

# Business Model - John Kearon of BrainJuicer

Case duration (Min): **45-60**  
Marketing  
Management Information Systems (MIS)  
**business model**  
**Information technology management**

Europe

## Case summary:

The primary case problem is grounded in marketing concepts and strategies though useful discussion about the RBV or application of internet resources may also be beneficial.

John Kearon, current Chairman and Chief Executive of BrainJuicer Group PLC (an online market research agency) gives an interview about their business model.

John explains how he represents a new company establishing itself in a well established business/ industry. He discusses how he successfully achieved this despite entrenched competition.

The case may be used as a vehicle to explore marketing (competing) and related concepts.

## Learning objectives:

Explore aspects of marketing strategy in practice:  
evaluate business models  
evaluate sources of competitive advantage  
evaluate industry forces (new entrants)

## Case problem:

This case briefly explores competition: how to enter and survive in an established market.

Marketing Services

Company

BrainJuicer

<http://www.brainjuicer.com/>

BrainJuicer Group PLC is an online market research agency. The Company was founded by John Kearon, current Chairman and Chief Executive, in 1999 . BrainJuicer's first significant client, was Nike, (2002).

The company aims to become a leading market research house.

#### Pre class activities...

- 1** Specific pre-reading is not essential, however, students should be familiar with the following concepts prior to class: Competition; Ansoff matrix and the five forces framework. **>60**

First, if you are taking a taught management course then consult with your tutor and ensure that the case has not been scheduled into a teaching class or tutorial. If it has not:

1. Play/ read the media associated with the case. You may need to access the Internet and enter a URL to locate any video clips.
2. Attempt the Case study questions.

Consider attempting the case study as a group exercise; you could form a study group with fellow students.

3. Check the suggested answers - remember these are suggestions only and there are often many possible answers.

Discuss questions and answers with other students.

4. If you feel your answer(s) were weak then consider reading the relevant suggested readings again (also see the case study suggested references).

## Title/ Media type

## URL/ Media description

BrainJuicer - An introduction

<http://www.launchlab.co.uk/article/Business-video/BrainJuicer---An-introduction/259>

### Film

In this opening film clip (2:15 min) John Kearon briefly identifies what BrainJuicer does. They are an on-line (collect data via the Internet) market research agency (find out what customers want, test adverts and products). They are contrasted with traditional market research agencies utilising paper and pencil methods with new and innovative approaches. BrainJuicer created software to gather peoples opinions on-line.

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[http://www.launchlab.co.uk/articles.php?art\\_id=266](http://www.launchlab.co.uk/articles.php?art_id=266)

### Film

In this media clip (4:16 min) John Kearon describes how his new company competes through talented people, innovation (new methods) and technology ( a technology - on-line- enabled market research consultancy) in an established market. The company differentiates itself and competes through the way it goes about market research for its clients - its business model. They therefore argue they can do it better, faster and at lower cost.

## NOTES:

## Case study questions...

Action		Pre/During/After class
<b>1</b>	<b>COMPETITIVE STRATEGIES</b> analyse the case and determine which of Ansoff's competitive strategies is being pursued by BrainJuicer	During
<b>2</b>	<b>ESTABLISHING A COMPETITIVE ADVANTAGE</b> What are the generic sources of competitive advantage pursued by BrainJuicer Group PLC?	During
<b>3</b>	<b>INTERNAL ORGANIZATIONAL FACTORS</b> What are the primary resources, inside the organization, that provide the company with its strength?	During
<b>4</b>	<b>INDUSTRY ANALYSIS</b> Use Porter's five forces framework to analyse the marketing research industry	During
<b>5</b>	<b>BUSINESS MODEL</b> How would you explain the BrainJuicer business model to someone with little or no business knowledge?	Following Class

# Answers...

## BUSINESS MODEL

A summary of how a company will generate revenue identifying its product offering, value-added services, revenue sources and target customers.

## E-BUSINESS

the use of internet-based technologies either to support existing business processes or to create entirely new business opportunities.

## MARKETING RESEARCH

The process of gathering, interpreting and reporting information to help marketers solve specific marketing problems or take advantage of marketing opportunities

## FIVE FORCES FRAMEWORK

The five forces framework helps identify the sources of competition in an industry or sector.

## FIVE COMPETITIVE FORCES

Together these determine competition in an industry or market: rivalry amongst existing like-for-like players; the threat of new entrants; the threat of substitute solutions; the bargaining power of buyers; and the bargaining power of suppliers

## ANSOFF MATRIX

Ansoff's product-market matrix for determining competitive strategies: market penetration, market development, product development or diversification

## COMPETITION

Those companies marketing products that are similar to, or can be substituted for, a given business's products in the same geographic area

## Question/ Answer

### 1 COMPETITIVE STRATEGIES

analyse the case and determine which of Ansoff's competitive strategies is being pursued by BrainJuicer

Ansoff's product-market matrix may be used for determining competitive strategies: market penetration, market development, product development or diversification.

- Market penetration is a strategy of increasing sales of current products in current markets
- Market development is a strategy of increasing sales of current products in new markets
- Diversification is a strategy that takes the organisation into both new markets and products or services and
- Product development is where organisations deliver modified or new products to existing markets.

Students should therefore recognise that BrainJuicer (developing new market research techniques) is pursuing a product development strategy.

### 2 ESTABLISHING A COMPETITIVE ADVANTAGE

What are the generic sources of competitive advantage pursued by BrainJuicer Group PLC?

Porter (1985) discusses two main sources of advantage: cost or differentiation. Others have also added time-based competitive advantages, advantages from innovation and first mover. BrainJuicer Group PLC exploit their creative strengths to differentiate themselves as accompany, offering new innovative ways of tackling older problems. They also make good use of technology to enable their products and services (inputting and manipulating research data) and drive down costs. Furthermore, this provides the company with a means to deliver its services faster than competitors.

- Cost leadership means the ability of a company to produce quality products at the lowest cost in its industry group and
- a differentiation strategy seeks to provide product or service benefits that are different from those of competitors and that are widely valued by buyers.

### 3 INTERNAL ORGANIZATIONAL FACTORS

What are the primary resources, inside the organization, that provide the company with its strength?

Talented people (consultancy) and technology (communications)

### 4 INDUSTRY ANALYSIS

Use Porter's five forces framework to analyse the marketing research industry

It is important to understand the nature of competition - Effective marketing necessitates an understanding of the competition, your strengths and weaknesses. The five forces framework helps identify the sources of competition in an industry or sector.

RIVALRY: established industry

BARGAINING POWER (Buyers & Suppliers): discuss ease of identifying and comparing competitors – bargaining power may be low as this is essentially a service industry based on high degrees of intangibles (knowledge)

THREAT OF NEW ENTRANTS: industry is open to Fast movers (smaller rival companies not yet destined to be major challengers, but growing rapidly on a smaller scale) exploiting innovative methods and technology enablers.

THREAT OF NEW PRODUCTS: Whilst market research (The process of gathering, interpreting and reporting information to help marketers solve specific marketing problems or take advantage of marketing opportunities) is an established product, new methods – enabled by internet technologies – may be introduced to the industry thus increasing rivalry.

### 5 Business Model

How would you explain the BrainJuicer business model to someone with little or no business knowledge?

## Case study references

Amit, R. and Zott, C. (2001) 'Value Creation in E-Business', Strategic Management Journal, Vol. 22, No. 6/7, Special Issue, p. 493 - 520.

Cole, G A. and Kelly, P P. (2011) 'Management Theory and Practice', Ed. 7. Cengage EMEA.

Dibb, S., Simkin, L., Pride, W M. and Ferrell, O.C.. (2006) 'Marketing: Concepts and Strategies', Ed. 5. Houghton Mifflin International Inc.

Kelly, P P. (2009) 'International Business and Management', Cengage Learning EMEA.

Porter, M E. and Millar, V E. (1985) 'How information gives you a competitive advantage.', Harvard Business Review, July-August 63, p. 149 - 174.

Porter, M E. (2001) 'Strategy and the Internet', Harvard Business Review, March 2001, p. 62 - 78.