affect the industry can cause an increase in distributional costs and management resources for the established café operators. These minor regulations include licensing and permit costs in terms of copyright music, footpath dining and smoking fee that operators including JATJ have to consider. As prior mentioned the regulation in the industry is subject to a medium level although the health trend and café experience trend is gradually

increasing. These regulations are equal and unbiased for every operator, established or new entrants, which does not affect JATJ, as there are no advantages and benefits nor disadvantages. Competitive and establishment wise, this means that the political and mainly legal factors do not have a vital significance to JATJ and their establishment prospects in the industry (Gargano, 2015).

9.4.2 Economic and demographic factors

The demographic is the foundation to the economic factors within an economy, in which it is crucial for how well an industry is performing as it determines whether the consumers within an economy or country have a high purchasing power and can afford the operators' provided products. Australia with its strong economy can be defined with medium to relatively high wages. The disposable income has gradually increased after the financial crisis due to a deduction in unemployment and progressive growth in labour force participation. The federal government has deliberately been cutting income taxes attempting to stimulate and increase the domestic demand (Euromonitor International, 2009). The preference in purchase of healthier beverages in cafés has emerged because of the increase of the health-conscious trend. The rapid development and growth in the Australian café culture is primarily caused by the change and preference from powdered instant coffee and the "standard" brewed coffee towards fair-trade and organic coffee, leaf based tea variants and in general healthier alternatives of already existing products (Decena, 2018). The consumers are shifting from concentrated bottled juice to fresh made pure juice with high content of vitamin and fibre because of quality preferences and awareness and consciousness about the preservatives in ambient and chilled juices (Euromonitor International, 2009).

It is crucial for JATJ to consider and be attentive to foreign currencies when establishing in foreign markets, as their product range will be exchanged in other currencies than Danish Krone. It is obvious that the Australian Dollar is highly volatile compared to the Euro, which is primarily a stable and constant currency rate. As Denmark has a significant stronger economy than most European countries the Danish Krone is linked to Euro with many people thinking it is a fixed rate policy for the DKK, however the Euro is a floating currency. The DKK has a pegged

exchange rate to the Euro meaning when the Euro fluctuate the Danish Krone will follow, wherefore the Euro is included in the following figure illustrating the development and relation between Euro and the Australian Dollar from the previous years.

Yearly exchange rates

Methodology: **Annual average** | Type: **Exchange rates (DKK per 100 units of foreign currency)** | Currency:

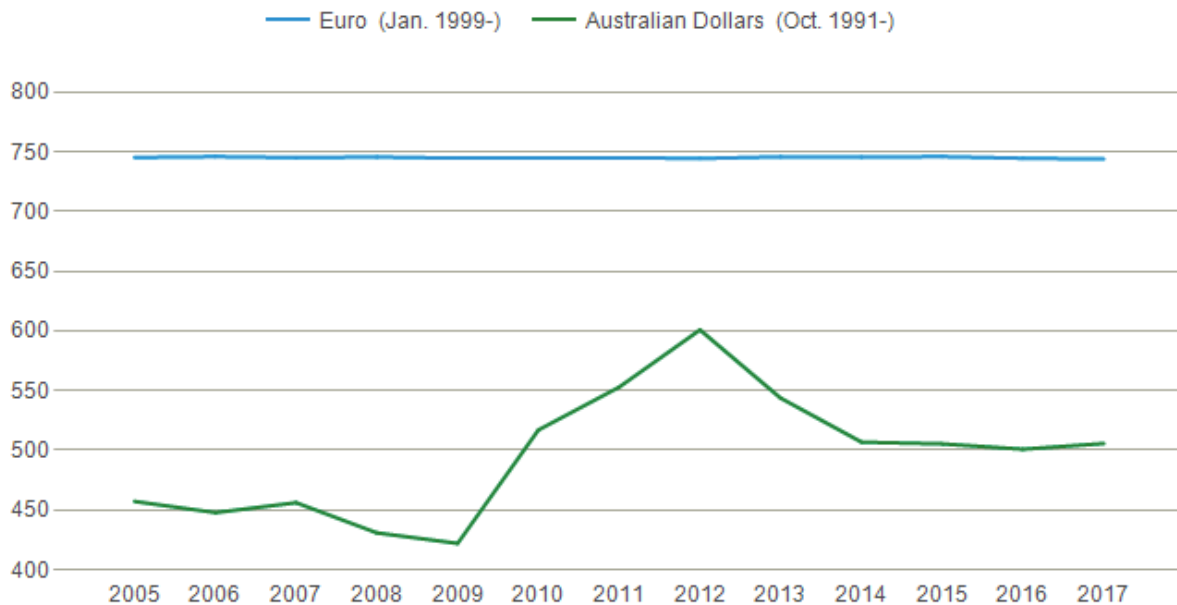


Figure 3, source: (Statistics Denmark)

The link between Euro and the Australian Dollar is crucial when exchanging foreign currency with goods like material and raw ingredients traded in Australia for consumer purchase and consumption. However, material such as fresh produce and raw ingredients are not as price sensitive as imported coffee beans.

The state of market can affect the demand on goods within the café industry in the Australian market, which makes the economic consideration a significant factor for new entrants. In recent years the annual disposable income has increased in Australia, which has a significant influence on consumers' purchasing power and buying behaviour (Euromonitor International, 2009).

Major market segmentation (2014-15)

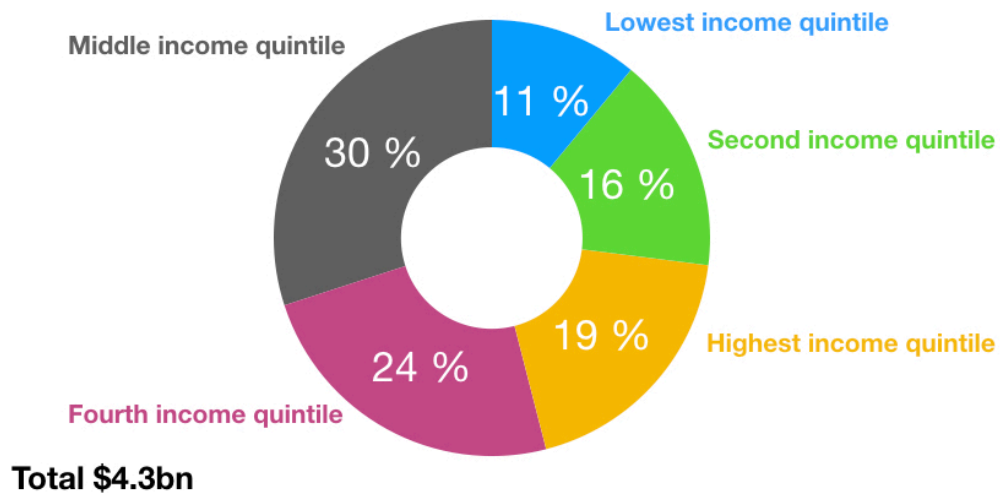


Figure 4, source: (Gargano, 2015)

Majority of consumers, across all income quintiles illustrated in the figure, consider café beverages to be a somewhat affordable luxury product while specifically coffee has partially become an essential daily routine in consumers' everyday life. Consumers in the middle-income group are the largest source to the revenue within the Australian café industry. This quintile increasingly spends money on luxurious and pricier café products like beverages and café meals and is a contributing factor to growth in revenue due to consumption of to-go beverages from local single-established cafés. Despite the growth of total spending from the middle-income quintile over the past couple years, the lowest-income quintile has increased at a more rapid rate. The coffee in particular becoming a fundamental part of many consumers daily life routine has left its marks as the lowest income quintile represents 11% of the entire market segmentation. Another conceivable reason for the growth in the lowest income group is the that the consumers within this quintile are more likely to cut their spending on costly experiences such as restaurants and favour more inexpensive alternatives such as café (Gargano, 2015). Hence an increase in the Australian household can enhance the revenue of goods supplied by the café operators, while a decrease in individuals' disposable incomes can instead constrain the consumers to spend on goods in cafés and consequently a reduction in industry demand.

The portion of elderly in Australia has promptly increased in the past decade due to the baby boon following the war. This propensity is expected to increase to a certain extent (Euromonitor

International, 2009). The demographic is a crucial factor for JATJ in order to establish their cafés in areas and cities with their target groups and segments. In this way JATJ can utilise economies of scale. It is not favourable for JATJ to establish cafés in small-populated cities or in cities where their core target group is absent. The middle-income group is moderately substantial and stable as prior mentioned, representing a significant percentage in the segmentation, with their annual disposable income. However, a noticeable saying about inequality has gained attention the past decade with people saying the rich get richer and the poor get poorer. The discussion of decreasing middleclass and in particular increase in people living in poverty may be problematic as JATJ's target group and different segments are within the middle income group. Additionally the living expenses in Australia are fairly low to medium despite the medium to high salaries for developed and urbanised country standards. This is highly a pull factor and attractive for Europeans to move short and long term to Australia. It is reasonably priced and relatively inexpensive for consumers to eat out, spending money on shopping and petrol, as the sales tax is set to be 10 per cent in Australia. Health insurance and public transportation are also reasonably priced and affordable with a national basic tax rate on 30 per cent (Euromonitor International, 2009).

9.4.3 Social and cultural factors

Social and consumer trends have significant influence on revenue volatility for operators in the industry. The consumer preferences and lifestyle either affect the price volatility by increasing or decreasing. The recent years consumers' awareness of health-consciousness has increased greatly which has led to healthier choices and alternatives in terms of beverage and food purchasing. Healthier and nutritious beverages, insignificantly being hot or cold, has increased in popularity in the health-conscious segment group across national borders (Euromonitor International, 2009). The café industry in Australia has experienced a boost and a significant growth the recent years caused by consumers who have become increasingly more aware of their self-perception and physically well being. Also the market trends have been revolving around health and nutrition, where healthier beverage options are more preferable purchases among consumers. The idea of consumers being able to customise and personalise their own beverages, accordingly their health or nutritious preferences, has become very popular and gained considerable attention. The

popularity increase in health-consciousness and awareness in consumers' healthy lifestyle has led to majority of café providers in the Australian industry to offer low-fat, sugar free, beneficial nutritious changes and additions to their existing supplies. The entire vegan trend has also made an immense impact in the industry. An obvious trend within veganism is the preference of plant-based milk, such as almond or soymilk rather than dairy, which has a great impact in consumers' preference and choices when purchasing coffee. It is safe to say that the biggest shift and game changers in the industry are indeed customisation of products towards a healthy lifestyle. Since the beginning of Boost's establishment they have been focused towards the direction of improving consumers health by differentiating and providing products that revolves around health-based goods to consumers, in which they now are one of the largest operators in the industry. For JATJ it is an opportunity to be different in the experience and service they give customers as well as adding ingredients such as calcium, vitamins, wheatgrass or protein powder to their range of beverages. The additional supplements simply help improve and benefit something that is considered to be nourishing and healthy already according to Vergara (2018).

It has become tremendously popular to hangout in cafés enjoying a cup of coffee with friends with nice surroundings and atmosphere which has become the differential factor as to why consumers prefer some café places over others. However, what makes the Australian café culture unique and stand out are the products offered by the café providers but to a lesser degree value. The brand identification, in which includes brand perception and orientation, is not what predominantly drives the cafés on the Australian market, but more the emphasis on the quality of goods offered to consumers. Australian consumers have a tendency to scrutinise a product that they are willing to pay extra money for in order to receive a higher quality product or simply knowing that their purchase is Australian-made with domestic raw ingredients. Another substantial factor the consumers are valuing is fair-trade and organic coffee, which has become considerably more preferable than regular coffee. Many people are becoming more familiar and conscious about the significant impact fair trade products has, in which it has caused cafés across the states in Australia to gradually advertise that they offer and support sustainably produced products (Vergara, 2018).

Regarding juice and fruit beverages it is essential to use raw material and fresh ingredients in order to be considered in the industry. Many operators have fruits and vegetables alongside additional

supplements on display for the customers to choose from, as everything must preferably be freshly made in order to still conserve the vitamins. The type of product sales and the customer interaction highly favours the revenue in the industry. Consumers in Australia favour the domestic ingredients due to the quality of the country's agriculture, which is why they do not have a preference for foreign and overseas raw ingredients. According to Vergara (2018), the mentality behind the typical Australian consumer's buying behaviour is the dislike in buying a logo or getting acknowledged by brand identification, which has caused Starbucks' failure in Australia. Starbucks is noticeably different in taste and their products are sold above market prices. This is certainly favourable for JATJ, as the trade barrier tariffs have a significant impact on entry mode decision. Due to the preference of domestic products, local suppliers can be used reducing cost in operations.

In addition to the above-mentioned economical factor is an increase in two-income household has occurred meaning people are more money-rich and time-poor. The escalation of work commitment has caused an increase in to-go beverages, which favours the café operators. The expression "third place" has gained substantial attention the recent years together with the café industry. The third place is considered to be a place between home and work and thus referred to the physical environment in a café and where customers can go and relax while enjoying their preferred beverage. The explanation behind the "third place" is typically where consumers spend their time if not at home or work, which is what the marketers want to create. Moving offices or simply meeting to cafés has become popular in which many consumers spend most of their working hours. Employees in Australia have more freedom at work and thus flexible with working hours in which many workplaces do not require employees to work from their offices. Hence cafés are typically located in many business areas and far more utilised for business meetings and offices (Euromonitor International, 2009) (Gargano, 2015).

The social and cultural factors in Australia seems to be compatible and consistent with the concept of JATJ regarding market and consumer trends, but also the quality of their products. The emphasis in raw and fresh ingredients from JATJ appears to be extremely valued by consumers when purchasing beverages. Chains in the industry whether it is international or large domestic ones are allegedly less favourable and tends to be deselected over the local and single-established cafés because of evidently price and quality difference. However, this may be an

opportunity and advantage to JATJ in order to meet the demand of the current market trends by offering scrutinised consumers healthy, low calorie, and supplement alternatives to their beverages. These consumers are very selective in their choices and for JATJ to seize this opportunity with the health-conscious market trend may favour their revenue and a significant foothold into the industry. The typical standards of demand are what the café or store stands for according to Jack, as café business have a loyalty to trends like health, freshness and community. Selling both generic and artisan coffee, and processed and fresh made juice is an indicator that the specific café business do not have loyalty towards any specific set of values that aligns with consumers possessing these values and demands (Jack, 2018). As the product range of JATJ already includes various healthy beverages with the use of different ingredients and possibly expand further in order to adjust to the Australian consumers and be able to customise the customers demands. Seasonal fruit and vegetables might be considered, as the Australian agriculture does not harvest the same fresh produce all year round. This may also be a favourable change to their product range as it keeps consumers interested in their beverages regardless of seasonal change.

9.4.4 Technological and environmental factors

Technological factors are vital in order to survive in any industry. It may not seem important, however technology has a significant influence on business operations where the infrastructure of technology has important effects in efficiency, relationship and culture of a business. Technology has tangible and intangible assets to benefit from in order to help generate money and meet customers' demand. It is important to stay updated and informed with new technologies in the industry especially if it poses a threat towards JATJ's market position or replace any of their existing products or services. The technology change in Australia's café industry is subject to a medium level, meaning the technology is not extremely dominant. The fundamental functions in the café industry are labour-dominated which reduces the need for technology control. However, the technological advancements have positive effects in the industry such as improvement of procedures and processes enhancing service quality in order to reduce wait time for customers. JATJ may benefit from new and advanced machines to juice their beverages, as customers' wait time is extremely valuable. This may lead to a competitive advantage as rivalries likewise aim to

deliver the best quality in the least amount of time. Furthermore, the supply chain has been positively affected by technology change throughout the years in the industry. It has become easier with the help of technology to maintain stock control to avoid excess wastage (Gargano, 2015). JATJ is heavily dependent on their technologies as it is primarily used in order to run the store, but also control wastage, in which JATJ are proud of to have the lowest waste percentage in the world (Mørk, 2018). An assortment of quality products including organic raw material can be accessed online, in which the suppliers and wholesalers can provide the café operators a higher level of control through the ordering systems. This enables a smoother and simpler ordering process for JATJ, as the political aspects are not considered. Alongside the development of recent years, food control register and food consumption are used in order to support environmental issues and improve green energy (Mørk, 2018).

Regarding replacement of labour, technology is set to replace labour in the future in particular service industries in order to reduce labour costs. However, this can be avoided if café operators implement technology advancements to enhance the service rather than replace employees. Hence, the technology in this industry may cause labour cut and instead benefit the profit of café operators. A technological improvement in the industry is the use of tablets, which has lead to a change. Cashier systems on tablets are utilised to manage payments, delegate tasks, collecting data to analytics and reporting. This simplifies the daily business operation and its processes while improving information sharing to other stakeholders in the business such as bookkeeper and suppliers (Gargano, 2015). The reports from the in store tablets are all aligned with iCloud, in which JATJ utilise for internal use and to control food waste. The percentages from the reports from each café are compared in order to improve the procedure and increase revenue and lower costs. The technology allows a smoother and more efficient procedure (Mørk, 2018).

The technological improvements and changes can entail short and long-term advantages and disadvantages for JATJ. A technological advantage in the industry is the stimulation of innovation and development that supports new methods for time reduction when servicing customers more rapidly. This is a general advantage for JATJ and their industry competitors, however it may cause severe criticism as the consumers may feel that their beverages are no longer customised for each individual as technology may be an expression of “mass production”. That is why it is crucial for JATJ to find a balance where the technology enhances their services

while providing customers with outstanding service and fresh made quality juices from behind the counter.

As the machines that is utilised to make the beverages improve along with the technology, so does the threat of consumers buying new technologies that makes it easier and cheaper for them to substitute JATJ products with their own homemade beverages. This is highly a disadvantage for JATJ and industry operators, as it discards the group of consumers who spends time in a café for the quality of the beverage rather than the café experience and atmosphere. The technological advancements and improvements only replace the beverage products itself but not the café experience and physical surroundings (Gargano, 2015). Despite the technology change in the industry is considered to be a subject to medium level, it is important to mention that JATJ are very dependent on technologies in order to give the customers the utmost service. However, the industry is heavily labour-based and personal interaction with customers is just as important, so it may be limited of how much this industry utilise the technology.

In terms of the environmental factors global warming may be a threat for JATJ and the industry that affects their supply chain. The climate change has a damaging impact on the agriculture in which JATJ is heavily dependent on as it is their main product supply. The increased temperature affects the harvest of fresh produce as well as coffee plantation and may also cause difficulty with distribution of goods. Along with the increasing temperature in Australia, the occurrence and spread of insects has scattered throughout the Australian agriculture. This can potentially damage the harvest and crops as organic produce is not sprayed with chemicals in order to keep the insects away, and can cause serious harm to JATJ and the industry. Maintaining production has become more costly due to the climate change especially in agriculture. Numerous of farmers are forced to move their production and work further up north in Australia in order to be able to produce accordingly to the temperature. The change in climate and its conditions will have a general influence and effect on food supply within the industry in terms of providing produce and coffee beans the following years. The emerged café industry is trying to quench its demands from consumers while the industry and trend is expected to continually increase. This will lead to an increase in produce costs that will affect JATJ and the industry when buying fresh ingredients and additionally lead to pricier beverages for customers (Australian Government, 2016).

9.5 Marketingmix

The marketing mix is what creates the JATJ's image and is a tool to help reach their objectives on the Australian market. The following marketing mix consists of seven elements, which combined creates and forms JATJ's brand identification in the mind of consumers. In the following section the marketing mix for JATJ is analysed and assessed in order to be suitable for the Australian market.

9.5.1 Product

JATJ's core product is freshly made high quality juice with fresh fruit and vegetables, where they have managed to keep the focus and consistency of their homogeneous range of juice products. Their range of products is characterised by a narrow but deep product assortment with multiple intrinsic features, such as fresh produce enriched with vitamins and minerals, ideal towards a healthy lifestyle. Consumers can characterise JATJ's beverages with its freshness, unique flavour in each individual beverage and texture attributes.

As JATJ was originally based off on "*the Starbucks Experience*", the experience itself is a service that is one of their core products. As mentioned earlier in threats of substitute products, the non-physical product is the service and the environment that is marketed towards consumers who want the complete trendy café experience. JATJ has managed to create a differentiated and seemingly likeable characteristic ambiance for customers to enjoy their experience inside the cafés. This will further be elaborated in the Marketing Mix's People and Process.

With JATJ's packaging, it facilitates the every day consumers' experience, particularly the to-go customers. The design is easy recognisable with its pink and feminine logo on the clear plastic cups as well as the significant interior in the cafés giving customers a unique experience. The beverages itself can be seen through the clear cup, and is usually a bright pastel colour indicating the fresh ingredients used. It is important to emphasise the visual design's attractiveness and appearance where bright colours have been used to accentuate the simplistic style. The design and visual impact make the packaging attractive to customers and easy identifiable.

JATJ is considered a social and compellingly growing brand. The execution of the beverages is honest and authentic representing a healthy lifestyle with its trendy packaging in which enhances and strengthens the brand by the presence of the brand logo. The social and compellingly growing brand identifies activities that can be associated with health, energetic lifestyle and

rendezvous. It is necessary to mention three variables when identifying an organisational brand in order to emphasise on its value. The object is JATJ's customer satisfaction that makes the customer return due to the high quality of products and the experience. The sign is the visual appearance of the name, logo and colours that captures and makes the brand stand out. Lastly, the interpreter is for JATJ's customers as the brand represents quality and confidence.

The products are the same regardless of which foreign market JATJ is established on, as they have yet not adapted their products to the different consumers. However, a change in the product assortment should be taken into consideration, so the products sold in Australia are what Australian consumers prefer. By conducting customer surveys of consumers' preferences or simply change the menu card every quarter, in which it also provides an overview of seasonal preferences. By changing the menu cards JATJ will have their own exclusive experience and knowledge of their own customers' preferences, which makes them able to create the ideal product assortment.

9.5.2 Price

The price is often associated with quality, which is an ability to meet the customers' expectations. The sales price draws great attention from consumers and is crucial to JATJ because it directly affects the revenue and profit as the sales price has to cover the costs of the entire marketing mix. As mentioned under previous Product in the marketing mix, JATJ do not adapt their products to the each market they are operating, which should not be applicable with the price. The purpose with a differentiated price level and policy is so the price sensitive consumer has opportunity to purchase JATJ's products.

JATJ must take three variables into account when considering a price policy in foreign markets as well as home market. The first variable is cost, where the internal and external factors are significant and must be taken into consideration. These include costs from suppliers, distributors and taxes, while the internal costs vary between business operations and the condition of JATJ to produce and deliver. The second variable is demand, where it is crucial to measure the sensitivity of consumers to JATJ's prices and what consumers are willing to pay in order to purchase JATJ's beverages. Additionally the importance of the market, it is vital to calculate the selling prices of

the Australian market for a certain price level, while still being competitive. The third variable is competition in which the competitors' price strategy is important in order to use as a reference value for JATJ. With this taken into account, the prices should also be considerate of Australia's currency and its exchange rates as well as the economic business cycle. A preferred pricing policy is polycentric price strategy, thus the pricing is different in the home market and in the foreign market, as conditions regarding taxes and exchange rate policies are different in Australia than in Denmark. As mentioned in the economical factors, the Australian Dollar seems to be very unstable compared to the Euro due to recent years' global economy situation that has affected Australia's economy.

As the beverages from JATJ are products of mass consumption, another preferred pricing policy is based on the Price Competition marketing strategy as the café operators develop different price strategies to beat the competition. The prices are set the same as competitors or lower in order to gain market share. The prices are still set to cover costs and will increase due to demand and penetration. However, the disadvantage of this pricing policy is the impact and flexibility competitors have in order to change the prices of products. Despite the preferred pricing policies, the price should still be relatively high but affordable in order to express the quality of the beverages.

9.5.3 Placement

JATJ's cafés are located in bigger cities, and are not present in suburbs, as it is important for JATJ to have a geographical good place with central locations for easy accessible customers on the go, and with efficient transport opportunities. JATJ intentionally chose locations where the exposure is significant, as regular marketing is not considered qualitative and a major significance (Mørk, 2018). The distribution channel includes where JATJ's products are exposed and sold to customer, which is exclusively only through JATJ's cafés by personal order.

The distribution channel is an essential path for a product from its production to its consumption. This kind of distribution system is classified as an indirect circuit, meaning it needs intermediaries in order to bring the products that are available to the customers, which is very typical within this industry.

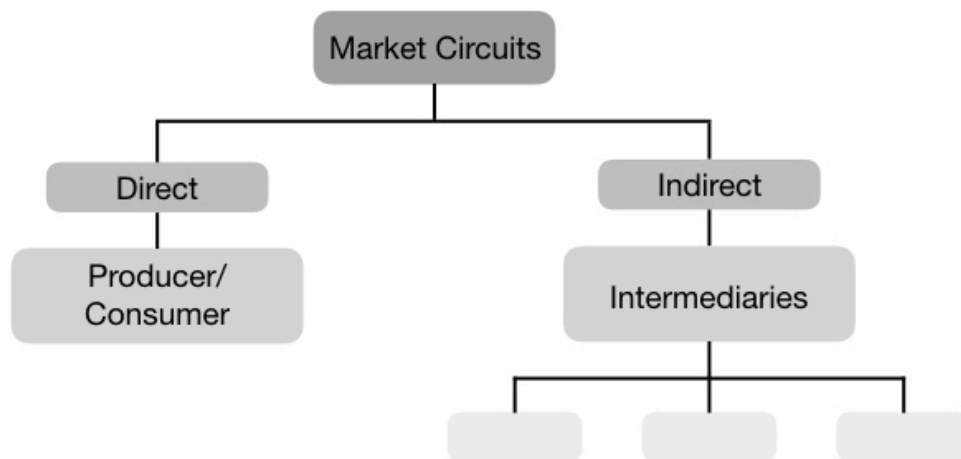


Figure 5, source: (Paulais & Wilhelm, 2000)

The intermediaries are present in the distribution circuit where firstly, the fresh produce will be distributed from the farms to wholesalers or distributors who act like suppliers to JATJ. From here, the retail is JATJ where the fresh produce is processed and made into beverages, which end up at the final customer.

As prior mentioned in threat of entry, it is anticipated for JATJ to utilise economies of scale to a greater extent when distributing produce in terms of purchasing for the entire chain and not each café exclusively. When applying for the intensive distribution as their distribution strategy in the wholesaler channel, JATJ can expand their locations more effectively and inexpensively. With this purpose, the level of efficiency increases and ensures a high profitability.

9.5.4 Promotion

As previously mentioned, JATJ do not conduct regular and traditional promotion and marketing to attract their customers and target group. Their own way of promotion is through the geographical placement and café locations with great exposure to their target group. JATJ differentiate their marketing strategy in order to avoid being perceived as a mainstream brand,

also this saves the firm a substantial amount of financial resources that was supposedly distributed for marketing purposes. For the benefit of JATJ, social media is becoming vastly popular in which JATJ has taken advantage of. Majority of their marketing takes place on social media, where they have the opportunity to communicate with customers, share and announce news, and in general engage with their customers. According to Jack (2018), one of the biggest trends that have a significant influence on the industry is social media presence, as it encourages creating demand for many products for consumption. The single established businesses are significantly driven by social media in order to create brand awareness and have more freedom to be individualistic in terms of decoration and ambience, due to a low marketing budget. This is a main reason why consumers flock to single-established local baristas compared to franchise chains (Jack, 2018). As mentioned, JATJ main brand awareness tool is their employees and social media, which is favourable for the organisation, as the brand appear individualistic on social media while being completely streamlined without being a mainstream franchise brand.

JATJ have managed to create a brand with its own traditions that make public relations seem entertaining without all of the traditional and important information content. JATJ has created a yearly internal juice competition for its employees from around the world to crown the best barista that they call “Juicer”. JATJ’s Global Show Off competition has managed to attract a great amount of attention from the outside world due to this different type of marketing strategy, as only internal shareholders are at the event.

A major part of the concept of JATJ is the employees, or so-called “Juicers”. This is the main promotion JATJ use to market their brand and its values. When entering the café, one will immediately spot a juicer behind the counter, who is typically a handsome and attractive male with an extraversion personality who takes your order. Additionally, JATJ relies heavily on word-of-mouth marketing that seems to be creating loyalties. Direct marketing in general for JATJ is considered as a trustworthy brand and brings nostalgia and loyalty.

9.5.5 People

As prior mentioned, the majority of JATJ focus is on the employees and not the customers. The employees are the brand and concept behind JATJ, as they are a crucial part of the product and delivering the service and experience. This is evident at JATJ, where the Juicers are considered

the most significant stakeholder in the company. They are simply the key foundation of the entire experience as they are servicing and communicating with the customers and hence part a major part of JATJ image and positioning as a brand (Mørk, 2018). This create loyalty and nostalgia to the brand and company, which is why it is significant for JATJ to hire and educate the right people with characteristic personality traits, who can express the values and concept of the company.

The strong employee culture is evidently reflected in the Juicers behind the counters who provide the utmost service in order for customers to have an extraordinary experience. The primary focus is on the employees including the culture and development in the company. However, this employee culture was not a part of their unique selling proposition, but has gradually been implemented as the extraordinary effort the employees put into their work has reflected in how attractiveness and people's behaviours affect business. As a direct result from the employee behaviour, the revenue has increased rapidly through the first years of establishment (Mørk, 2018). JATJ do not want to limit their employees by telling them how to provide service to customers and put them in uniforms which is why the external branding and customer focus are deselected in favour for the employees and workplace that is focused on. By cultivating and worshipping the employees' individuality makes them able to create natural customer contact and atmosphere in the cafés, which favours the customers' experiences.

Evidently, JATJ should keep their strong employee culture when establishing on the Australian market in order to stand out from other competitors with their niche concept. This is a benefit to gain market share and to differentiate an easily substituted product in the industry by making it into an experience.

9.5.6 Process

The process includes the inputs, throughputs and the output, which is the outcome. It is the direct processes that add value for JATJ's customers with the interface and experience. During the process is where JATJ can really make a difference for each individual customer, as each experience can be tailored to the needs of everyone. JATJ follows a fast food principal, meaning the process is divided into small procedures, which will be assembled, in order to ensure that the

beverages are made fast and efficient. JATJ are differently organised to their competitors making them fast enough to execute fresh juice. These divided procedures typically consist of either one or more Juicers behind counter ready to make the customer's order. Upon entering in a typical café, there are three major steps to go through in order for the outcome. Firstly, the juicer will take the customer's order, secondly the product is being made in front of the customer while paying, and lastly, the customer will receive its order. This process is usually during peak periods, where it gets busier. However, in JATJ cafés the typical divided procedures are characteristically a flow, which adds value to the customer. The Juicers merge these procedures together, rather than taking customers' order and passing on the next procedure to another barista. Here, every procedure is typically taken care of by one juicer, which gives the individual customer a more customised and value-added experience.

As a result, JATJ typically spends more resources on the employees in order to make the flow happen in their cafés, such as additional training with their own academy. By recruiting part-time employees, the flow of their in-store process will be more efficient in order to cover the peak time periods that may occur, without having to compromise on the service to their customers.

9.5.7 Physical Environment

The physical evidence includes elements such as tangible service and material comfort, which can essentially be seen or experienced by customers. As JATJ is a service company, it is significant that interior and exterior correspond to how the consumers perceive JATJ and its brand.

JATJ tries to stand out from competitors with their façade and interior to differentiate their image and brand perception. Their cafés are extremely noticeable with its typical black frontage with large windows, black interior, and bright pink logo that characterise their energetic employees. However, upon entering the café the customers are met with different style of furnishing in each individual JATJ café, but still the same theme and ambience. The interior design and atmosphere is very modern, however each café has its own touch. The internal interior decoration is heavily inspired by the busy urban environment with characteristics and features of the every day urban life.

When visiting a JATJ café the typical layout is like a theatre with a stage that is the heart of the concept attracting the customers. With the employees in the center behind the counter, providing customers a show – making their beverages is a typical vision in the cafés. The furnishing is simplicity, however with a twist to make it modern, maintaining the raw yet refined look, which reflects the company's brand image. Quality and authenticity with attention to details is expressed in the furniture while still inspired by the nightlife decoration. This is to enhance the ambience and atmosphere of a nightclub feeling and cosy surroundings. The nightclub inspired theme is supported with ambient coloured lights and in-store music. This is a marketing strategy to attract their primary target group, which is the youth segment. The physical surroundings and characteristic atmosphere is what creates and keep the customer base devoted. In order to maximise their customers' individuality and their preferences, the café space is divided into zones allowing customer to have an efficient workspace or a more convenient stay.

The physical surrounding is crucial for JATJ as it makes them *the* café and not *a* café along with their brand image expressing individuality and confidence. As previously mentioned, JATJ is considered as the “third place” between home and office, which is why the physical surroundings are significant. As JATJ is an established chain, it is important to maintain consistency, the same style and atmosphere in every café so that potential customers who have already visited the café abroad once, are willing to pay another visit regardless of country.

Additionally, the physical evidence is reflected in the official website, creating a consistency between the physical café and the social platform. By reaching the target group more efficiently, JATJ should consider translating their homepage to every country language established like other global corporations do in foreign markets.

9.6 Implementation

This following section a new and proposed business model will be presented and explained how to ensure the internationalisation and market entry will be implemented successfully into the new market of Australia.

As JATJ has already expanded to foreign markets, it is the most beneficial option to enter with the Uppsala theory as it allows JATJ to obtain knowledge and experience from foreign market. This valuable knowledge can be used and disclosed when entering new markets Based on this suggested market entry strategy for JATJ the following section will illustrate how the organisation should carry out their new innovative business model appropriately for the Australian market.

9.6.1 New Proposed Business Model Canvas

The new and proposed innovative business model will originate on basis of the strategic analysis, in particular the SWOT analysis in which the strengths, weaknesses, opportunities and threats are identified, and the competitive strategy. All the things mentioned in the strategic analysis, in particular SWOT framework, will be taken into consideration for the new innovative business model for JATJ. The purpose of the strategic analysis was to identify whether or not there was basis of a new business model, in which there is a potential for innovating some elements for JATJ to successfully enter the Australian market.

9.6.1.1 Value propositions

While still maintaining the same value proposition for the high quality service and product and personalised experience performed by the passionate employees as before, new value propositions occur for the new customer segments.

For these value propositions to succeed in Australia JATJ needs to focus on the new segments and their product preferences in order for each segment to feel their needs are being customised.

In order to do this, JATJ will have to implement new initiative to motivate and attract the male and student segment by hiring female employees and Juicers.

9.6.1.2 Customer segments

The customer segment will still remain the same in the new business model as it has big potential and customers are loyal due to the high customer satisfaction from the service an experience received. While remaining the same customer segment, JATJ should consider appealing to more segments by reaching to more males, as the current segment is heavily focused on females across different segments. By reaching to male segments JATJ have the prospect to increase their revenue on the Australian market by employing more female Juicers. The old customer segment has little focus from JATJ, as employees are highly prioritised. By prioritising the customer segments it may increase revenue by reaching to more segments, as there is a big potential in the customer segments that JATJ yet have not conquered, such as students or in general more young males. For new potential segments for JATJ, a new value proposition will occur for this segment as well.

In the current business model, the customer segments were roughly categorised as health-conscious and young females. In the new business model, the customers include a more general male target group and students due to the fact of changing consumer behaviour. Due to the fact of the rising health trend among a larger variety of segments, males and students also consume mass consumption products such as coffee and juice beverages. As for now Boost and Gloria Jean's Coffees are the chains in Australia with the largest segments of JATJ's potential customer segments as well as market share, as they have attractive and decent priced products similar to JATJ. Increasingly, there is a tendency for the young adult segment, including sub-segments like young females, males and health conscious individuals, to switch to more attractive providers. This is an opportunity for JATJ to build a long-term relationship and loyalty with this segment, and defeat their changing customer behaviour.

By targeting and exploring more towards consumers across all age groups and lifestyles JATJ may increase their revenue as subcultures within different segments has their own preferences. As JATJ sell mass consumption products, it reaches out for many potential customers that either

visits JATJ for their quality beverages or for the entire café experience. By locating the cafés on corners, it has been proven that it attracts more coffee consumers across different segments and age groups throughout the day (Mørk, 2018).

9.6.1.3 Channels

After having gone through the SWOT analysis, the concept itself and strong image is one of the main key elements in JATJ, which makes the in-store purchase the primary and only channel in order to reach customers. However, JATJ has gradually utilised the digitalisation along with social media in order to reach their customers more efficiently. While still remaining the main channel of communication, JATJ can enhance and promote their digitalisation channel more proficiently in order to reach their segments on the digital platform. By optimising the utilisation of their app, and promoting it on social media more often and targeted to each individual segment group allows JATJ to provide their customers more efficient and fast service, however without the whole experience from their Juicers. Some customers prefer on-the-go order through their devices, which is a cost-efficient way to serve customers, if the cafés are busy. This is for the customers with a busy daily routine or customers who only visit cafés for the product itself and not the entire café experience. In this way JATJ have the opportunity to focus their service and energy for the in store café customers. Orders through the app can be picked up at any JATJ café suitably to the individual customer.

These two channels are JATJ's own channels which they can 100% control and take responsible for. However, if they wish to expand their channels in order to reach their customers more efficiently and easily, they may consider alternatives such as selling their products through wholesalers like convenience stores and supermarkets. However, this goes against the JATJ brand and image of being unique and providing an unforgettable experience for the customers. Also, JATJ may have to adapt and change their products in order to fit the to-go customer with concentrated juice instead of fresh made beverages and coffee.

9.6.1.4 Customer relationship

Regarding JATJ's new customer segments as mentioned in the customer segment canvas, the organisation should expand and specifically target more males, students, and consumers across all age groups more. However, this may be a breach in their brand image and being disloyal towards themselves according to Mørk (2018).

The customer relationship in the new business model will still remain the same, however with more focus on selling the value of JATJ's products and their service rather than selling a mass consumption product which is easily substituted, especially among the Australian customers who seem to be more scrutinised. Personal relations and loyalty will increase due to the experience provided from skilled and qualified employees and Juicers, which supports the engagement of the value more. By utilising social media correctly and offering student discounts and promotion, JATJ may succeed in building a strong customer relationship with students. In order to make the consumer to come back it is important to maintain the relationship loyalty by providing quality beverages and to a great extent service as Australians are service-oriented (Jack, 2018).

According to Jack (2018), Australian consumers value freshness, health and community. As the focus is significantly already on health, nutrition and fresh produce, JATJ should consider strengthening customer relationship through local community in particular to the new potential customer segments. This can be achieved through local issue awareness and supporting the local economic development. Consumers' identification with the community is positively related to helping behaviour and enhances an organisation's value by supporting the community. This can be done through several of ways across JATJ's different target segments, such as youth opportunity, community service, achievement plans for university funding, farming and agricultural community etc.

9.6.1.5 Revenue Streams

In the new business model the revenue stream remains the same in the new market. The current revenue stream is from in store sales and with a minor part through Internet sales, which is from the JATJ app on the Danish market. As mentioned in the SWOT framework, an opportunity is the

globally increasing market and demands, which makes expansion to foreign markets more smooth due to a more homogenous consumer behaviour with mass consumption products. The café industry is growing rapidly in Australia along with the health trend.

According to Mørk (2018), JATJ do not have any intention to change and adapt their products to their foreign markets, which goes against their concept of selling healthy and fast products to their customers. The in store and app revenue streams are based on JATJ's in store products, which most likely will remain in order to stay true to their own concept. Additionally, Mørk stated the importance of every JATJ to be a 100 per cent controlled and streamlined by the management in Copenhagen's head quarter which positively excludes the opportunity of revenue stream from a franchise. However, in order to maximise revenue and increase their brand image and values from existing revenue streams JATJ may consider collaborating with sincere and significant companies from different industries, which also helps JATJ to establish their brand and promote their values. JATJ currently operates on the market for B2C in which the quantities of customer orders do not have much affect on the daily revenue, however B2B with larger quantity orders can positively increase JATJ's revenue.

The current revenue stream from the app does not generate much revenue. With an improved and new functionality app allowing customers to easily order, specifically customise and pay for their beverages, an improved but not new revenue stream has appeared. This revenue stream is based on the money received through the app.

New and improved revenue streams may imply in higher revenue for JATJ and in return lower costs that may affect the customers positively.

9.6.1.6 Key Resources

The key resources JATJ use to create value will remain the same on the new market in the new business model, as it is the most important asset required in order to make the other canvases work in the business model. The single most important key resource is the employees who are highly skilled in order to gain customer satisfaction through the experience provided and is also

JATJ's brand image. The employees are carefully selected as Juicers with characteristic personality traits to give customers a better experience.

The technology and IT structure is crucial for JATJ in order to run the store on a daily basis as they are heavily dependent on the iPads which tracks every move the employees make. This allows JATJ to improve their efficiency regarding food waste, count of food consumption etc. The technology is crucial in order to ensure adequate knowledge about customers' food consumption as stock control and ordering process from suppliers help support the food wastage and a greener environment, let alone costs.

9.6.1.7 Key Activities

As a result of an improved key resource and revenue stream, the key activities are going to change while still remaining the current key activities in the new business model. The key activities will be improved on the basis of the other improved business canvases. JATJ's important activities in order to make the business run are serving customers while still focusing on their employees development, and provide a unique experience alongside the emphasis on health and nutrition. The biggest key activity and also challenge is to keep developing the concept of JATJ and to spread awareness (Mørk, 2018).

Like mentioned in the revenue stream, the technology in particular from the app focuses on more efficient orders and adds a new revenue stream. The new key activity would be service and communication through the app, which allows more efficient service for the busy customers.

As the segments of JATJ's target group are young, social media can be used in order to reach these different segments and communicate the functions and benefits of the app. For the app to function, the software developers should consider creating features that allows customers to customise their drink exactly how they would do inside the cafés and push messages to the Juicers and employees. This activity incurs cost but to a certain extent.

9.6.1.8 Key Partners

For the new business model in the Australian market, JATJ still has to maintain their current strong relationship and partnership with their stakeholders. The most important key partners and stakeholders that create value and help improve the value propositions are the employees, suppliers, subcontractors and evidently the customers and their feedback. The feedback from customers helps JATJ improve their products, service and motivate the employees to provide a better complete experience.

The only change for JATJ in the new business model is to expand their partnerships with local subcontractors to support the domestic and local agriculture and farmers, as the Australian consumers prefer Australian made products (Vergara, 2018) (Decena, 2018). This improves the quality of JATJ's beverages, as the produce is fresh and allows JATJ to provide beverages with seasonal ingredients. According to Mørk, JATJ do not adapt their products to their foreign markets, however they do change accordingly to trends and preferences with seasonal raw material (Mørk, 2018).

9.6.1.9 Cost structure

As JATJ and its industry competitors are cost-driven businesses, the cost structure will remain the same in the new business model in the Australian market. It is impossible to change from being cost-driven to value-driven within this industry, as the business is dependent on selling products and services to customers in exchange for money in order to cover the costs. By a value-driven approach the focus should be on the value created by JATJ rather than the costs incurred to create the value.

Trying to minimise the key costs are not effective in a long-term perspective without having to cut down on resources. However, better and more efficient solutions for logistic and economies of scale as JATJ establish on the Australian market will favour JATJ.

10. Conclusion and Limitations

The motivation force throughout this thesis was the objectives and an attempt in answering the research question has been made. However, this research grasps some limitations that should be considerate when reviewing and studying the presented proposals and assumptions. The collected data and information exhibited in this research was supported by secondary data, in which could have been prevented or reduced if CEO Kaspar Basse was willing to be interviewed and more detailed and in depth answers would have been disclosed. Also, some secondary data was outdated, due to costly and restricted access to new official reports, which may have resulted in a slightly different finding. Furthermore, internationalisation and expansion is impossible endeavouring to study to the full extent, in which some assumptions displayed have been slightly overlooked and instead giving a broader perspective. Likewise consumer preference and trends were examined on a more conceptual level and not taken into consideration as an individual. The lack of some important factors does not explicate a failure of the research, but simply undermine at which rate the expansion will be successful.

This thesis has endeavoured all the important factors and elements that would be crucial for a substantial establishment and successful market entry. A business model proposal was suggested with necessary information and a display of theoretical internationalisation frameworks exhibited in order for JATJ to strategically plan their expansion.

The major deterrent for JATJ to enter in the Australian market is the Australian café culture and the tendency to choose single-established café rather than a chain. The brand identification of a chain is not what predominantly drives on the Australian market, but the quality of the beverages consumers receive, as they tend to scrutinise and are willing to pay extra money for a quality product. The biggest game changer in the café industry is customisation of healthy alternative product and fair trade products. The emphasis of consumer preferences is significantly on the health trend with locally plant-based produce preferences.

Due to the café industry is very attractive because of low entry barriers and requirements for potential entrants, the competition is highly fragmented, leading the rivalries to compete on prices, which is why quality is determinant. Political and legal factors are not significant for JATJ's internationalisation process, which makes the service vital for successful establishment.

JATJ streamline process is a hindrance in their product strategy, which only allows them to standardise their marketing strategy, as it is a breach to their own loyalty to adapt when entering to any foreign market. This is a deliberately choice in order to keep their brand perception and identification. It is crucial for JATJ to compromise while still holding on to their core values and key competences when establishing in new markets. As an extension to this, the biggest brand identification and promotion are the employee culture and Juicers that frame the organisation towards a niche.

The best suitable entry strategy for JATJ would be the Uppsala strategy, as it gradually develops and intensifies international business activities in foreign markets over time. This is on the fundamentals of how JATJ as an organisation progresses and obtains incremental knowledge in the foreign market, which is significant. The born global theory may imply for JATJ as their vision from the beginning was to follow Starbucks internationalisation activities and brand exposure, however the Uppsala has already been evidently used by JATJ to enter psychic nearby markets like Scandinavia and slowly entering Europe. The Uppsala strategy is the best suitable entry mode as it allows the organisation to have fully control over their business in foreign markets, as nothing is outsourced or franchised. In this way Joe & The Juice can streamline every store and take full responsibility if something may occur that could be damaging to their brand identification. By entering the psychic market the brand perception of JATJ is somewhat easier for consumers to accept and allows JATJ to develop and enhance their knowledge of foreign market entry to ultimately subsequently expand to more geographically and culturally distant markets. This strategy is beneficial for JATJ and its brand as it has a unique way to provide information regarding a new market due to experience and knowledge. The Uppsala increases internationalisation in which benefits JATJ in increasing the geographical diversification and market commitment. Regardless of current industry competition and situation derived from consumer preference and trends, it is with confidence that JATJ existing extensive international experience and knowledge combined with brand their perception will assist the organisation in overcoming obstacles and deterrents continuing towards success.

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12. Appendix

12.1 Interview questions

A. Interview questions for the industry experts:

- Have you noticed any patterns within consumer behaviour the past decade or years when your customers are ordering drinks?
- Do you see a pattern in the customers ordering healthier or do they want specific things in their drinks so you make it customised?
- Do customers have different preferences when it comes to the individual drinks?
- How has the café market emerged, in terms of the quality, price or brand loyalty?
- Are consumers in Australia are very loyal to small local businesses or small non-franchised coffee shops or cafés?
- Are consumers very conscious about the quality? In terms of what kind of beans it is, how roasted it is or in term of juices if the ingredients are fresh.
- Is it maybe why the Australian consumers are more conscious if – they prefer Australian brands compared to if it was an international or an overseas company that would enter Australia?
- In addition to the same question, how has the café market emerged when we look at the pricing?
- Is there any specific target group or segments that orders specific drinks?
- Are there any specific segments that would rather prefer juice rather than a coffee or tea, like a target group?
- There has been a tendency over the past decade that smaller cafés have increased because the customers flock to local baristas, rather than well-known chains - how come the Australians prefer local cafes rather than international brands?
- What would be the best type of marketing in order to gain the customers trust and loyalties? Would it be worth spending a lot of resources of marketing campaign or is WOM

- What are the current market trends or phenomenon that has an impact in the industry? Lets say like juices, different types of coffee or maybe healthier alternatives or weight loss tea that we have also seen that is upcoming right now.
- What is unique about Australian café culture that makes the consumer be so picky? Do they want the entire experience –like the Starbucks experience we mentioned before, or they simply just want the product that they are going in for?
- Is it because there are so many coffee shops or providers in the industry that you can just go to the next one if you do not like the particular café?
- What are the consumer expectations in terms of taste, price and value for money, but also the accessibility?
- Is the market stable because of these standards that are expected from the customers' side?
- If all of this were met would it mean one would receive a product that is exceptionally good?

B. Interview questions for Joe & The Juice regional manager executive:

- How do you create loyal customers?
- How did Starbucks inspire the concept behind JATJ?
- How do you keep your employees motivated?
- How do you educate your Juicers?
- How did the employees become the main feature behind brand?
- I've noticed that the product range is the same throughout the year, and nothing has major has been changed. Is that intentional?
- You mentioned prior that you do not adapt to the different markets, can you tell a little bit about that again?
- Where does the brand name come from?
- You mentioned Joe is a slang for coffee, but do you sell a lot of coffee?
- How do you market your business? How are people aware of your business? You do not really promote the brand.

- You have really good locations with customer flow. Do you think it is a part of your marketing?
- What are the biggest challenges within the company?
- Have there been any unexpected obstacles the company had to deal with and how did you overcome that?
- Do you think the shitstorm had anything to do with The Law of Jante²? You guys seem very self-centred and confident.
- Why do you think that F&B seems to have an edge over retail at this time? You are very different to other F&B concept and cafés. You are selling the same mass consumption product. Your competitors are other restaurants and supermarkets who are selling the same.
- Do you rely on feedback from your staff to tell you what customers are saying and if their tastes are changing?
- To what do you attribute the success?
- What is especially unique about the brand?
- How has technology impacted how you conduct your business?
- Why do customers select JATJ over competitors?
- Are there any ethical concerns JATJ must deal with and how do you overcome this?
- How do you manifest your brand among global competitors that offers same product?
- Are the prices the same at home in Denmark and abroad but just with a different currency?

² The root of Scandinavian modesty and social codes

12.3 Full interview with Viktor Mørk

The following interview was conducted by your truly as interviewer and Viktor Mørk as interviewee. Viktor Mørk is a senior executive for Joe & The Juice in Denmark where he has bright insights of the company's future goals as well as the practical functions operated in each café. Viktor Mørk's next career step is going to Sydney for one and a half year to establish several stores in Australia. The interview was conducted in Danish and English in one of their cafés in Denmark, and was more a casual conversation between both parties yet semi structured depending on the flow of the conversation. The questions were asked in English whereby they were answered in Danish. An English translation has been provided in following transcript. Many new terms are presented which are terms that JATJ use internally, especially to describe their job titles.

The questions are highlighted in bold following Viktor's answers in Danish and a translation in English.

How do you create loyal customers?

Først og fremmest, måden vi skaber loyale gæster på er at skabe et koncept de har lyst til at komme ind i igen. Det er ved at skabe et andet hjem for gæsten. Et perfektionsted hvor alt står perfekt for gæsten. Vores drenge og piger bag baren leverer ikke bare en service men en oplevelse. Det giver en personlig udtryk til gæsterne, så de får navnet, hvilket allerede er første skridt så det bliver mere personlig og loyalt. Så når Lone kommer ind næste uge, så kan jeg allerede navnet på hende, jeg kan endda huske hvad hun skal have. Det er så simpelt sådan vi skaber loyale gæster. Når de så har været her tre gange og blevet en lille smule afhængig af vores koncept og vi er blevet afhængig af dem som gæst fordi vi lever af at kunne kende vores gæster. Vi lever af at kunne snakke med vores gæster om andet end bare hvilken juice de skal have, men spørger dem hvordan det gik med det bryllup de skulle til i sidste weekend. Så bliver de chokeret at man kan huske det. Så har vi også en "Loyalty Cards" hvor vi har et 10 turs klippekort. Man kan købe 10 juice på forhånd så får man til x antal kroner billigere. Og dem kalder vi "Loyalty Card" til alle vores loyale gæster. Det er ikke et kort vi har tiltænkt at tjene penge på. Selvfølgelig tjener vi penge på det, men vi sikrer os at de gæster vi ved som kommer igen, at de 1) kan få det

billigere, men de kan også få hurtigere betjening og mere loyal betjening. De her "Loyalty Cards" sørger for at vi holder fast på gæsten og hvis de har købt det ved vi de kommer 10 gange igen. Og så har vi 10 gange chance for at sørge for, at de nok skal købe igen.

First and foremost, the way we create loyal guests is by creating a concept that makes them want to come back again. That is by creating another home for the guest. A 'perfection place' where everything is perfect for the guest. Our boys and girls behind the counter do not only deliver a service but an experience. That gives a personal expression to the guests, so they get the name, which already is the first step to becoming more personalised and loyal. So when Lone comes in next week, I can already remember her name and even what she is ordering. That is how simple we create loyal guests. When they have been in here three times and are a bit reliant on our concept and we have become reliant on them as guest because we survive by recognising our guests. We survive by being able to talk with our guests about anything else than just what juice they are having, but by asking them the wedding went they were on last weekend. They will be surprised that you can remember. And then we have "Loyalty Cards" with a 10-stamp card voucher. One can buy 10 juices in advance, which makes it cheaper to a great extent per juice. We call them "Loyalty Cards" to our loyal guests. It is not a card we intend to earn money from. Of course we are earning money from it, but we ensure that the guests we know are coming back again that they first of; can get it cheaper, but also faster service and more loyal service. These "Loyalty Cards" ensure that we keep the guest, and if we know they bought it, then we know they are returning 10 times. And then we have 10 times the chance to make sure they are purchasing again.

How did Starbucks inspire the concept behind JATJ?

Miljøet har inspireret Kaspar mest. Det med at man laver et koncept, et brand. Vi laver en butik/café hvor man skal føle sig hjemme. Når man kommer ind i en Starbucks så er der også de her store hjemmestole henne i hjørnet med små café borde. Folk sidder med tæpper og der er lys på bordene. Det giver den der hjemmelige følelse som Kaspar er blevet meget draget af. Så tror jeg han blev meget draget af deres ekspansion strategi. Starbucks havde samme tur som vi går nu. Det gik vanvittig stærkt og så lå Starbucks på alle hjørner lidt ligesom 7-eleven. Så jeg tror han er

blevet inspireret meget af miljøet, og måden man strømligner ting på. Altså, med Starbucks der er alt næsten ens hvis du kigger på det skandinaviske marked. Alt er strømlignet fuldstændig. Så miljøet, strømligning af produkter og måden man ekspandere på. Man kan sige Kaspar er inspireret af dem, men han Starbucks er også vores største konkurrent.

The environment has inspired Kaspar the most. The fact that you create a concept, a brand. We are making a store café where one can feel at home. When you enter in Starbucks there are also these chairs in the corner with small coffee tables. People are sitting with blankets and there are candles on the tables. It gives a homelike feeling, which Kaspar was fascinated by. I think he was fascinated by their expansion strategy. Starbucks had the same journey as we are now. It went incredibly fast and suddenly Starbucks was on every corner just like 7-eleven. So I think he is inspired of the environment and how everything was streamlined. With Starbucks everything is almost identical if you look on the Scandinavian market. So the environment, streamlining of products and the way of expansion. You can tell that Kaspar was inspired by Starbucks, but they are also our biggest competitor.

How do you keep your employees motivated?

Måden hvorpå jeg holder mine Juicere motiveret er afhængig af hvor motiveret jeg selv er. Hvis jeg ikke selv er motiveret, kan jeg umulig motivere mine drenge og piger i baren. Men vi motivere dem ved uddannelse. Folk kommer, hvis man er ansat i JATJ, oftest ned i baren selvom man ikke har arbejde og drikker en kaffe. Eller man kommer ned og spiser en sandwich. Der bliver skabt en kultur omkring det der, at man er lidt mere end bare kollegaer. Det er virkelig et cliché ord at bruge, men man føler det er brødre man står med. Du har stået med dem når det er aller sværest i baren og du har også stået med dem når det er aller sjovest i baren. Så der er skabt en fed medarbejder kultur hvor man har lyst til at ses udenfor arbejde, men man har også lyst til at hjælpe selvom man ikke er på arbejde. Måden vi holder dem motiveret på, er at skabe et miljø hvor der er så frie rammer at man får lov til at udvikle sig selv. Nu har jeg selv været her i 2 år, og på 2 år har vi fået åbnet 9 butikker. Måden vi kan se det næste skridt i vores karriere, altså vi har hele tiden kunne se hvad vores næste skridt er, og jeg kan også se nu hvad vores næste skridt er. Og når vi har taget det næste skridt, ved jeg også hvad det næste skridt er. Altså vi ved hele

tiden hvad den nye gulerod for vores medarbejdere er. Så motivationen kommer fra mange steder, hvis man bare har et job hvor man har nogle fede kollegaer så holder man motivationen højt, uden jeg behøves at gøre noget fordi jeg ved vi har fede kollegaer. Jeg ved vi har et fedt miljø. Men hvis man tænker på karrierevejen, hvis man tænker på hurtig uddannelse så holder vi dem motiveret ved hele tiden at give dem en gulerod. Der er altid en ny stilling man kan få. Man bliver aldrig nogensinde bare Juicer og så er det det. Hvis du har lyst til at blive til mere så er der ikke nogen der sætter en stopklods for dig eller lænker om foden på dig. Hvis de kommer og siger til mig, at de gerne vil være det nye stjernesrud i JATJ og gerne vil til Miami inden for et år, så skal jeg gøre alt i min magt for at de kommer til Miami. Så vi holder dem motiveret ved at lytte til dem. Lytte til hvad de har lyst til. Medarbejderne er vores største aktiv.

The way I keep my Juicers motivated is dependent on how motivated I am myself. If I am not motivated I can not motivate my boys and girls behind the bar. But we motivate them with education. If you are employed in JATJ, people are coming in the bar to have a cup of coffee even though they are not on their shifts. Or you are coming to the bar to get a sandwich. There is a culture about being more than just colleagues. It is a cliché word to use, but we feel like brothers when we are together in the bar. You have been with them during the hardest time in the bar and you have been with them during the most fun times at the bar. So there has been created a great employee culture, where you would want to see each other outside of work, but also help when you are not on shifts. The way we keep them motivated is by creating an environment where they have freedom to develop themselves. I have been here in two years, and on two years we have opened 9 stores. The way we see the next step in our career. We have always been able to see our next step. When we have taken our next step, I know what the next step after that would be. So we always know what the next step and challenges for our employees will be. So the motivation is from many factors, if only one would have a job with some great colleagues, then you keep the motivation high without I have to do a thing because I know we have great colleagues. I know we have a great environment. But considering the career path and fast education, we keep them motivated by always giving them a treat. There is always a new position one can get. You never just become a Juicer and then that is it. If you want to become more no one is stopping you. If they are coming to me saying they want to be the new shooting star in JATJ and wants to go Miami within a year, I will

do everything in my power to make sure they are going to Miami. So we keep them motivated by listening to them. Listening to what they want. The employees are our biggest assets.

Du nævnte det med uddannelse, altså hvordan uddanner i jeres Juicere?

Det har ændret sig helt vildt inden for det sidste halvt år. Da jeg selv blev ansat for 2 år siden var der ikke nogen manual til hvordan man blev en god Juicer. Man kom ind, og så mødte man sin bar manager som stod man nogle timer bag baren og blev bare kastet ud i det. Det var det gamle JATJ. I dag er JATJ blevet den første food and beverage koncern i hele verden der udvikler en online e-learning platform som hedder e-campus hvor det klart beskriver hvordan man, vi kalder det for ”moneybowl”, går fra Juicer til hvordan man bliver shift manager til hver butik. Vi har noget der hedder bar manager i hver butik, så er der en retail manager. Så kan man blive SWAT i udlandet eller i hjemlandet. Man kan også være (...)manager. Eller hvis man vil over på hovedkontoret. Der er blevet skrevet moduler til alle niveauer. Det vil sige der er moduler fra 1-70 i dag. Fra 1-7 beskriver hvordan man bliver en god Juicer, fra 7-10 beskriver hvordan man bliver en god shift manager. Altså der er moduler til alt, til at uddanne folk. Vi udleverer nogle moduler og når vi har læst modulerne, går vi ind og træner det vi kalder BTC behind the counter. Så træner vi i baren og hvis jeg godtager det som træner så giver vi dem en badge for det modul de har taget, og så går vi videre til næste modul. Så en gang imellem har vi nogle performance shifts, som er en simpel vagt. Hvis jeg for eksempel kører en på Mia, som står deroppe, i næste uge, fordi hun har været her i et halvt års tid. Hun er klar til at blive en fuldblodig Juicer. Vi kalder det Juicer-qualified. Så går jeg ind i 6 timer og observerer Mia i alt hvad hun laver hvor hun testes i interval som praksis. Og så får hun en guld, sølv eller bronze medalje. Så har jeg ligesom givet hende uddannelsen til Juicer. Hvis hun kommer og siger til mig at hun er virkelig hook på et eller andet mere, så kan vi prøve at finde en stilling der passer til hende i den her bar. Når vi har fundet hende stillingen så er der moduler som er skrevet af de mest erfarne Juicere vi kan sørge for. Og så læser hun dem og vi træner dem i BTC i baren så får hun en (...)badge. Så det er lidt spejder i det at man får mærker når man har udført noget.

You mentioned education. How do you educate your Juicers?

That has changes extremely within couple months. When I was employed two years ago there were no manual as to how to be a good Juicer. You would get in to meet the bar manager, to stay some hour behind the bar, and then just venture into it. That was the old JATJ. Today JATJ has become the first food and beverage concern in the entire world to develop an online e-learning platform we call e-campus where it clarifies, we call it 'moneybowl', how to go from Juicer to shift manager in each stores. Then you can become a part of the SWAT team abroad or in the home country. There are modules to each level, which means there are modules from 1-70 today. 1-7 describes how to be a good Juicer, from 7-10 describes how to be a good shift manager. Thus, there are modules for everything to educate people. We deliver some of the modules and when we have read through the modules, we train what we call BTC behind the counter. So we train and test in the bar, and if I acknowledge what we have been trained, we give them a badge for the module they have finished, and we move on to the next module. And then once in a while we have performance shifts, which is a simple shift. If I for instance run [a performance shift] on Mia next week because she has been here for a half year. She is ready to become full-blooded Juicer. We call it Juicer-qualified. Then I go in the next 6 hours to observe Mia in everything she does where she gets tested in interval and practice. Then she will receive a gold, silver or bronze medal. This way I have given her the education of a Juicer. If she approaches me, telling me she wants something more, we will try to find a position that fits her in the store. When we have found a position to her, she has to go through the modules, which are written by the most experienced Juicers. After she reads through those we will train them in the bar until she get a (...)bagdge. So it id like a scout.

How did the employees become the main feature behind brand?

Det startede helt tilbage i 2002. Kaspar har sikkert fået ideen i 2001 eller før. Men det var der vi startede og lavede den første plantegning for den første butik. Det gik meget godt de første år for Kaspar men der skete ikke rigtig noget. Det var bare en juicebutik hvor han tjente lidt penge på at sælge auberginer og der er aldrig rigtig kommet gang i det. Så var der en lørdag eftermiddag hvor Pippo som er Kaspar Basses kompagnon i det hele her. Pippo var Abercrombie & Fitch model og

var hjemme på besøg i Danmark og går ind og ser Kaspar Basses butik. Der går ikke længe så går Pippo op til kassen til Kaspar og siger ”du aner ikke hvordan man driver en virksomhed”. Kaspar kunne ikke forstå hvad han mente med det, der stod en flot Abercrombie & Fitch model foran ham, men fair nok han skulle et eller andet på lørdag så Pippo kunne få lov til at overtage baren. Og Pippo regnede den ud, og han tog to fede højtalere med, nogle kønne veninde med ind i baren. Han skar frugten på forhånd så han var klar til krig. Kaspar havde tidligere skåret meget af frugten når gæsten ville have det for han synes det var lækkert at de kunne se det at man skar en ananas eller skruer ananassen. Pippo skar det hele på forhånd så han kunne gøre det effektivt. Og så kom Kaspar tilbage dagen efter og skrev bilaget ud og så var der tredobbelt omsætning. Han kunne ikke forstå hvad der var sket og ringede til Pippo og Pippo sagde bare han havde holdt en fest. Så var det skabt. Det skulle være sjovt. I 2002 var det virkelig ikke sjovt, det var ytreaktiv dengang. Det var der det skiftede, det skulle være sjovt og hvis det skal være sjovt skal man have motiveret medarbejdere. Og hvis det skal være sjovt for gæsten så skal medarbejderne give dem en oplevelse og ikke bare en service. Nu sælger vi altså et ret kedeligt produkt eller en sund juice. Den gang var det så kedeligt at sælge en sund juice. Så derfor gik det op for Kaspar at det skulle være medarbejderne der skulle være i fokus. Dagen før var det Pippo der var i fokus, det var ham der var Abercrombie & Fitch modellen, det var ham der skabte stemningen og ham der havde højtalere med. Det var ham der var centrum i baren, det var ikke gæsten mere eller produktet. Det var servicen, det var oplevelsen og det var festen bag baren. Og så tror jeg lynhurtigt det gik op for Kaspar at hvis medarbejderne har det fantastisk og mega komfortabelt bag baren så afspejler det sig i produktet, og det afspejler sig i servicen og i hele auraen. Hvis jeg står med den sjoveste bag baren vil jeg vædde på at gæsterne har fået det sjoveste oplevelse i JATJ fordi vi har det skide sjovt sammen.

Everything started back in 2002- Kaspar probably had the idea in 2001 or so. But that is when we started and made the first floor plan for the first store. It went pretty well the first few years for Kaspar, but nothing really happened. It was just a juice-store where he earned a little money selling aubergines, and nothing really took off. Then a Saturday afternoon Pippo who is Kaspar’s companion in this (...). Pippo was an Abercrombie & Fitch model, who was back home on visit in Denmark, walks in and sees Kaspar Basse’s store. Not long after, Pippo went up to the counter to Kaspar and says “you have no idea how to run a business”. Kaspar did not understand what he meant with. There was a good-

looming Abercrombie & Fitch model in front of him, but fair enough, he had plans next Saturday so Pippo could help him take over the bar. And Pippo figured it out, and he brought two loud speakers and some pretty girl friends with him to the bar. He cut the fruit in advance so he was ready for war. Kaspar had prior cut the fruit when the guest wanted it, as he thought it would be charming for them to see how the pineapple was cut. Pippo cut the fruit in advance to make it efficient. And when Kaspar came back the day after for the bookkeeping the revenue was tripled. He did not understand what happened and called Pippo, in which Pippo answered that he just had a party. Then it was created. It had to be fun. In 2002 it was not fun, it was boring back then. That was when everything changes, it had to be fun and if it had to be fun you have to have motivated employees. And if it has to be fun for the guest the employee has to give them an experience and not just a service. We are selling a boring product or a healthy juice. Back then it was boring to sell a healthy juice. That is why Kaspar realised that the employees should be in focus. The day before it was Pippo in center of attention because he was the Abercrombie & Fitch model who created the ambience and him with the speakers. He was the center of attention in the bar, and it was no longer the guest or the product. It was the service, it was the experience and it was the party behind the bar. And then I think Kaspar quickly realised that if the employees are feeling amazing and comfortable behind the bar it reflects in the product, and it reflect in the service and the entire atmosphere. If I am in the bar with the most fun people I bet the guests have the most fun experience in JATJ because we all have fun together.

I've noticed that the product range is the same throughout the year, and nothing has major has been changed. Is that intentional?

Der er ikke meget der har skiftet. Det er hvert andet år cirka. Vi har meget af de samme produkter. Så bliver der skiftet nogle juice ind og nogle juice ud alt efter forbrugernes præferencer også skifter. På et tidspunkt kan det være at jordbær er mega kedelige og så kan det være vi skal have hindbær ind eller at blåbær er det nye. Vi skifter ikke vores produkt kategorier. Vi sælger mest juice og kaffe. That's it. Vi kan godt ændre noget i den, alt efter om vi vil gøre den sundere, bedre, større så den bliver mættere. Dagligt sidder der nutrition eksperter som smager og tester og

tjekker om man måske skulle putte lidt mere ingefær i, eller hvad kan juicen så gøre for en. Så i JATJ er det ikke kun smagen der er vigtigt, det er helhedsoplevelsen med kvalitet, nutrition af health og måden det bliver leveret på.

Not much has changed. It is approximately every second year. We have the same products. The juices get changed every now and then depending on the change in consumer preferences. At some point strawberries can be boring and then maybe raspberries are in or blueberries are the trend. We do not change our product categories. We mostly sell juice and coffee. That's it. We can change something in it, depending if we want to make it healthier, better, bigger so it saturates more. On the daily there is a nutrition experts who tastes and tests and checks if we should put more ginger in, or what benefits the juice has. So in JATJ it is not only the taste that is important, it is the entire experience with quality, nutrition of health and the way it is delivered.

Du nævnte tidligere at i ikke tilpasser jer på de forskellige markeder, kan du komme ind på det igen?

Vi har ikke tilpasset os alle markeder fordi jeg tror det er det Kaspar har set Starbucks som en fejl. At de ikke har været tro mod deres egen koncept. Kaspar vil være meget tro mod hans eget koncept, fordi han vil selv juice, kaffe, sandwich. Fordi det er ligesom det han mener er brug for i markedet, at man kan komme ind og få en lynhurtig sandwich to go, så man kan få en sund frokost på ti minutter. Du har ikke bare fået den på 10 minutter, du har spist den på 10 minutter. Og det mener han der er marked for alle steder. Så i stedet for man tilpasser sit produkt til det asiatiske marked, som alle næsten ville gøre, så er han overbevist om at hans produkter, brand, service er så godt, at han har tro mod det selvom han rejser til Asien. Han stoler så meget på at en sund sandwich og en sund juice, lige meget hvem det er, lige meget hvor det er så vil det altid kunne bruges. Det vil ikke give mening hvis det hed Joe & The Juice hvis vi solgte nuddelkopper i Asien. Der er ikke nogen juice eller sandwich barer i Asien, men det er der kommet, for der er godt nok mange kopier. Det er helt vanvittigt. Vi har været der en uge, så tror jeg der har været lavet 90 kopier. Det er et bevis på at Kaspar, ved at være så tro mod sit produkt at han holder juice, sandwich og kaffe selvom det ikke er kultur for det, så har han på under et år skabt en kultur i Asien på juice, sandwich og kaffe. På vores e-campus har vi et produktmanual som

beskriver præcis hvad vi putter i hvert produkt, ned i gram, ned i milliliter. Vores Juicere ved præcist hvor meget gram der er i alt. Det vilde er, at hvis man bestiller en (...) med citron, peber og æble her, og så om 12 tolv hvis man bestiller den samme i Sydney, så smager den fuldstændig det samme. Der er ingen forskel, det er præcist det samme produkt. Det bliver strømlignet.

You mentioned prior that you do not adapt to the different markets, can you tell a little bit about that again?

We have not adapted every market because that is what Kaspar saw Starbucks did as a mistake. That they did not believe their own concept. Kaspar really wants to believe in his own concept, because he wants juice, coffee, and sandwich. Because it is what he means the market needs, that you can get in and get a quick sandwich to go, and then you have a healthy lunch in ten minutes. And he believes there is a market for that everywhere. So instead of adapting his products to the Asian market that everyone would do, he is convinced that his products, brand, service is that good that he believes in it even when travelling to Asia. He believes that a healthy sandwich and a healthy juice, no matter who it is no matter where it is, always can be ideal. It does not make sense to name it Joe & The Juice if we sold noodles in Asia. There is no juice or sandwich bar in Asia, but due to the many copies they are everywhere. It is incredible. We have been here a week, and then I think 90 copies have been made. It is a proof that Kaspar by believing in his own product that he keeps juice, sandwich and coffee even though the culture is not for it, that within a half year he has created a culture in the Asian market on juice, sandwich and coffee. On our e-campus we have a product manual where it is exactly described what we put in each product down to grams and millilitres. Our Juicers know exactly how many grams of everything every juice contains. The crazy part is that if I order a (...) with lemon, pepper and apple here, and then in 12 hours I order the same in Sydney, it will taste exactly the same. There's no difference, it is exactly the same product. It gets streamlined

Where does the brand name come from?

Joe er ikke nogen person som folk tror. Joe er en latinsk betegnelse for kaffe. I USA og England, hvis du går ind og siger "Can I get a cup of Joe" så er det en Americano. Det er et slang udtryk

for kaffe. Så det hedder kaffe og juice og ikke Joe og juice. Så tror jeg det har været meget sjovt at gøre Joe til en person ved visuelt at sætte en fyr på vores logo. Det virker mere menneskeligt og det er tvetydigt. Folk tror det er en person, men det er bare kaffe.

Joe is not a person as people think he is. Joe is a Latin term for coffee. In U.S or England if you ask “can I get a cup of Joe” it means Americano. It is slang for coffee. So it is called coffee and juice and not Joe and juice. I think it has been fun to make Joe to a person by virtually put a guy on our logo. It appears to be more human and it is ambiguous. People think it is a person, but it is just coffee.

Nu nævnte du det der med at Joe er et slang for kaffe, men sælger i meget kaffe?

Helt vildt. Det variere meget fra marked til marked. Hvis vi tager udgangspunkt i det danske marked, så er kaffe en tredjedel, juice er en tredjedel, sandwich er en tredjedel. Barer der sælger meget kaffe ligger på kaffehjørner, hvor airport og storcentre med stor volume og kundestrøm der er det ikke kaffe der tiltrækker. Det er små hyggelige streetbars som ligger på hjørner er oftest der hvor kaffen bliver solgt mest. Og så reklamerer jeg personligt at vi har Nordens bedste kaffe. Vi har vundet indenfor airports. Alle airports har awardshows hvor man nominere den bedste kaffe, bedste juice, bedste sandwich. Og der vinder vi altid bedste kaffe. Vi er det eneste koncept i verdenen som sælger en 100% økologisk og fair-trade kaffe. Vi producerer det selv og det er af den fineste, fineste, fineste kvalitet. Mange tror at kaffen bare er noget vi bruger for at dække konceptet ind, men kaffe er ligeså meget en del af konceptet som juice og sandwiches.

You mentioned Joe is a slang for coffee, but do you sell a lot of coffee?

A lot. It varies a lot depending on the market. If we look at the Danish market, coffee is a third, juice is a third, and sandwich is a third. The cafés who are selling a lot of coffee is located on coffee corners, whereas airports and shopping centres with a big volume and customer flow, it is not the coffee that attracts. It is small cosy streetbars located on corners where the coffee is sold the most. And then I personally promote that we have the best coffee in the Nordics. We have won within airports. All airports have award shows where you can nominate the best coffee, best juice, best sandwich. And we always win on coffee. We are the only concept in the world that sells a 100 per cent organic and fair-trade coffee. We produce everything by ourselves and it is the finest quality. Many

believe that coffee is just something we use to cover the concept, but coffee is a part of the concept like juice and sandwiches.

How do you market your business? How are people aware of your business? You do not really promote the brand.

Nej, og det har vi heller aldrig gjort. Jeg har ikke nogen indsigt i hvad brand og marketingafdelingen har tænkt igennem, og det får jeg nok heller aldrig. Men der er aldrig brugt en krone på en radioreklame, TV reklame, TV spot, eller en reklame på et stort banner i byen. Det eneste vi har brugt penge på er vores medarbejdere. Vores medarbejdere har skabt brandet, de har lavet reklame. Så har vi et badge på, som viser vi er Juicer. Udover det, har vi fundet ud af senere hen at alle unge mennesker er tosset med de her små klistermærker. Så det er blevet et allemandseje. Hvis du er under 16 år i dag så ved jeg du har et JATJ klistermærke hjemme i værelset. Jeg ved det. De sociale medier boomed på samme tid som JATJ boomed og vi sælger et ret sexet produkt i dag. En flot juice, med en flot sandwich og så kan alle Juicer lave kaffe med et hjerte i. Det er så instagram-venligt, at alle mand skal tage billeder. Det er chokerende hvor mange der køber vores produkt som tager et billede. Det er 9 ud af 10.

No, and we have never done that. I do not have any insight in what the brand and marketing department has in mind, but we have never spent a dime on a radio commercial, TV commercial, TV spot or advertisement on a poster in the cities. The only thing we have spent money on is our employees. Our employees has created he brand, they make the advertisement. Then we have a badge on that shows we are Juicers. Besides that we have figured that all youngsters are crazy about these stickers. It has become common property. If you are under the age of 16 today, I know for a fact that you have a JATJ sticker in your room. I know it. The social media boomed at the same time as JATJ boomed and we are selling a stimulating product today. A beautiful juice with a nice sandwich, and then every Juicer can make coffee with hearts in it. It is so Instagram friendly that every must take a picture. It is surprising how many that buys our product take a picture. It is 9 out of 10.

Nu har i rigtig gode lokationer med kundestrøm. Tror du det er en del af jeres marketing?

Helt sikkert. Vores pinke logo er let recognisable. Kaspar anser JATJ skal være synligt i hele verden. Det kan man ikke hvis man ikke er åben i hele verden, men man kan lave et koncept som spiller så højt musik, at det let kan høres på gaden. Man kan lave et koncept der har så genkendeligt et mærke. Det er så lyserødt og fangende. Hvorfor det er blevet så fangende, det ved jeg ikke, men du kan finde 400 logoer i butikken uden du lægger mærke til det. Der er 400 logoer herinde og det er ikke noget man ligger mærke til, men det er noget bevidstheden ligger mærke til. Så hvis du går ind i en JATJ butik 3 gange, så vil jeg vædde med at du allerede har set logoet 300 gange. Så hvis du ser det ude i byen så er det så genkendeligt for dig, fordi du har lagt mærke til det i din bevidsthed så mange gange du har været i butikken. Det er to steder på produkterne. På vandet er det to steder. På alle billeder er der et Joe logo gemt, på alle lys er der et Joe logo, på alle juice står med Joe logo på, på alle kopper, ude foran står logoet ud med front til gæsterne. Det er ikke noget man lægger mærke til, det er underbevidstheden.

You have really good locations with customer flow. Do you think it is a part of your marketing?

Definitely. Our pink logo is easily recognisable. Kaspar consider JATJ to be visible in the entire world. You can not do that if you are not established everywhere in the world, but you can make a concept that plays loud music that you can easily hear on the streets. You can make a concept with an easy recognisable image. It is so pink and catching. Why it has become so catching, I cannot answer, but you can find 400 logos in the stores without noticing. There are 400 logo in here and it is not something you would notice, but your subconscious notices it. So if you walk into a JATJ store 3 times, I bet you have already seen the logo 300 times. So if you see in elsewhere it is easy recognisable because you have noticed it in your subconscious every time you have been in the café. It is placed twice on our products. On the water bottles it is placed twice. On every picture there is a Joe logo hidden, on every candle there is a Joe logo, on every cup, outside on the front the logo is faced towards the customers. It is not something you notice it is the subconscious.

What are the biggest challenges within the company?

Den største udfordring er bare at få endnu flere gæster ind. Den største udfordring er ikke at sørge for at alle vores medarbejdere har det godt, for det har vi oftest bare fordi det er så fedt et miljø

og alle er knyttet så meget til hinanden fordi de har stået så meget sammen i baren. Den største udfordring er ikke at holde dem motiveret. Den største udfordring er at blive ved med at udvikle vores koncept i vores butikker. Blive ved med at få flere gæster til, blive ved med at yde en ekstra indsats for vores customers som vi står overfor og sprede vores awareness. Det er ikke en stor udfordring for os, for det går skide godt med JATJ. Så den største udfordring er nok at blive ved med at udvikle. Vi er ved at blive ret dygtige, og vores Juicere er ved at blive ret dygtige fordi vi har fået e-campus hvor alle mand er blevet trukket igennem det samme. Nye som gamle. Kaspar Basse er selv blevet trukket igennem alle de her moduler, fordi det kan ikke passe at han skal sidde på toppen og bestemme over os så skal han også vide hvordan vi har det. Vi er ved at blive så hjernedøde dygtige, så den største udfordring er nok at vi skal blive ved med at fylde på og sprede budskabet.

The biggest challenge is just to have more customers. The biggest challenge is not to make sure all of our employees are well, because most likely our environment makes everyone so attached to each other because they have been together in the bar for so long. The biggest challenge is not to keep them motivated. The biggest challenge is to keep developing our concept in our stores. Keep getting guests coming in, keep providing an extra efforts for our customers and spread our awareness. It is not a big challenge for us, as it is going really well with JATJ. So the biggest challenge is to keep developing. We are becoming very skilful, and our Juicers are becoming very skilful because of e-campus where everyone goes through the same journey. Kaspar Basse has gone through these modules himself, because he should not be sitting on the top and tell us what to do, if he does not know our situation. We have become so incredibly skilful so the biggest challenge is to keep going and spreading our message.

Have there been any unexpected obstacles the company had to deal with and how did you overcome that?

Jeg tror det vi ikke havde set fra start af var, at vi skulle være så synlige. Der gik ikke lang tid så startede shitstormen i Danmark omkring JATJ fordi det var nogle kække unge fyre som stod baren, og tilfældigvis var det også nogle flotte unge fyre. Det var ikke meningen at vi skulle have

så meget dårlig omtale at det til sidst skulle blive god omtale, fordi vi har edermame fået huk i medierne.

I think what we did not see coming from the beginning was how visible we were going to be. Not long after a shitstorm started in Denmark about JATJ because it was some cocky young guys behind the bar and coincidently it was also some very handsome guys. It was not meant to be that we should get this much bad reputation for it to turn good at the end, because we got really beat in the medias.

Tror du jeres shitstorm har noget med janteloven at gøre? I virker meget selvfede og selvsikre.

Helt sikkert. Vi oplever den ikke andre steder end Danmark. Janteloven er skyld i det.

Do you think the shitstorm had anything to do with The Law of Jante³? You guys seem very self-centred and confident.

Definitely. We do not experience any other places than Denmark. The Law of Jante is the cause.

Why do you think that F&B seems to have an edge over retail at this time? You are very different to other F&B concept and cafés. You are selling the same mass consumption product. Your competitors are other restaurants and supermarkets who are selling the same.

Helt klart. Vores produkt er ikke speciel på nogen måde. Det er oplevelsen der er speciel. Vi differentierer os ikke på vores produkt på nogen måde. Alle kan lave juice, alle kan lave sandwich, alle kan lave en kaffe. Vi differentierer os på måden vi leverer det på.

Definitely. Our product is not special in any way. It is the experience that is special. We do not differentiate on our product in any way. Anyone can make juice, anyone can make a sandwich, anyone can make coffee. We differentiate on the way we deliver our product.

³ The root of Scandinavian modesty and social codes

Do you rely on feedback from your staff to tell you what customers are saying and if their tastes are changing?

Ja vi søger også feedback. Det kommer også videre op i hierarkiet. Jeg har et nummer på Kaspar Basse og kan ringe til ham hvis jeg har lyst. Hvis jeg ikke havde noget relevant at sige skulle jeg nok ikke gøre det. Hvis jeg mener at jeg har en virkelig god pointe og vi ikke skal sælge den her juice fordi der er brugt nogle produkter fra et bestemt land som kunden ved at der er pesticider i, eller et eller andet. Hvis jeg mener det er så vigtigt, så ringer jeg til vores nutrition manager eller vores training manager og så leverer jeg nyheden videre. Generelt så er gæsterne rigtig gode til at give deres meninger, men vi søger den også selv. Når man leverer en juice så det bedste man kan gøre er at se dem i øjnene og spørge ”hvad synes i?”. 90% synes det er godt, men der er også 10% der har en mening til det, og så tager vi det til os. Men hvis de mener at det er fordi det er for sundt, så ringer jeg ikke til hovedkontoret. Så hvis gæsten kommer med noget relevant så kan jeg sagtens sende det videre. Udover det har vi også en mail på vores app, så hvis vores gæsten har fået et dårligt produkt eller et godt produkt, eller ros til den enkelte medarbejder som har lavet det, så sidder der en fyr på fuld tid og besvarer mails. Gæsten er ligeså meget i fokus som vores medarbejdere. Hvis medarbejderne ikke har det godt så kan gæsterne ikke komme i fokus. Det kan man mærke i restaurationsbranchen. Hvis medarbejderne ikke har det godt, så leverer man et lorte produkt fordi de har ikke nogen kærlighed til gæsten. Men hvis de havde det så godt med hinanden, så bliver gæsten ikke sekundær mere, så skal de nok blive det primære.

Yes, we are also seeking the feedback. It also ends up higher in the hierarchy. I have a number to Kaspar Basse and can call him whenever I want. If I do not have anything relevant to say I probably should not do it. If I think I have a good reason and if we are not supposed to sell this juice because we have used products from a certain country that the customer knows for a fact contains pesticides or something like that. If I think it is that important I will call our nutrition manager or our training manager and deliver the news. In general the guests are really good at giving their opinions, but we are also seeking it. When you deliver a juice, the best you can do look the guests in their eyes and ask “what do you think”. 90% thinks it is good but there is also 10% who has a different opinion, and we accept that. But they think it is because it is too healthy I do not call the

headquarters. So if the guest says something relevant I will pass it on to the headquarters. Besides that we have a mail on the app, so if the guest has gotten a bad product or a good product, or excellent service from a specific employee, we have a guy who reply emails on a daily basis. The guest is just as important as our employees. If the employees are not doing well then we cannot focus on our guests. You can feel that in the restaurant industry. If the employees are not doing well they will deliver an awful product because there is no love to the guest. However, if they are doing well and getting along with each other, the guest is no longer secondary, they will because the primary.

To what do you attribute the success?

Helt sikkert uddannelse af medarbejdere. Jo mere vi uddanner vores medarbejdere, jo mere bliver konceptet også heldannet. Sebastian Vestergaard, han er COO chief operational officer. Da han var 13 år sad han bag kassen i Netto og havde den fedeste dag. Han havde det for sindssygt og alle kunderne fik bare en high five. Han havde virkelig en fest som 13-årig bag kassen i Netto. Og så tænkte Kaspar, at ham skulle han have fat i. ”Hvis jeg smider ham ind i min butik, så får han den ledeste optur” Så fortalt Kaspar, at han kunne komme ind på min juice bar hvis han havde lyst. Sebastian synes det var lidt scary dengang, men gik ned på biblioteket for at skrive en mail fordi der ikke var telefoner dengang. Han skrev til Kaspar at han gerne ville komme ind og se den. Så nu 16 år senere sidder han som direktør. Så helt klart uddannelse. Der er ikke nogen der sidder på hovedkontoret som ikke er startet som Juicer. Der er ikke nogen der sidder i en direktørstilling, landedistrikt-stilling, regional manager stilling. Alle er startet som Juicer. Mange havde ikke en ide om at de skulle ende der hvor de er. Sebastian Vestergaard regnede ikke med at skulle være direktør for hele virksomheden dengang han trådte ind i juicebaren for mange år siden. Alle er startet som deltidsjuicer eller fuldtidsjuicer, gerne i et sabbatår. Så uddannelse uden tvivl.

Definitely education af employees. The more we educate our employees, the more complete our concept gets. Sebastian Vestergaard, he is a COO chief operational officer. When he was 13 years old he was the cashier in Netto⁴ and had the most fun day. He had

⁴ Danish discount supermarket chain

an incredible energy and gave every customer a high five. He had a party as 13 years old at the cashier. And then Kaspar thought that he had to get a hold of him. "If I put him in my store he will have the time of his life". So Kaspar told him that he could drop by my juice bar if he wanted. Sebastian thought it was a bit terrifying back then, but he went down to the library to write an email because there were no phones back then. He wrote Kaspar that he would like to stop by and have a look. So now 16 years later he is the director. So definitely education. There is not one person in the headquarters who did not start as a Juicer. There is no one in a director or manager position, regional manager position who did not start as a Juicer. Many of them had no idea they would end up where they are now. Sebastian Vestergaard did not think he should be the director of the entire company back then when he entered the juice bar many years ago. Everyone started as part time Juicer or full time Juicer, most like in a gap year.

What is especially unique about the brand?

Det medarbejderne. De er vores største aktiv. Medarbejderne har det sjovt og laver et produkt 10 gange bedre end de medarbejdere der ikke har det sjovt. Hvis jeg leverer et produkt hvor tingene ligger skævt i sandwichen, den ikke er wrappet særlig pænt, brødet har fået for meget i grillen og ligger den på disken så gæsten ikke kan tage i mod den selv. Jeg laver en juice med pulprester i, en kaffe uden hjerte i. Jeg serverer uden hendes navn og kigger ikke på hende, så kommer hun ikke igen. Hvis jeg laver et brandprodukt af en sandwich hvor alt ligger perfekt i den og giver hende den i hånden, spørger hende hvad hun synes om juicen og siger "jeg kommer lige ned med kaffen". Når jeg kommer ned med den til bordet og har lavet fire hjerter i siger "værsgo, velbekomme" og siger "kan du have en god dag". Det er en helhedsoplevelse. Som Kaspar siger "we care about people", både vores egne mennesker men også dem der står på den anden side af baren.

It is the employees. They are our biggest assets. The employees are having fun and deliver a product 10 times better than those employees who do not have fun. If I deliver a product where everything is not in its right place in a sandwich, it is not wrapped nicely, the bread had too much on the grill and I put it on the counter so the guest cannot reach. I make a juice with pulp leftovers in it and coffee without hearts in. I serve it without her name and

do not look at her, then she will not come back here again. However if I make an amazing product of a sandwich where everything inside is perfect and I give it to her in her hand asking if she likes the juice and says “I will be down with your coffee”. When I deliver the coffee at the table with four hearts in it and say “here you go, enjoy” and tell her “have a nice day” – that is a complete experience. As Kaspar said “we care about people” including our own but also the ones who are on the other side of the counter.

How has technology impacted how you conduct your business?

Det bedste svar er e-campus i takt med vi er den første F&B koncern som har regnet ud at i stedet for at lave et manifest og en manual på 190 sider som man giver i hånden, som jeg ved man gør på McDonalds og Starbucks, så udvikler vi små moduler som er lette for vores medarbejdere, så det er overkommeligt at blive en god Juicer. Du skal ikke igennem 190 sider, du skal igennem 4 sider som er flot og detaljeret beskrevet.

The best answer is e-campus along with that we are the first food and beverage concern who has figured it out from the beginning instead of manifesting a manual on 190 pages to the employees, which I know they do in McDonalds and Starbucks. We develop small modules that are easy for our employees so it is reasonable to become a good Juicer. You do not have to go through 190 pages, you have 4 pages which are nicely described.

Hvad med det praktiske? Jeg kan se i har blendere og en iPad.

I forhold til maskineriet, så er der ikke noget der har ændret sig. Vi har næsten altid brugt de samme blendere, centrifugere, kaffemaskiner som vi er meget afhængig af. Vi har altid brugt teknologien, så vi har ikke kunne mærke nogen forskel. Vi har 3 iPads, en til musikken, en til at ekspedere gæsten fra, en til fødevarekontrol hvis gæster bestiller hjemmefra. Vores iPads har vi alt på, så hvis vi ikke havde dem, kunne vi ikke drive butikken. Vores kassesystem er derpå, musikken spiller derfra, vi har vores wasterapport vi taster ind hvis vi taber noget. Det er noget der har udviklet sig, det startede ikke med iPads. Det startede med store kassesystemer som man ser alle andre steder. Det er billigere at købe en iPad, og en iPad kan skiftes ud og ved hjælp af iCloud kan vi aligne i alle butikker fordi alle butikker kører samme system. Alle bar manager får

en iPad til indkøb og count hvilket er hvert søndag vi tæller hver eneste produkt i hver butik. Vi får varer om tirsdagen, og når vi tæller igen om søndagen får vi et præcist overblik over vores forbrug. Vi har folk til at lave rapporter og beregne vores cross margin, forbedring af vores cross margin, forbedring af produktivitet, waste og costs og så videre. Det bliver hele tiden udviklet. Vores fødevarer registrering og kontrol af forbrug og waste har udviklet sig sindssygt meget de sidste par år takket være teknologien, og i takt med samfundet i dag kræver grøn energi og madspild er en stor del af vores hverdag. Derfor er vi stolte af i JATJ at vores waste-procent er den laveste i hele verden. Vi er så dygtige til at uddanne vores medarbejdere og bar managere. Nu har jeg selv arbejdet i en del caféer før JATJ. En normal waste-procent ligger på 30% i restauranter, og de store kæder ligger på omkring 60% og vores er etcifret.

What about the practical? I can see that you have blenders and an iPad.

Regarding the machinery, nothing has changed. We have almost always used the same blenders, centrifuges, coffee machines, which we have become very dependent on. We have always utilised the technology. We have three iPads, one for the music, one to serve the customers and one to food control if the guest is ordering from home. Our iPads have everything, so if we did not have those we could not run the store. Our cashier is on there, the music is from the iPads, we have a waste report that we type in if we waste anything. It is something that has developed, we did not start with iPads. It started with big cash registers that you find everywhere. It is easier to buy an iPad and it can be changed. With the help of iCloud we can align and compare all stores because every store is the same system. Every bar manager gets an iPad for purchasing raw material and count, which is every Sunday where we count every single product in every store. We get goods delivered on Tuesdays and when we count again on Sundays we get an exact overview of our consumption. We have people to make reports and calculate our cross margins, improvement of our cross margins, improvement of productivity, waste and costs etc. It keeps developing. Our food control register and control of consumption and waste has developed massively the recent years along the technology and the society today expects green energy and food waste is a big part of our everyday life. That is why we in JATJ are proud of our waste percentage is the lowest in the entire world. We are so competent to educate our employees and bar managers. I have been working in several cafés before

JATJ. A normal waste percentage is about 30% in restaurants and the big chains are about 60%, and our is a one-digit percentage.

Why do customers select JATJ over competitors?

Det aner jeg ikke, jeg ved ikke hvorfor de kommer igen, men vi må gøre et eller andet rigtigt. Hvis du har det sjovt, og du leverer et knaldprodukt, så får gæsten det også sjovt. Så har vi udviklet et miljø hvor alle logoer er der, logo på lysene med logo ud til fronten centreret på bordet, friske blomster i butikken, kærlighed, højt musik, knaldgode produkter. Alt er gennemtænkt og kontrolleret. Jeg tror gæsten kommer igen fordi vi leger så meget med deres underbevidsthed. Hvis jeg var gæst, så ville jeg også komme et sted hvo medarbejderne er glade og kan huske mit navn. Hvad mere skal jeg bruge, du får et sundt produkt, og ikke medarbejdere som ikke bekymrer sig om hvem du er. De har en liste af ting de skal sige fra 1-9 som du skal komme igennem. Oveni det har de mystery shoppers som går rundt og tjekker om de siger de her 9 ting, og hvis de ikke gør; fyret. Det er så strømlignet. Vi bestemmer ikke hvad de skal sige, og vil have de skal være sig selv og har ikke manual for hvilket tøj de skal have på. Du har det på du føler dig mest komfortabelt i. Hvis vi putter en kasket, butterfly eller uniform på, så er du ikke længere dig selv, så er du en maskine for virksomheden. Når du kommer herind, har du dit eget navn, frisure, tøj og sko. Vi har en idé om at hvis du kommer herind i det tøj som du føler dig mest komfortabelt i, så kan du også leverer en mere ærlig gæste-experience.

I don't know, I don't know why they are coming back, but we must do something right. If you are having fun while delivering an awesome product, the guest will also have fun. We have created an environment where our logos are everywhere, logo on candles with the logo to the front in the center of the table, fresh flowers in the store, love, loud music, awesome products. Everything is thought out and controlled. I think the guest is coming back because we play with their subconscious. If I was a guest I would go to a place where the employees are happy and can remember my name. What more do I need, you get a healthy product, and not the employees who do not care about who you are. They have a list of things to say from 1 to 9 that you have to go through. On top of that they have mystery shoppers who walks around to ensure that they say these 9 things, and if not; fired. It is so streamlined. We do not decide what the employees are saying, and we

want them to be themselves and do not have a manual for what clothes they should be wearing. You wear what you feel comfortable in. If we put you in a cap, a butterfly or uniform, you are no longer yourself, you are a machine for the company. When you come in here, you have your own name, hairstyle, clothes and shoes. We have this idea that if you come in here wearing what you feel comfortable in, you will also deliver a more honest guest-experience.

Are there any ethical concerns JATJ must deal with and how do you overcome this?

Der har været nogle fyre som har været godt flabet og lagt meget an på piger og meget mere en drengerøvs kultur tidligere. Der er noget etisk omkring det der med hvor grænsen går overfor en gæst. Vi har ikke nogen liste over hvad du siger til en gæst, det definerer du selv. Der er mange der ikke har kunne holde sig indenfor de etiske rammer for hvad man siger til en gæst, for gæsten er ikke dine venner som står på den anden side. Udover det har vi haft et billede hængende af en indianer som har været maskotten i alle vores butikker. Hun er rigtig køn pige med lang mørk hår som sidder med en indianerhat med fjør med krigsmaling. Da den kom til USA, mødte vi en shitstorm, da vi er et skandinavisk koncept med næsen fremme. Så her hang den her indianerdronning som var mulat, som de synes var diskriminerende, som de også kaldte racistisk. Der ramte vi det etik, fordi vi havde taget det billede som var mulat og ikke oprindeligt sort. Vi mødte det på den hårde måde, for de kører retssager. Jeg tror de synes vi var en smule flabet, fordi vi i Skandinavien har vikinger, men har taget en indianer ind og gjort hende i dansk kulør. Så det er fjernet i alle butikker også i Danmark. Der er vi tilbage i strømligningen, hvis det er fjernet i USA så skal det fjernes alle steder.

There have been some guys who has been very cocky and very flirty with girls, as it was more a bad boy environment prior. There is something ethical about where the limit is for the guest. We do not have a list about what to say to a guest, that is up to the individual to define. There are many who do not know what the limits are within the ethical frames for what to say to a guest, because the guest is not friend who are on the other side of the counter. Besides that we have had a picture of an indigenous woman who was the mascot in our stores. She was really pretty with long dark hair and a feather headdress and makeup. When we established in the U.S we were met with a shitstorm because we are a

self-confident Scandinavian concept. So this hanging picture of an indigenous queen who was a mixed race, which they thought was discriminating that they in fact called racist. We somehow affected this ethical issue, because we have chosen a picture with a mixed race rather than an original black woman. We experienced it the tough way, because they go through legal action and court. I think we thought we were a bit cocky because in Scandinavia we have Vikings, but we chose an indigenous woman and made her into Danish skin complexion. So now it has been removed from every store including Denmark. Here we are back at streamlining things. If it has been removed in the U.S. it has to be removed everywhere.

How do you manifest your brand among global competitors that offers same product?

Vi har skrevet en intern manifest i koncernen som bliver introduceret til alle Juicere på deres første dag.

Helheldskonceptet. Vi gør noget der er anderledes, vi skubber til grænser og kultur. Vi hører højt musik. Vi har flotte mennesker stående bag baren, de er veltrænede. Vi har et meget gennemskueligt produkt, det er så let kopierligt. Men der er ikke nogen der kan kopiere et brand. Man kan ikke kopiere et brand, men man kan kopiere et produkt. Brandet og kulturen bag JATJ er så langt fremme, og dem der prøver at starte nu er så langt bagud. De kan godt lave en butik der er magen til vores, have samme musik, ansætte de samme mennesker, men de kan ikke skabe den samme kultur. Vi har bare Joe culture der har været en succes. Vi har mange arrangementer og holder competition. Alle de her arrangementer er også noget der holder os sammen. Hver mandag morgen er der yoga på hovedkontoret for alle Juicere hvor alle er velkomne. Vi har tennisklubber, fitnessklubber, badmintonklubber, bordtennisklubber. Vi har klubber indenfor alt fordi vi gerne vil have vores medarbejdere mødes udenfor arbejdet. Nu har vi skabt kulturen indenfor baren, og vi vil gerne skabe kulturen udenfor baren. Og det er systematisk beskrevet i kalenderen hvornår der er social arrangementer. Det er kun intern. "Show-off" er mest internt og en lille smule eksternt. Show off startede i forbindelse med at Kaspar synes det kunne være sjovt at få Juicerne til at lave noget entertainment, hvis man kunne jonglere inden man lægger isterningerne i, kaste det bagom ryggen eller lignende. Så blev der skabt den drengerøvs kultur, fordi det er så konkurrencepræget. Vi konkurrerer så meget med hinanden på tværs af barer

selvom vi elsker hinanden. Show off er en dag om året hvor man kan melde sig til med den bedste i hver bar. Og i en stor hal på Refshaleøen i København, bygger vi en bar fuldstændig magen til alle vores andre barer. Så har man 5 minutter til at gå ind og lave juice på den fedeste måde. Der er ingen grænser, hvis du vil hælde den op på panden, så gør man det, eller jonglere med ti æbler ad gangen. Der er ingen grænser for hvordan man skal lave juicen, det skal bare se fedt ud. Tænk at man har lavet en koncept med sunde produkter og ved siden af skabe så meget ild i røven på medarbejderne med entertainment at de går så meget op i det til show off. For hvert land bliver den bedste mand kåret, og holder derefter global showoff med 14 deltagere hvor vi holder den største fest. Ligemeget om man er fra Danmark, Miami, Viborg, Sydney eller Hong Kong så er der bare en kemi fordi det er Joe kultur og det er dine kollegaer og brødre. Show off er uden tvivl årets arrangement. Det er hårdt arbejde, men vi har det sjovt. Det er rigtig meget drengerøv, og hvis man ikke kigger på det med et glimt, så tror jeg folk vil blive stødt af det. Men vi har det bare sjovt.

We have written an internal manifest in the organisation that gets introduced to every Juicer on their first day of work.

The complete experience concept. We do something that is different, we push limits and cultures. We listen to loud music. We have good-looking people behind the counter, they are fit. We have a very transparent product, it is easily replicated. However, no one can copy a brand. One cannot copy a brand, but one can copy your product. The brand and culture behind JATJ is so far ahead, and those who try to establish now are far behind. They can create a store exactly like ours, play the same music, employ the same employees, but they simply do not have created the same environment and culture. All of these events is what keeps us together. Every Monday morning we have yoga at the headquarters for every Juicer. We have tennis clubs, fitness clubs, badminton clubs. We have clubs for everything because we want our employees to meet outside of work. Now we have created the culture within the store, and we want to create the culture outside of the store. It is systematically described in the calendar when the social events are. It is only internal. "Show-Off" is mostly internal but also a bit external. "Show-Off" started when Kaspar thought it would be fun to gather the Juicers to make some entertainment, if they could juggle before putting the icecubes in, throw the drink behind their back or something like that. A bad boy culture was created because it became so competitive. We

compete a lot with each across the bars and stores even though we love each other. “Show-Off” is a day a year where you can sign up with the best from each bar. And in a big warehouse on Refshaleøen in Copenhagen we build an identical bar like in every store. Then you have 5 minutes to go in and make juice on the coolest way possible. There are no limits, if you want to pour it up from your forehead or juggle with 10 apples at the same time. There are no limits for how to make the juice, it just has to look really cool. Can you believe we have made a concept on healthy products while creating so much enthusiasm and energy in the employees with entertainment that they devote themselves so much for “Show-Off”. For every country the best man is chosen and afterward we have a global “Show-Off” with 14 participants where we are having the biggest party. No matter if you are from Denmark, Miami, Viborg, Sydney or Hong Kong we all just have chemistry because it is Joe culture and it is your colleagues and brothers. “Show-Off” is no doubt the event of the year. It is hard work, but we have fun. It seems really boyish and cocky, so if you do not look at it with tongue in cheek I think people will get offended by it. But we just have fun.

Er det de samme priser i sælger til herhjemme og udlandet bare med en anden valuta?

Nej, prisen er nogenlunde den samme, men man bliver nødt til at følge hvert lands inflation. Så for eksempel i Norge er det lidt dyrere end Danmark, fordi det i Norge er dyrere. Men ellers er det tæt på at være det samme i hele verden. Hvis tingene i Norge kostede dobbelt så meget, så tror jeg ikke vi havde sat priserne dobbelt så højt. Priserne skal være nogenlunde. Vi følger inflationen, men prøver at strømligne prisen.

Are the prices the same at home in Denmark and abroad but just with a different currency?

No, the price is approximately the same, but we have to follow each country’s inflation. For instance in Norway it is a little more expensive than Denmark because Norway is more expensive. However, it is close to be the same globally. If things in Norway is twice as expensive I do not think we would set the price to be twice as expensive. The prices have to be reasonable. We follow the inflation, but try to streamline the price.

12.3 Full interview with Emmelyne Jack

The following interview was conducted by yours truly as interviewer and Emmelyne Jack as interviewee. I had prior to the interview sent Emmelyne the questions and was conducted over a Skype video call. Emmelyne has years of experience within the industry working in franchise chains and is currently a regional manager at Boost Juice. She has reliable insights to the larger establishments and chain dominant players within the industry.

The questions are highlighted in bold following Emmelyne's answers.

Have you noticed any patterns within consumer behaviour the past decade or years when your customers are ordering drinks?

I think it is a lot about consistency. So if the customer find something they like first go, they tend to stick with that as opposed to change it up and be experimental.

What about healthier opportunities or customised drinks? Do you see a pattern in the customers ordering healthier or do they want specific things in their drinks so you make it customised?

I wouldn't say there is a pattern. But people are becoming more aware of sugar intake, there is a tendency for customers to enquire about the sugar content of specific ingredients. And if there's a healthier options, they do tend to request those alternatives.

So the customers do have different preferences when it comes to the individual drinks?

Yes I'd say so. People are exposed to and understand information differently. So what may seem healthy and acceptable to one customer it may not fit into the concepts of health for another customer.

How has the café market emerged, in terms of the quality, price or brand loyalty?

There are a lot of franchises but also a great deal of small businesses. They don't differ in price, and quality really varies depending on barista skill and the type of coffee they sell. Franchises tend to have loyalty cards, the buy one get one free. But we are starting to see this technique emerge in small businesses as well because it is effective in ensuring customer loyalty.

Would you say that the consumers in Australia are very loyal to small local businesses or small non-franchised coffee shops or cafés?

I wouldn't say that there is loyalty at all. There is a huge generational divide, where the older generations like their franchises because it was their initial exposure, and they trust these brands. The younger generation are definitely pushed by social media trends, small businesses work harder to stand out from the others and make their space photogenic, and their product selections artistic. In that sense there is loyalty to small business as a collective, but not necessarily individual café's.

Are they very conscious about the quality? They emphasize – let's say if they want to order coffee – what kind of beans it is, how roasted it is or in term of juices if the ingredients are fresh.

Very rarely I'd say. People who seek out quality are very educated on what that qualifies. So if coffee connoisseurs want a large selection of bean, they go somewhere with a large selection. If customers want fresh and organic juice, they go somewhere that specialises in that type of beverage. Australian small businesses are vary in what they offer but are very focused on one specific type of product.

So the typical café emphasise more on one specific thing instead of all of them together?

Yes, so if you walk into a café, they are there basically for coffee. They do have juices sometimes, but there are also stalls and businesses that target juices. So if you want s juice you'd go somewhere that sells juice, and if you want coffee you'd go somewhere that sells coffee. There is a bit of a split. People tend to go where the franchises specialises in that specific one product.

Is this the standards of demands in Australia?

It's definitely a case of demand, and demand isn't about the product itself but what the store stands for. Businesses are really required to have a loyalty to things such as health, or community, or freshness. So if you walk into a store and they sell generic coffee and artisan coffee, and processed juice and fresh organic juice, then it's evident the store doesn't really have loyalty to any specific set of values. I think customers really want to go places that align with their values.

In addition to the same question, how has the café market emerged when we look at the pricing?

Cafés don't seem to alter in price. They have enough to sort of make ends meet but also don't overprice because there is a bit of a standard about four dollars a cup but it is a pretty generic price for a coffee.

What if you go to different cities? Would the price still be the same in Australia?

I think it has more to do with how close you are to the city. Obviously in really big build up areas you may pay about 50 cents more and gradually if you go out to the more urban area then 50 cents less. It really only is that small gap in price.

Is there any specific target group or segments that orders specific drinks?

Obviously coffee is more broad scope; people of all ages and backgrounds would go for their early morning pick-me-up. In terms of other beverages, artisan coffees and juices are consumed more by the younger generations. But I don't believe this to be stores targeting younger generations to bring in customers. I think it's more information sharing on social media creating that demand for healthier options, and business are simply just complying with those demands.

There has been a tendency over the past decade that smaller cafés have increased because the customers flock to local baristas, rather than well-known chains - how come the Australians prefer local cafes rather than international brands?

As before mentioned, small businesses are really driven by social media. I think small businesses have more freedom to decorate their spaces and be individualistic; these spaces then get promoted on social media by the customers themselves, they really rarely have to advertise it. Other users see these spaces, and they want that same experience. As for franchises, they do have a lot less freedom to decorate, and even if their space is well-maintained there is a replica every few kilometres. There's no individuality to drive these social media savvy target groups.

What would be the best type of marketing in order to gain the customers trust and loyalties? Would it be worth spending a lot of resources of marketing campaign or is WOM

Like I said, small businesses really don't need to market to anyone, because social media and word of mouth are already very powerful sales points. As for franchises, the need for membership and loyalty cards are still very high. It's the older generations, and families that attend these places and are less likely to ball out on expensive product. Having the buy x amount of coffees, getting them free does ensure loyalty in this respect.

What are the current market trends or phenomenon that has an impact in the industry? Lets say like juices, different types of coffee or maybe healthier alternatives or weight loss tea that we have also seen that is upcoming right now.

Social media is really the strongest driver and I think without the social media presence, or endorsement of customers, small business won't thrive. Social media has also created the demand for many of the products that are available to consumers today.

What is unique about Australian café culture that makes the consumer be so picky? Do they want the entire experience –like the Starbucks experience, or they simply just want the product that they are going in for?

Again it really comes down to the values of the individual, and whether or not the business shares these values. Those who are more organic or health minded choose to go to places where the business has organic/health values. People who are community or family minded might choose to go to spaces that cater for these needs. It doesn't come down to one specific culture, it is dependent on the individual and the generation they are involved in.

Is it because there are so many coffee shops or providers in the industry that you can just go to the next one if you do not like the particular café?

That is the case for small businesses, because they rely on customer service and product quality to get people back they're also the fastest to miss out when a mistake is made. Because so many exist, it is easy for customers to bounce over to the next closest business as soon as they feel their experience has not met their expectations. As for franchises, people tend to be more forgiving. People are definitely more in-tune with their availability biases in these instances. They can reflect on times when the franchise made their experience satisfactory, with loyalty cards sort of acts like catalyst.

What are the consumer expectations in terms of taste, price and value for money, but also the accessibility?

I think consumer expectations are built on the standards set by franchises. The larger companies have settled for a generalised taste and generalised pricing and created this standard or expectation in the community. If a small business violates these standards, or don't live up to the same quality, they don't succeed. Coffee is a staple; you can get a cup essentially every few hundred metres.

So you would say that the market is very stable because you have these standards that are expected from the customers' side?

No, I think the market is stable because there is a necessity for these products to exist. Australian consumers have been fed the belief that coffee and juices are essential to functioning, and that has created coffee culture. The standards are only propagating this culture.

If all of this is met would it mean one would receive a product that is exceptionally good?

I wouldn't say exceptional, I would say that products meeting these standards would constitute the minimum of what is considered satisfactory for the consumer.

So the entire café experience when you go in to a café, you don't only get the product but you get a really good service and walk away from there feeling more attached to the employees behind the counter. Do you think people would go back again or they do not care?

I guess it depends on why you go in there in the first place. If you are just there for coffee you would disregard the experience, as long as the products you have meets the minimal standards of what it is supposed to taste like. If you go with your friends to have the full café experience then you do want customer service. But then again people can always improve. There is not an exceptional way to make coffee and treat customers. It really depends on the individual and how they want to be treated.

12.4 Full interview with Fabian Vergara

The following interview was conducted by yours truly as interviewer and Fabian Vergara as interviewee. The interview was conducted over a Skype video call and. Fabian is a former owner of a multiple single-established cafés based around cities in Queensland Australia. He has general knowledge and significant insights of the industry based on his experiences with customers and administration.

The questions are highlighted in bold following Fabian's answers.

Have you noticed any patterns within consumer behaviour the past decade or years when your customers are ordering drinks?

For sure. Even within the last five years, we had to provide a wider variety of milks, for example in addition to skim, we also have almond and soy milk for those who want it in their coffees.

What about healthier opportunities or customised drinks? Do you see a pattern in the customers ordering healthier or do they want specific things in their drinks so you make it customised?

For sure, like I said in regards of the milk. A lot of people now avoid dairy milk, they prefer to have almond or soy milk. Additionally, even the type of sugar that is used in the coffee. So before you only used to provide one type of sugar, which was white sugar. Now people have the option of non-refined or less-refined that is called raw sugar which is a brown colour. It is just considered better for you because it is not as processed. It is more natural. So in terms of that customization towards being healthier, yes, there definitely has to be a provision for that in modern Australian context.

So the customers do have different preferences when it comes to the individual drinks?

Yes for sure.

How has the café market emerged, in terms of the quality, price or brand loyalty?

General in Australia, people like reliability. If you've had several good experiences at one particular place, you will keep coming back to that place. Australians are creatures of habit in that sense. I think the biggest example of this is that large brand coffee chains like Starbucks have never been successful in Australia to the degree that small non-franchised coffee places are now. There is only really one major coffee chain and that is an Australian coffee chain and even then it never brings in the same amount of business that smaller coffee chains do.

So you would say that the consumers in Australia are very loyal to small local businesses or small non-franchised coffee shops or cafés?

Yes exactly. Australians are loyal customers to smaller local shops. But again it is not just about the business being local. There is also an element of you know the level of service provided that brought more customers back.

Are they very conscious about the quality? They emphasize – let's say if they want to order coffee – what kind of beans it is, how roasted it is or in term of juices if the ingredients are fresh.

in terms of coffee beans; the beans themselves in the type do not tend to matter that much. It is more in the sense of just strictly the coffee beans, it is more that more and more people are being conscious about for example fair trade coffee. And again this kind drives sales in that particular style of product. People are becoming more and more conscious of the impact that their habits and that they can have for example ordering a cup of fair trade coffee over just a cup of regular coffee. So many places in Australia would now have advertised that they have sustainably produced coffee. In terms of juice, that's the standard here – I don't think a juice would be stocking old fruits or old raw material to make juice would ever be successful here. The kind of juicebars that are successful here are the ones that constantly have fresh produce and you would always be able to see the fresh fruit or fresh vegetables on display within that particular area. You will even be able to smell it in some places I think.

So it is just the standard in Australia?

Yes. It also has to do with the quality of our agriculture. Australians are very proud of the quality of food that is produced here in terms of vegetables, fruit and wheat is considered an unbelievable

high quality. So it would be unusual for an Australian consumer to have a preference for foreign vegetables or anything like that. So again, the fact that the quality of raw ingredients are so high leads into the fact that the quality of the goods produced is going to be very high and it just creates that standard that we have here.

Is it maybe why the Australian consumers are more conscious if – they prefer Australian brands compared to if it was an international or an overseas company that would enter Australia?

It is definitely one of the reasons. If you go to for example Starbucks. It doesn't feel value for money. Essentially, the Australian mentality behind it is that when you go to buy Starbucks you are not buying a cup of coffee, you are buying the logo. You are not paying for the good; you are paying for the emblem of the cup. You are drinking a Starbucks coffee and the logo is recognisable immediately around the world. In that being said, that doesn't mean that the cup of coffee that you bought there is actually any better than what you would buy in a local store. So again, whereas the Chinese market, everyone is very keen to drink a cup of Starbucks coffee with the logo on it, so that everyone can see it. In Australia people do not really care.

In addition to the same question, how has the café market emerged when we look at the pricing?

In terms of pricing: Again the average cup of coffee is 4 dollars here. Again, it is not regulated by anything; it is just generally what it costs. If you pay anything more than that, generally the cup of coffee that you receive for anything more than 4 dollars should be of noticeably superior quality. And what happened is that, if you compare the cup of coffee from a smaller store with a cup of coffee from Starbucks, that cup will cost you maybe 4 dollars. But a cup of coffee from Starbucks will cost you at least 5 and upwards. And again, the difference in the taste is noticeable. The difference in the product is noticeable. So Starbucks doesn't really necessarily have a chance when they are producing a product that is made to sell for above regular market price in the country. They don't really have a chance to get any cut of market share.

Is there any specific target group or segments that orders specific drinks?

The vast majority of my customers tended to be in the 23 -30 age range. As a general rule, they were students or people who'd just graduated into good jobs and begun their days early, so they were always after coffees. Generally within this age group, you have people buying cappuccinos, espressos, mochas, and lattes. The highest seller is definitely cappuccinos and espressos, sometimes as well a cappuccino with extra an extra shot – that is also a very popular option.

Lets say in terms of juices, are there any specific segments that would rather prefer juice rather than a coffee or tea, like a target group?

So generally what I have noticed with the groups that prefer coffee were generally executives, business, students, within that category. Generally people that prefer juices were still in the same age group but marketed were geared towards different things so a lot of people who were working at the gym at that early hour in the morning would come in and buy juice. More health-conscious people generally bought juice.

There has been a tendency over the past decade that smaller café shops have increased because the customers flock to local baristas, rather than well-known chains - how come the Australians prefer local cafes rather than international brands? I know we have already talked about this, and you have already explained it but (...)

I think it has to do with the Australian preference for quality. A business that provides a quality product makes it much easier for that business to build up a loyal customer base. Once you have served that customer good quality coffee (mumbling) to the right price, that customer will keep coming back. Particularly, on their way to work, or on the way to Uni. Additionally, word of mouth works really well. People do talk here, and it is a frequent topic of conversation where you get a good coffee. That is probably the first thing you ask when you come into a new job. So your referral from your customer base goes towards building that and goes towards building a preference for that. It really doesn't have to do much with the wide selection of drinks. So several small coffee shops in the business districts will maybe be one third the size of Starbucks and they will sell nothing out of the ordinary in terms of that they will sell lattes, mochas, or cappuccinos or whatever else frozen or hot, but they won't have any offers on shakes or nothing unusual like that. They will continue to do more businesses than Starbucks, no question on that matter.

Keeping in mind that they in fact have more limited selection than Starbucks. They still do better business.

You said something about the advertisement, that it is better when you talk and recommend to each other rather than if you maybe put a lot of resources in the marketing campaigns or anything like that.

Here you sell them fine. It is very very rare to find a coffee shop will advertise themselves. It is highly unusual. Generally, the most resources they would put in is a social media page, and that is really all that is needed if you want to have a successful coffee business here. Social media pages are probably the most advertisement you need and that is free. You can do that for free on Instagram, twitter, Facebook or whatever else. It has a lot to do with the fact that word of mouth is still a very important means of getting your business noticed in Australia. Particularly, again in the major cities, yes, but also in the smaller ones. It is imperative that when you first start a new job or you come to a new university, you meet people and one of the first questions you ask them is “where do you get a good coffee here” or “where can you get a good cup”. They will tell you and 99% of the time, or 95% of the time I can say with certainty that they will not tell you to go to a Starbucks. They will tell you to go to a coffee shop that is nearby and that has given them a good service, and a good product in the past. That I can tell you for sure. Even if they would direct you to a Starbucks there is maybe two in the most densely populated areas of the city and they are quite out of the way.

What are the current market trends or phenomenon that has an impact in the industry? Lets say like juices, different types of coffee or maybe healthier alternatives or weight loss tea that we have also seen that is upcoming right now.

I think it is the aspect or the whole nature of being more health conscious. Being more concerned about your health has probably been one of the biggest game changers. Examples of this we have in the whole nature of milk. Before, maybe 10 years ago, if you wanted a cup of coffee with milk. You wouldn't ask what kind of milk. It would just be full cream milk. That was the only option you had. Then after that you started getting low fat milk, so you would get asked “do you want low fat or whole?” Now, this age we do not only have whole and low fat milk, you have almond,

soy and rice milk. All of which you find them in many cafes across the city. This has got to do with the fact that people are started to be more concerned about.

People have preferences and they do not want dairy milk

Yes, but it also has to do with the rise of veganism. Some people who like to drink coffee are vegan and they don't want dairy milk in their coffee, so they get soy, rice or almond instead. Additionally, in terms of juice (...) A very famous juicebar here which is Boost – they have always, since their inception, been very geared towards improving your health. So again, you have the option to get different – for example you can add protein powder to you drink, you can add calcium or vitamins or wheatgrass to you drink. That improves something that is already considered to be healthy. So in terms of market trends, it is definitely health. It is revolving around health. So to make more conscious choices to better your health and not do harm to your self, those kinds of things. That is probably the single biggest trend that is responsible for more sales and more clients help in terms of coffee and juices.

What is unique about Australian café culture that makes the consumer be so picky? Do they want the entire experience –like the Starbucks experience we mentioned before, or they simply just want the product that they are going in for?

Very simply, it is all about the product in Australia. And again to a lesser extent value. Personally, I think whatever reasons Starbucks never took off here was because their coffee was subpar and not to the standard that you would find in a smaller coffee shop and it would be a few dollars more expensive than what you would pay for at one of those smaller coffee stores. It is hard to pull the wool over the eyes of Australians like that. A shiny brand name or a nice logo is no good if the product is no good. (...) Australians tend to really scrutinise a product and we have no problems with paying a bit more for something if that product is of high quality. By extension we have no problems with paying more for a product if it is from the country, if it is made from Australian good or Australian-made. But if we pay for something and it is no good Australians are the kind of people that wont hesitate to come back to that business and say “you have ripped me off I demand a refund” or “give me another one”. That is very common pleas here

Is it because there are so many coffee shops or providers in the industry that you can just go to the next one if you do not like the particular café?

Yes for sure. It is not the kind of thing you know; “oh if you don't like Starbucks coffee you can go you Gloria Jean’s”. No, if you don't like Starbucks coffee you can go to the small coffee shops down the street, you can go to the one around the corner from work, you can go to a cart. There are a number of options. So in that sense you are not limited by your choice. There is no monopoly or duopoly that you either go to one (...) or go to the competitor. You have a wide range of options if you find one particular choice that is satisfying.

What are the consumer expectations in terms of taste, price and value for money, but also the accessibility?

What I said before, the average price for a coffee here is about \$4. For \$4, consumers here expect that their coffee will be warm, prepared reasonably quickly, probably not more than 5 minutes if the store is not busy. If you're paying more than \$5 the coffee served to you must be of exceptional quality. Most consumers expect that you have a variety of choices in terms of customising your drink. So not only your choice of milk, but you choice of sugar, the quantity of sugar, the strength of the coffee, if you are having it to stay or to-go. These are all kinds of choices that are offered and that are expected to be offered by the consumer in this country. This is something the coffee shops must do for their consumers if that are to maintain their customer base.

So you would say that the market is very stable because you have these standards that are expected from the customers' side?

Yes and these are not really written rules. This is not mandated by law anywhere. This is something that has come to be expected.

If these are exceeded, it would mean you would receive a product that is exceptionally good?

If you are paying more than 5 dollars you have no reason to expect a product that is not good. If you pay 5 dollars more, I should say. If you are paying 4 dollars, that is the average. That is what you should be paying for a good decent cup of coffee. In terms of accessibility, it is difficult to gage accessibility in the sense that generally in the major cities in Sydney or Melbourne good

coffee is not hard to find. Like I said, you have the choice of having your coffee the way you want. You are not restricted by choice or location due to the fact that the market is not saturated but it is definitely abundant. You don't have to worry about where or how you are going to get your coffee because we don't have to look very hard. Its there and you are allowed to consume there or wherever else. There is not really a problem with accessibility. I think it is probably easier to access good coffee in the major cities than it is in the smaller ones.

12.5 Full interview with Argiel Marque Decena

The following interview was conducted by your truly as interviewer and Argiel as interviewee. The interview was conducted in person in London, while Argiel was on a longer visit from Australia. I had prior the interview sent Argiel the questions as requested. Argiel manages multiple single established cafés in Melbourne where he started off as a barista and today do more back end work and administration for the cafés.

The interview was recorded on a phone recorder in a café, hence the background noise and modest quality of recording.

Have you noticed any patterns within consumer behaviour the past decade or years when your customers are ordering drinks?

In the past few years there has been an increase in (...) health-based products, mainly that. Trends turned more towards lifestyle, for example people are turning towards less dairy products and more towards healthy alternatives.

What about healthier opportunities or customised drinks? Do you see a pattern in the customers ordering healthier or do they want specific things in their drinks so you make it customised?

A lot of them are becoming more controlled I have noticed (...) what they want in it and what they put in their bodies. They prefer, for example they look at more the juices they have been drinking. They start to compare concentrated from pure. They are becoming healthier. They are looking at almond, semi-skimmed, whole milk, coconut milk. They are noticing the difference in the milk products. It is a larger variety of plant-based milk. (...) They are trying to avoid the dairy

So the customers do have different preferences when it comes to the individual drinks?

The majority have their own preference now. They are starting to become more aware of what they eat (...) you are what you eat. Some customers they want a specific amount of milk in it. They even look at fair-trade to see if the coffee is fair-trade or not. They start noticing the quality; if the juices are organic and if it is coming from a good place.

How has the café market emerged, in terms of the quality, price or brand loyalty?

I have noticed that nowadays we are getting a lot more local shops. You see all of these chains around you and they are not as successful. Let's say Starbucks, they are not very big in Australia, and why is that? I think people are now looking more into quality. Going to Starbucks it is exactly the same. Everywhere you go, Starbucks is Starbucks. If you go to a small brand, that will not be the same as the other brands because the quality they provide you is more (...) individual. The price is more or less the same because there are so many big and small competitors in the industry. I'd say when it comes to customer loyalty I think it comes down to individual preferences. People aren't loyal to Starbucks in the same way they would be loyal to a smaller café.

So you would say that the consumers in Australia are very loyal to small local businesses or non-franchised coffee shops or cafés?

Not exactly. They are loyal to the quality of their beverages, and to a great extent the service provided by the cafés. Australians are customer-orientated and if service is significant they would for sure come back.

Are they very conscious about the quality? They emphasize – let's say if they want to order coffee – what kind of beans it is, how roasted it is or in term of juices if the ingredients are fresh.

The emphasis is on where the ingredients or products are coming from. That is why fair-trade is in high demand because people care about the environment now and the conditions of where the

ingredients are obtained, produced and grown and if the quality is there. In terms of juice (...) it is the raw materials being used I think which is why it is important for the consumers to know it is nourishing and healthy. For example you don't want raw materials to use for juice when it has been sprayed with chemicals. You can tell the difference.

So this is the standards of demands in Australia?

In a way. I think that is becoming one of the biggest concerns. The consumers prefer domestic products, as they know the quality of it. They know Australian products are high quality products.

Is it maybe why the Australian consumers are more conscious if – they prefer Australian brands compared to if it was an international or an overseas company that would enter Australia?

It does not specifically have to be Australian before customers are attracted to it. But, the consumers in Australia associate the quality coffee to be domestic because of our great agriculture. They know not to essentially care about the brand name of hat they carry. They care more about what they are drinking and what they put in their body.

So it is not really the brand that they necessarily look for.

They don't care about the brand, because the brand at the end of the day is just a name

In addition to the same question, how has the café market emerged when we look at the pricing?

The market price for coffee I think it is more or less the same. The only difference is the quality that you will receive. It is adjusted to the many competitors in the industry. (...) And it is impacted by the ingredients used whether it is all organic or not. Cafés serving the same products

have to adjust their price in order for them to survive and actually make revenue. If you don't you will get out of business fast.

So the price depends on the competitors in the market?

Yes.

Is there any specific target group or segments that orders specific drinks?

(...)It is standardised products. They are easily accessible so it covers every possible segment. But, there is a tendency with younger segments, they are more headed towards the orientation of being healthy with their juices. Instead of getting a coffee, they would rather get something that is going to benefit their body based on vitamins. Usually in the morning we sell more coffees across all segments, because most people either need that for a caffeine boost, but with the youth they need energy that is going to last the whole day. The older generation is just for leisure. They sit down with a cup of coffee reading the newspaper. It is how they start their day.

Lets say in terms of juices, are there any specific segments that would rather prefer juice rather than a coffee or tea, like a target group?

As I mentioned before I think juices are becoming more popular, especially with the youth and gym-goers. There are tons of people going to the gym, making resolutions. Regardless of their age, they are conscious of the vitamins, fibres, food and vegetables and what they contain.

**What are the current market trends or phenomenon that has an impact in the industry?
Lets say like juices, different types of coffee or maybe healthier alternatives or weight loss tea that we have also seen that is upcoming right now.**

The biggest trend I'd say are teas. They are getting more options now. Instead of getting the processed ones, you get more organic ones like leaf-based teas rather than just tea bags. The same thing with juices; people prefer pure or fresh made juice that you actually see being made in front

of you, rather than concentrated that is in a bottle. Even if it is in a bottle, they still check if it is pure. The market trend is definitely going for more organic things. It is become in higher demand, especially savoury flavour rather than sweet. People are consuming less sugar because they are worried about the sugar affecting their health.

What is unique about Australian café culture that makes the consumer be so picky? Do they want the entire experience –like the Starbucks experience we mentioned before, or they simply just want the product that they are going in for?

It is the product and what they are receiving. What makes the Australian consumers so picky is that they are confident in exactly what they want; they want to control what they drink and eat. The ingredients are agriculture-based and pure quality. Australians are very service-minded. If consumers receive an excellent service or experience they would for sure come back.

What are the consumer expectations in terms of taste, price and value for money, but also the accessibility?

Café products are really accessible. If one place is busy you can just go to the next one. In terms of taste, it is individual for each person. For each individual person they have their own preferences. Some of my customers would ask “how roasted the are the coffee beans?” They would walk off if they don't like the beans.

So they have their own super specific preference for the coffee beans?

Yes they are really focused on the quality. Like I said before, quality and price they are pretty much connected. You get what you pay for. So let's say you go to a franchise and the quality would probably be not as good as the independent cafes because of their focus on fair trade. It is the small things that they look for.