Recommendations on positioning with the aim of enhancing customer value for customers of Launch Cafe

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EXECUTIVE SUMMARY

In 2005 a group of young entrepreneurs started a business called YEAH! Incubator, which would provide the service of a well-facilitated work place where other innovative entrepreneurs could develop their own business (Wat doet YEAH!, n.d.). Due to successful business growth, Koen Atema and Niek Huizenga started Launch Cafe in 2012. Launch Cafe could be described as a place where people could cowork and meet other entrepreneurs. In addition to very attractive physical features, they wanted to ensure a space which would inspire entrepreneurs by organizing meetups and social events. Customers of Launch Cafe are defined as entrepreneurs, administrators and freelancers.

In February/March of 2016 it became apparent that Launch Cafe would experience a loss of customers to alternative coworking spaces in Groningen. In order to secure turnover in the future, Launch Cafe was in need to gain more insights into the background and causes of this problem with the aim of enhancing customer value, so it will not face similar problems in the future. By using theories of Kotler, knowledge is gained about the opinions and preferences among customers upon the differentiation and positioning of Launch Cafe, relative to alternative coworking spaces in Groningen.

A sample survey was conducted among 68 research units, which existed out of different customer target groups of Launch Cafe of which there were 20 entrepreneurs, 20 administrators and 21 freelancers. From the data that is gathered from the survey, there are several interesting matters that give more insights into the background of the client's problem. First of all, there is a major difference to be found in what customer target groups experience to be Launch Cafe's value proposition. Secondly, there are some differences in opinion about what differentiates Launch Cafe from alternative coworking spaces. Another finding is that Launch Cafe delivers superior customer value in the category of people (e.g. other coworkers, employees, interns). And finally, a majority indicated the category of people to be promoted clear, distinctive and desirable. All in all, Launch Cafe has already gained superior value among most entrepreneurs and freelancers through differentiation. It could be enhanced by solely focusing on the category of people, when differentiating itself from competitors. Furthermore, it is recommended that Launch Cafe's brand should be positioned in the mind of the customer as an accessible, productive and fun community, that offers one a high quality network, that can be used for personal gain in the form of advice, help, inspiration, customers

or working partners. It is also recommended that Launch Cafe conducts research among administrators to the background and causes of their perception on Launch Cafe's value proposition. And it is recommended that Launch Cafe reexamines current internal and external branding through brand management and aligns the messages it conveys accordingly. Launch Cafe's advice consists out of the seven advisory measures, which do not necessarily have to be undertaken, though it is advised as they might work mutually reinforcing:

1. Establish the value proposition of Launch Cafe internally
2. Test the value proposition
3. Internal branding
4. Translation to online communication tools
5. Translation to offline communication tools
6. Spread awareness about the brand
7. Research into customer types: administrators

(1) Within the first step, it is advised that value proposition as retrieved from the research findings is established among the employees of Launch Cafe in the form of a brief report to which own findings and observations may be added. Either the community manager or the interns of Launch Lab, must be held responsible for this report. *(2)* Furthermore, it is advised that the interns of Launch Lab, must test whether or not the value proposition has remained the same at the end of their term. By conducting small interviews, the answers should provide insights into what customers find important, whether or not the value offered at Launch Cafe is more or less relative to competitors and whether or not more is paid. Findings should be saved in the report. *(3)* To be certain of the brand Launch Cafe wants to position, it is advised for Launch Cafe to reexamine its brand identity. All employees are advised to participate in a workshop in which components of its brand identity such as brand vision, culture, positioning, personality, relationships and presentation are discussed with the aim of minimizing the gap between brand identity and brand reputation. If perceptions are coherent, the gap does not exist or is very minimal. *(4)* Consequently, it is advised that Launch Cafe's brand identity, in which the people of Launch Cafe are central. Key concepts such as the community, the network and the personal gains are central, should be translated into online communication tools. The reason for doing so is because it is believed that some online communication tools do not align with the position Launch Cafe could take on, therefore another suggestion is presented. *(5)* On top of this, a new flyer design in which similar key concepts are used, is

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presented as part of the advice of translating Launch Cafe's brand to offline communication tools. *(6)* Then, it is also advised to spread awareness about Launch Cafe's as soon as the same understanding about Launch Cafe's new brand has been reached internally. *(7)* And finally, it is advised that Launch Cafe conducts a follow-up research among administrators. Research findings show that some of their answers deviated most and therefore customer value among administrators could be considered to be very low, which might result in administrators leaving Launch Cafe. It is advised to have a conversation with some of these administrators and ask them to the background of their opinion on Launch Cafe's value. Based on the advice, an implementation plan for Launch Cafe is created.

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1. PROJECT CONTEXT AND ORGANIZATION

In 2005 a group of young entrepreneurs started a business called YEAH! Incubator, which would provide the service of a well-facilitated work place where other innovative entrepreneurs could develop their own business (Wat doet YEAH!, n.d.). The need to take action upon this matter stemmed from the absence of a place within the city of Groningen where they could work and meet other entrepreneurs. In addition to very attractive physical features such as tasty coffee and comfy seats, they wanted to ensure a space which would inspire entrepreneurs by organizing meetups related to specific work areas as well as other social events. Due to successful business growth, Koen Atema and Niek Huizenga started Launch Cafe in 2012. Now four years later, both Koen and Niek decided to take a step back from managing Launch Cafe.

Customers of Launch Cafe are defined as entrepreneurs, administrators and freelancers. Entrepreneurs are individuals, part of a startup, which is defined as companies that are continuously working on improving their product or service [..] that is made available through the latest technology [..] which is scalable and repeatable' (Wat is een startup, 2015). A definition which is contrary to administrator, an individual who is part of an established company. The final group of customers are freelancers who are not part of a company and who deliver a fixed product or service to a customer. In a conversation with the community manager (M. Smit, personal communication, March 23 2016), it became clear that Launch Cafe will lose some of its customers in the upcoming months to other coworking spaces or office units within the city of Groningen. In order to secure turnover in the future, customer value relative to the competitors of Launch Cafe in Groningen should be enhanced.

In furtherance of enhancing customer value, knowledge must be generated about the opinions and preferences among customers upon the differentiation and positioning of Launch Cafe, relative to alternative coworking spaces in Groningen. Finally, an assessment is made on integrated marketing communication. As a result, statements can be made about the positioning of Launch Cafe relative to competitors in Groningen, followed by an implementation plan on how establish, align and maintain its position with the aim of enhancing customer value.

1.1 INTERNAL ANALYSIS

In January 2016, Launch Cafe hired a community manager whose mission it is to develop the community and to innovate its business model. At Launch Cafe, coworkers can adhere to four different agreements: a dedicated-desk agreement, a hot-desk agreement, a drop-in desk agreement and a guest card, which allows a customer to cowork for one day. For a dedicated-desk, one pays 250 euros a month for a having a fixed desk in a non-common areas of Launch Cafe (figure 1), these desks are reserved for entrepreneurs and administrators. For a hot-desk agreement, one must pay 100 euros per month for being to able to work in the common area of Launch Cafe and for a drop-in desk agreement, one must pay 125 euros for being to able to work in the common area of Launch Cafe. Launch Cafe promotes hot-desk agreements over a drop-in desk agreement among potential customers, because a hot-desk agreement gives one the opportunity of unlimited coworking during one month, while a customer with a drop-in desk agreement can "drop-in" ten times, over an unlimited period of time. Therefore, the main difference between a hot-desk agreement and a drop-in agreement is that a hot-desk agreement is subscription based, while a drop-in agreement is credit-based. Reality has proven that coworkers are more likely to take upon another hot-desk agreement after having had this particular agreement already. The main reason is because customers quickly get accustomed to the benefits of coworking, the network and the community. As of April 1st 2016, almost a third of all dedicated-desk agreements were ended, which complicated generating turnover.

Customers of Launch Cafe are located according to the four different agreements. In figure 1, one can find an image of the map of Launch Cafe in which one can see the coworking areas and the type of customer that is coworking within this area.

Common Area: Administrators without a dedicated desk agreement and freelancers with a drop-in desk agreement or a hot-desk agreement

Entrepreneurs and administrators with a dedicated desk agreement

Entrepreneurs and administrators with a dedicated desk agreement
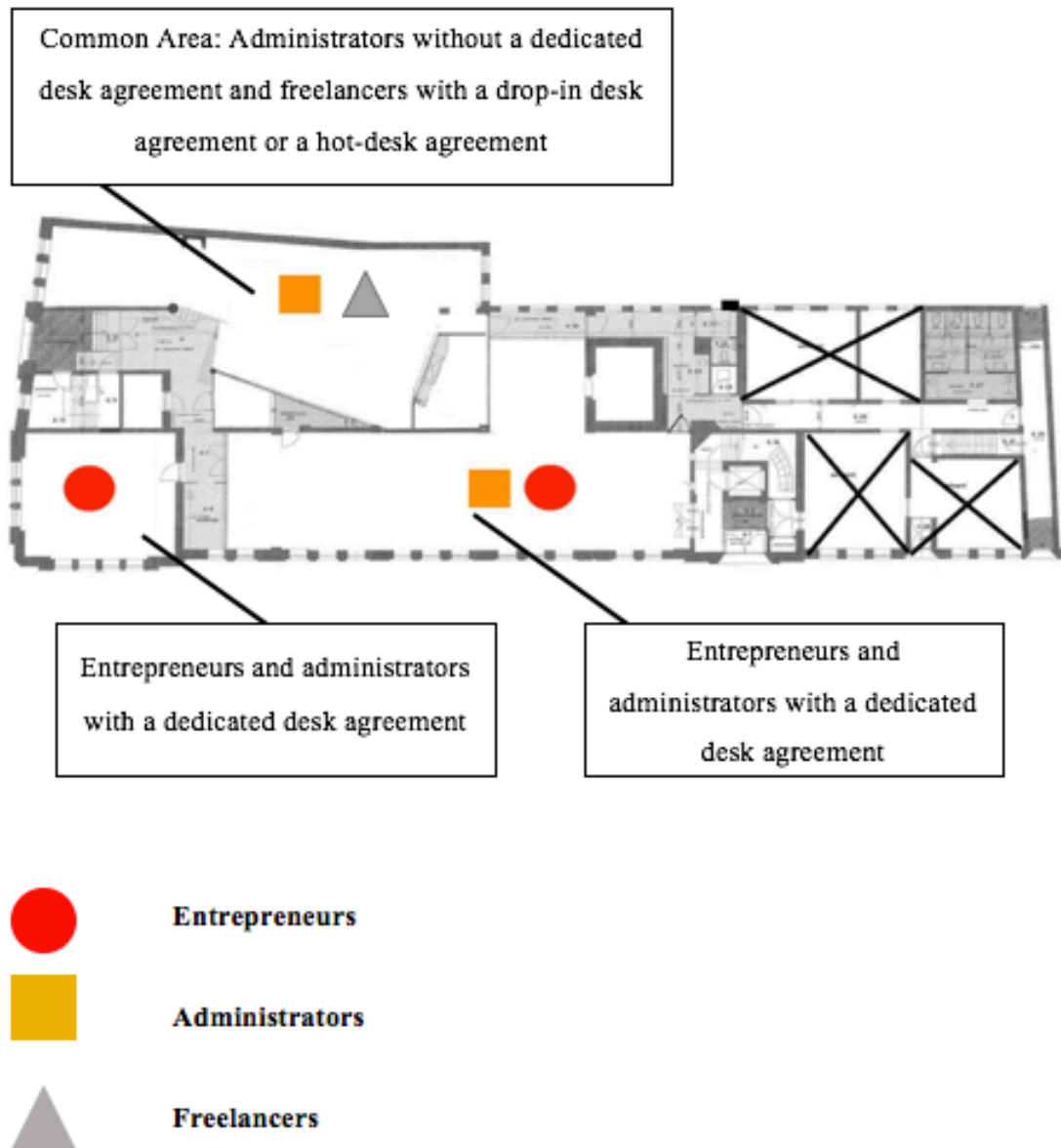
● Entrepreneurs

■ Administrators

▲ Freelancers

Figure 1: Map of different coworkers in Launch Cafe and where they are located

Towards an understanding of customer value

As current research requires to look at how value could be enhanced for customers of Launch Cafe, a list of definitions is established that help to understand the concept better.

Value: According to Anderson and Narus (1998), 'value in business markets is the worth in monetary terms of the technical, economic, service, and social benefits a customer company receives in exchange for the price it pays for a market offering'.

Benefit: 'Benefits are a desirable attribute of a good or service, which a customerperceives he or she will get from purchasing. Whereas vendors sell features buyers seek the benefit. Features are similar to attributes' (Benefits, n.d.).

Attribute: Part of a market offer. Attribute is defined as 'a characteristic or feature of a product that is thought to appeal to customers. Attributes usually represent a manufacturer's or a seller's perspective and not necessarily that of a customer' (Attribute, n.d.). Kotler describes an attribute on which a company can position its brand (Kotler, 2008, p. 523).

Brand: A brand is defined as a 'name, term, sign, symbol or design, or a combination of these that identifies the goods or services of one seller or group of sellers and differentiates them from those of competitors' (Kotler, 2008, p. 985).

Differentiation: 'the firm's market offering to create superior customer value'   (Kotler, 2008, p. 988).

Positioning: defined as 'arranging for a product to occupy a clear, distinctive and desirable place relative to competing products in the minds of target consumers (Kotler, 2008, p. 410).

Product's position: A product's position is defined as 'the way the product is defined   by consumers on important attributes – the place the product occupies in consumers' minds relative to competing products' (Kotler, 2008, p. 432).

Value proposition: Value proposition is defined as 'the full mix of which benefits upon which the brand is differentiated and positioned.' (Kotler, 2008, p. 441).

Customer value analysis: The purpose of a customer value analysis is 'to determine what benefits target customers value and how they rate the relative value of various competitor's offers' (Kotler, 2008, p. 465).

Positioning statement: 'a statement that summarizes company or brand positioning. It takes this form: To (target segment and need) our (brand) is (concept) that (point of difference)' (Kotler, 2008, p. 994).

Towards a better understanding of positioning

It might has become clear that concepts such as 'positioning' and 'differentiating' do not go without concepts such as 'market offering' or 'product' and 'brands'. Therefore, it is important to have a deeper understanding of these concepts.

According to Arche (2000), 'the principal difference between an ordinary product and a brand is the intangibles beyond the product itself. A brand goes beyond functionality, it is everything around that, how it is packaged, what it looks like, what color it is - its personality, if you like'. There are two important brand elements. Firstly, the brand must give the consumer a feeling of trust. Secondly, the brand helps to consumer to define who he or she is or who he or she wants to become. Joseph (2015) confirms that by stating that the main difference between product and brand is that a product performs a function, while a brand performs an emotion. He also mentions that 'products are all about what they do for people. Products fulfill a customer's needs' (Joseph, 2015). As opposite of a need, one can also meet a want of the customer. This is where a brand comes into the picture. A want is met by how the product makes a person feel.

All in all, from the definitions and the information given above, it can now be stated that concepts such as products and services contain attributes that fulfill a need and are part of a company's market offering. A market offering can be differentiated with the goal of creating superior customer value. A marketing offer fulfills a need. A benefit is a desirable attribute. It is what a consumer expect he or she will gain from buying a product or a service. Let it be

status or a good feeling, that can be considered a want. This also aligns with the definition of a brand by Kotler (2008, p. 985).

To conclude, a market offer (need) can be differentiated and a brand (want) can be positioned. Within current research, the attributes offered by Launch Cafe (market offer) are under study relative to offers of alternative coworking spaces with the aim of enhancing customer value and Launch Cafe's brand is assessed on its position in the mind of the customer so Launch Cafe is able to maintain and align its offer.

Launch Cafe's market offer

A list of attributes of Launch Cafe's market offer is found on page 93-94 of the appendix. Once one or more of these attributes are considered to be desirable, it is called a benefit. In addition to the attributes, the positioning statement of Launch Cafe is also given.

As current research only focusses on what is offered and what is valued or appreciated as a benefit from a customer's perspective, the benefits, beliefs and values are not discussed.

1.2 EXTERNAL ANALYSIS

On a regional/local level a significant increase is found in the amount of (international) entrepreneurs and administrators in Groningen from 2009 till 2013 (Decisio, 2015). This might be due to a relaxation of the policy on national level to support entrepreneurs and administrators. It is expected that there will be more need of coworking spaces in the future.

Coworking spaces are defined as 'membership-based workspaces where diverse groups of freelancers, remote workers, and other independent professionals work together in a shared, communal setting' (Gandini, 2015). In order to get a better idea of the competitors of Launch Cafe, one must specifically look for specific member-ship based spaces for which a person has to sign an agreement and where diverse groups are working together in a shared space. Coworking spaces in the city of Groningen that adhere to these characteristics are considered to be competitors and are presented in the appendix on page 94-102.

1.3 SWOT

Based on the internal, as well as the external analysis, a SWOT is presented in figure 4.

Strengths	*Weaknesses*
• Network of Launch Cafe • Community manager • Facilities	• Less involvement of Koen and Niek might affect the community • Outflow of customers endangers turnover
Opportunities	*Threaths*
• Through the network of the founders (Koen and Niek) allows Launch Cafe's network to grow significantly • Increase of (international) entrepreneurs on regional/local level	• The attributes can be easily copied • Competitors of Launch Cafe

Figure 2: SWOT analysis (an extensive SWOT is to be found on page 108 of the appendix)

2. RESEARCH DESIGN

2.1 THEORETICAL FRAMEWORK

The theories that set the foundation for this research are presented in the following chapters.

2.1.1 VALUE PROPOSITION BY KOTLER

A value proposition is 'the full mix of benefits upon which the brand is differentiated and positioned'. According to Kotler (2008), in order for a company to choose a differentiation and positioning strategy, it must identify differences that give competitive advantage, as well as locating a place in the mind of the customer that is different than competitors. A competitive advantage is 'an advantage over competitors gained by offering consumers greater value, either by lowering prices or by providing more benefits' (Kotler, 2008, p. 436).

2.1.2 CUSTOMER VALUE ANALYSIS BY KOTLER

A customer value analysis is conducted when one wants to determine what benefits a target customer values of a certain offer against a competitor's offer. According to Kotler (2008), 'the company first identifies the major attributes that customers value and the importance customer place on these attributes. Next, it assesses the company's and competitor's performance on the valued attributes' (p. 465).

2.1.3 INTEGRATED MARKETING COMMUNICATION BY KOTLER

Kotler (2008) explains the importance of sending a 'clear, consistent and compelling message about the organization and its brands' in order to prevent confused customers. It also says that a customer might encounter the brand on various platforms, and how all these platforms have to communicate he same message about the brand. These moments in which a customer encounters a brand are called brand contact.

PRELIMINARY RESEARCH

To be found in the appendix on page 79-115.

2.2 RESEARCH OBJECTIVE

Based on preliminary research, the research objective that consists out of an internal goal and external goal is constructed, which is located in the diagnosis stage of the intervention cycle:

To give recommendations on Launch Cafe's position relative to its competitors with the aim of enhancing customer value for entrepreneurs, administrators and freelancers coworking at Launch Cafe, by establishing assessment criteria regarding value creation, assessing the attributes offered by Launch Cafe relative to competitors among entrepreneurs, administrators and freelancers, as well as assessing the quality of communicating these attributes relative to competitors and preliminary research.

Intercultural aspects are not considered to be part of this research, as the number of foreign entrepreneurs, administrators and freelancers is too low to make valid statements (Reliability and validity, n.d.). Moreover, results would also not be reliable, which means that a similar study would give different results. Therefore, statements on customer value for all entrepreneurs, administrators and freelancers are generalized for all nationalities coworking at Launch Cafe. The research findings may have different implications for entrepreneurs, administrators or freelancers with a different cultural background. These results will be taken into account, however these results will not weigh more than other results. This might be an interesting research topic for the future when more foreign entrepreneurs, administrators and freelancers are coworking at Launch Cafe. By doing so, research could be conducted that is both valid and reliable.

2.3 RESEARCH FRAMEWORK

A schematic representation of the research framework can be found in figure 3. Step (a) shows that theories on value proposition, customer value analysis and theory on integrated marketing communication strategy will be gathered. In addition, preliminary research is conducted.

Step (b), shows the research objects under study, the research perspective portrayed in a black box and the result of the empirical research. The black box represents the nature of the research perspective, which specifies how research objects are studied with theoretical

support. It is believed that the research perspective that suits current research in achieving the research objective is a diagnostic research (Verschuren & Doorewaard, 2010, p.78). Within step (b) assessment criteria are derived from theory.

Step (c) consists of the results of the analyses of the confrontations of the research perspective with the research objects. The research perspective is further explained in chapter 4.1 with the help of a conceptual model.

Within step (d), the results of the analyses are combined to make recommendations on how to enhance customer value of Launch Cafe.
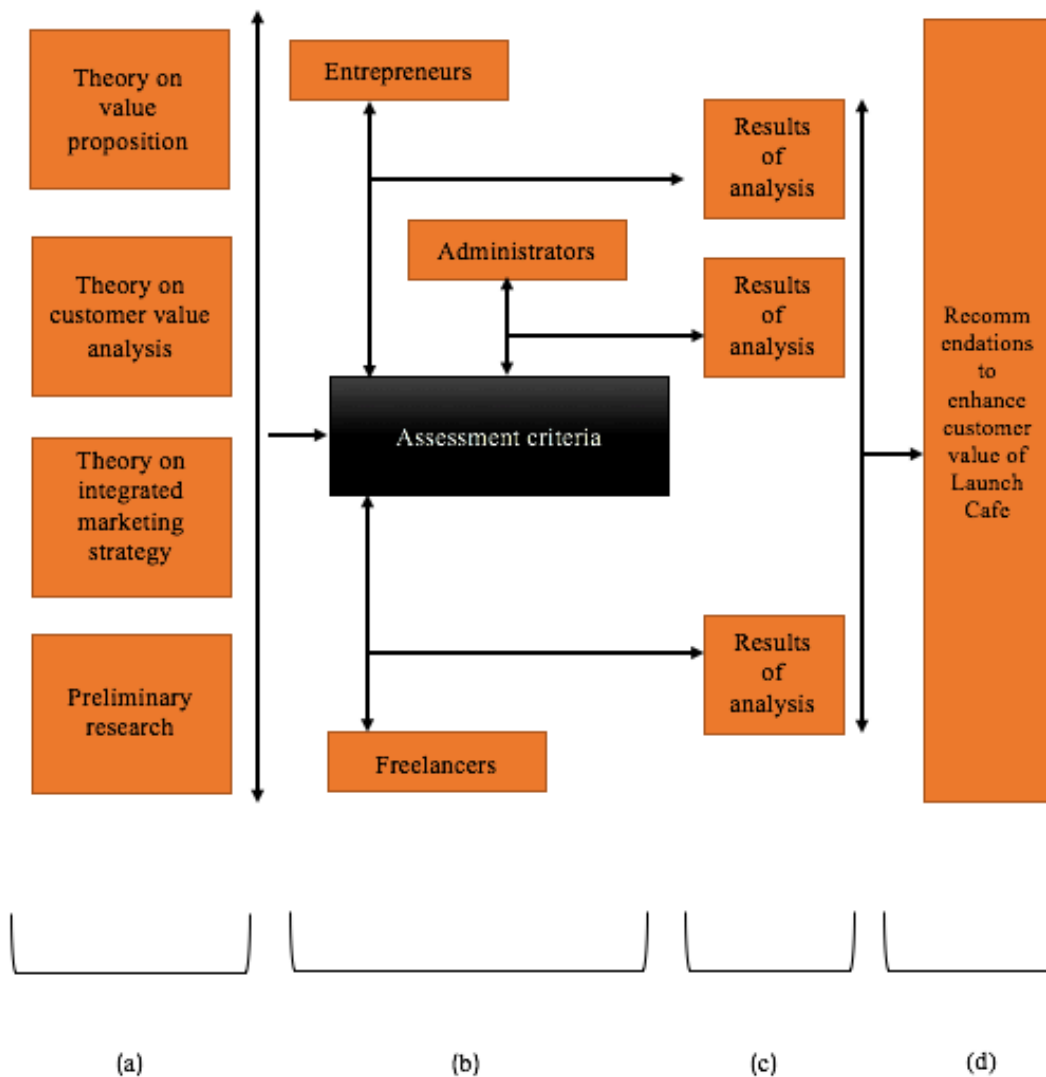
Figure 3: Research framework

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2.4 RESEARCH PERSPECTIVE

The nature of the research perspective is a diagnostic research, that means that the background and causes of the problem are studied. Within step (a) of the research framework, assessment criteria must be gathered from theories on differentiation and positioning, competitive strategy, integrated marketing communication and preliminary research. From these theories, assessment criteria are derived (Figure 4).

Figure 4: Assessment criteria are derived from theory and preliminary research

These assessment criteria are established in order to assess Launch Cafe's current performance among entrepreneurs, administrators and freelancers concerning the positioning of Launch Cafe's brand in comparison to competitors.

In order to establish assessment criteria, the theories, as well as preliminary research are studied. Therefore, the first central question looks as follows:
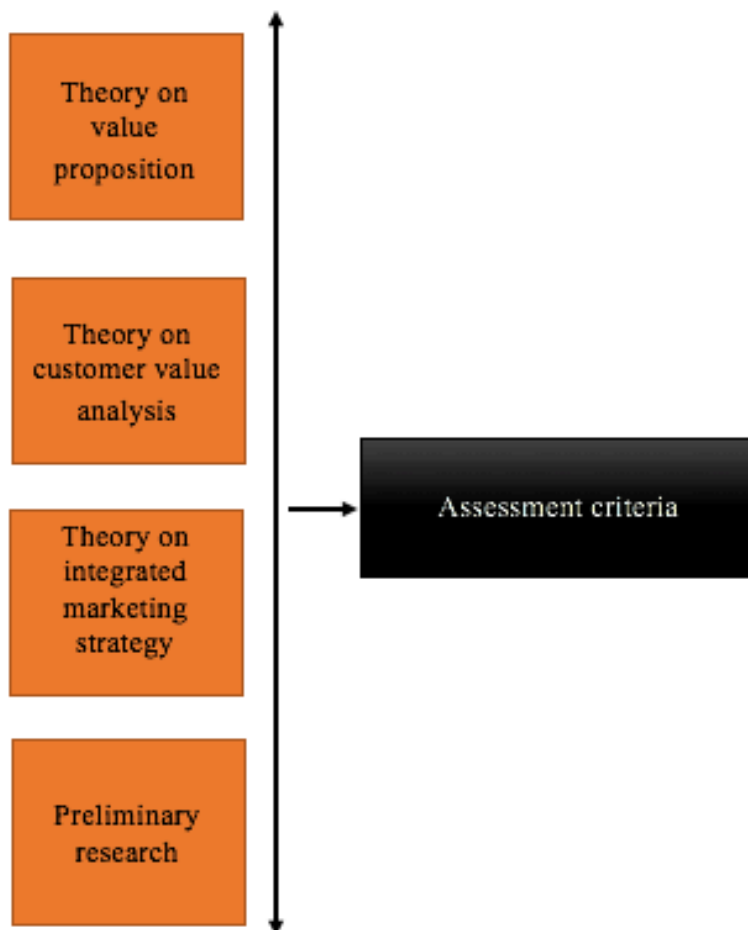
What assessment criteria regarding value creation of coworking spaces for entrepreneurs, administrators and freelancers can be derived from theory?

2.5 RESEARCH QUESTIONS

1. What assessment criteria regarding value creation of coworking spaces for entrepreneurs, administrators and freelancers can be derived from theory?

> 1a. What assessment criteria regarding value creation can be derived from theory on value proposition?
>
> 1b. What assessment criteria regarding value creation can be derived from theory on customer value analysis?
>
> 1c. What assessment criteria regarding value creation can be derived from theory on integrated marketing communication?

2. What are the opinions and preferences held by customers with regard value creation for coworking spaces?

> 2a. What are the opinions and preferences held by entrepreneurs?
>
> 2b. What are the opinions and preferences held by administrators?
>
> 2c. What are the opinions and preferences held by freelancers?

3. What do we learn by comparing the results from the analysis of the three categories of target groups in order to make recommendations on how to improve the positioning of Launch Cafe with the aim enhancing customer value relative to competitors?

2.6 RESEARCH STRATEGY

A research strategy according to Verschuren and Doorewaard (2010) is 'the coherent body of decisions concerning the way in which the researcher is going to carry out the research' (p.155). A number of key decisions have to be made before choosing any of research

strategies provided by Verschuren and Doorewaard (2010, p.157). The strategies that are provided are:

1. Survey
2. Experiment
3. Case study
4. Grounded theory approach
5. Desk research

Three key decisions that have to be made concern an in breadth or an in depth approach, a quantitative or qualitative approach of discussing and interpreting data and in what manner data is gathered.

1) Launch Cafe houses a variety of different customers, that are previously defined as entrepreneurs, administrators and freelancers who work under different agreements. As these customers might have different needs, creating value in the form of benefits in order to meet their wants, might also be different. Therefore, it is decided to categorize research units within Launch Cafe according to the definitions that were given in chapter 1. The findings on these research units provide a *breadth* research understanding of the customers of Launch Cafe. By doing so, results can be generalized per customer target group on a large scale. As this type of research method opts for a large scale approach, there is a higher risk of uncertainties as one is unable to make an in-depth elaboration of the research findings (p.156). However, the research units are also given the opportunity to answer a small set of open questions. The main reason behind these open questions is to have a better understanding of the closed data. Another reason is to give respondents the opportunity of sharing their opinions and preferences of the attributes offered by Launch Cafe, without comparing these attributes to the ones that are offered by alternative coworking spaces.

2) In order to make recommendations on the positioning of Launch Cafe, respondents are asked to rate the attributes offered by Launch Cafe in comparison to alternative coworking spaces in Groningen.

As previously mentioned, research is conducted on a large scale. Therefore, closed questions are asked. The given answers result in closed data generation which can be put in charts and

tables. Therefore, the second key decision is to gather research findings, by using a *quantitative* approach (e.g. bar graphs and Excel).

3) The third decision involves what kind of data will be gathered. Considering the project context and the research environment, it is decided to conduct *empirical research* over desk research.

Based on these decisions, a survey seems to be well suited for generating closed data on a large scale, which is rather breadth than depth (Verschuren & Doorewaard, 2010, p. 162).

Due to the desired breadth of the research project and the specific characteristics assigned to the research units a sample survey is carried out. This means that research units in Launch Cafe can only participate if they adhere to the requirements of being either an entrepreneur, administrator or freelancer. The aim is to have at least 20 research units per category at Launch Cafe, which means that the minimum total amount of respondents is 60. By asking both multiple choice and Likert scale questions, mostly closed data is generated. The findings are analyzed by categorizing the respondents in three groups: entrepreneurs, administrators and freelancers. Then, a look is taken upon the opinions and preferences per group on several themes. This is followed by a presentation of the average rating given to a theme. Based on the research findings, customer profiles are created that give a better understanding of the customer target groups of Launch Cafe.

The definitions 'entrepreneur', 'administrator' and 'freelancer' are considered to be a limitation, as customers might not be able to identify themselves with these definitions, even though broad definitions are given. Therefore, respondents are also given the opportunity to choose 'other'. Another aspect which is considered to be a limitation are the brand associations when Launch Cafe's name or any other name of a competitor is mentioned. Therefore, the survey is entirely anonymized. When respondents have no knowledge of any other coworking spaces in Groningen, they are given the opportunity to give a neutral response. This is also considered to be a limitation as the number of respondents of one particular group might become lower than other groups and therefore the statement that are made per group become less reliable.

2.7 RESEARCH METHODOLOGY

The following chapter provides a description of the material used in the research, an explanation of how samples are gathered and prepared, an explanation of how measurements are made and how findings are analyzed.

The material used for this research is an electronic survey created with a Google survey tool of which the link is distributed among the research units electronically (e.g. Telegram, email etc.). By doing so, the sample that is gathered will only exist out of people that either currently cowork at Launch Cafe or had coworked at Launch Cafe in the past. By doing so the sample can still be more or less controlled. Moreover, the chance of having non-customers in this survey becomes significantly smaller. On top of that, customers of Launch Cafe are personally approached and reminded of the aim and purpose of the survey. The survey exists out of two parts:

1. Questions designed to categorize the research respondents into entrepreneurs, administrator or freelancers
2. Questions designed regarding value proposition, customer value analysis and integrated marketing communication.

As the theory explained, a customer can get into contact with a company's market offer through so-called contact points that are categorized as physical, service, channel, people and image. For current research, the category channel is changed into location as it encompasses some aspects of a channel, if one interprets the concept as a place where the product or service is sold. This is also the case for the category of product, that changed to physical the concept encompasses some aspects of a product. Each category on its own offers certain attributes that might potentially turn into a desirable attribute. In order to establish whether or not the contact points of Launch Cafe are positioned well in the market of coworking spaces, each respondent is asked to rate these categories on a scale from 1 to 5. The number 3 in this scale is neutral (neither… nor….), so the respondent is given the opportunity to give a neutral answer. All five categories are presented in a theme for which a one specific question is created. There are several themes within the survey that correspond with the theory. The first theme is about the superiority of Launch Cafe, followed by the importance these categories when choosing a coworking space, then the respondents are asked what Launch Cafe can

improve, followed by an assessment of each category against all positioning criteria. Followed by a theme concerning Launch Cafe's value proposition. Within the final theme, a set of open questions are asked that could establish the position of Launch Cafe in the mind of the respondent without comparing this too much to competitors. The ratings that are given by respondents for these categories, should be able to tell how Launch Cafe should position its brand. An explanation of categories is found in chapter 3.1.1.

An example of how questions are asked according to the theme of positioning is given in figure 8. The theory on value proposition explains that positioning is arranging for a market offering to occupy a *clear*, *distinctive*, and *desirable* place relative to competing products in the minds of target consumers (Kotler, 2008, p. 410). Based on this, one could derive the following three assessment criteria for an effective positioning. The positioning should be:

1. Clear
 2. Distinctive
 3. Desirable
 ...in the minds of the target consumers.

To find out whether this is the case one is could ask entrepreneurs, administrators and free-lancers questions such as:

<div style="border:1px solid black; padding:1em;">

1. The way Launch Cafe promotes itself on physical features (e.g. furniture, computers, phone room etc.) is compared to other coworking spaces I know...

Not clear 1 – 2 – 3 – 4 – 5 Very clear

Not distinctive 1 – 2 – 3 – 4 – 5 Very distinctive

Not desirable 1 – 2 – 3 – 4 – 5 Very desirable

</div>

Figure 5: Example of a question on positioning within the physical category

Questions are closed and consist out of rating scales (strongly agree to strongly disagree). There will also be a set of open questions for respondents.

Findings are analyzed by looking at the average rating given to each theme. The answers to open question give support in interpreting the closed data.

3. RESEARCH RESULTS

3.1 TOWARDS ASSESSMENT CRITERIA ON VALUE CREATION OF COWORKING SPACES

3.1.1 Value proposition

A value proposition is 'the full mix of benefits upon which the brand is differentiated and positioned' (Kotler, 2008, p. 441). In other words, it means that a company must create differentiated value relative to competitors and it must position a place in the mind of the consumer up to a point where it will provide superior value, so it will gain competitive advantage. The following paragraphs explain how attributes can be differentiated, which could be perceived as a benefit by the consumer. This is followed by a set of value propositions on which an offer can be positioned.

One aspect of value proposition, is differentiation. ***Differentiation*** is 'the firm's market offering with the aim to create superior customer value' (Kotler, 2008, p. 988). Once the company is able to differentiate its offer to the extent that it is the best of other similar offers, it managed to offer superior customer value and therefore it gained competitive advantage. Kotler (2008) explains ***competitive advantage*** as 'an advantage over competitors gained by offering consumers greater value, either through lower prices or by providing more benefits that justify higher prices' (p. 436).

The process of differentiation starts by identifying 'contact points' (p.436), which are ways in which a customer can get into contact with the company or the market offer. These contact points can be identified by going through the customer experience. Kotler (2008) presents five categories in which a company can establish points of differentiation within a given customer experience. These categories are:

     1. Product

     2. Service

     3. Channels

     4. People

     5. Image

Product differentiation is 'a marketing process that showcases the differences between products. Differentiation looks to make a product more attractive by contrasting its unique qualities with other competing products' (Product differentiation, n.d.). According to Kotler (2008), some of the product differentiations are 'feature, performance, style and design' (p.436) and 'consistency, durability, reliability or repairability' (p. 436). Within current research, an aspect of product is used.

Service differentiation is described by Kotler (2008) as 'services that accompany the product' (p. 436). Services that are given as examples are speedy, careful delivery, reliable, installation and repair service.

Channel differentiation is the manner in which a channel designed its 'coverage, expertise and performance' (p. 440). Within current research, an aspect of channel is used. When channel is interpreted as a place where the product or service is sold, this can also be the location.

People differentiation 'hiring and training better people than their competitors' (p. 440).

Image differentiation a 'brand image should convey a singular and distinctive message that communicates the the product's main benefits and positioning. Which is strong and distinctive.' (p. 440). It is also defined as follows: 'The impression in the consumers' mind of a brand's total personality' (Brand image, n.d.).

Kotler (2008) states that even when many differences are found to promote, a marketer should carefully choose differentiations with the help of assessment criteria presented in figure 6:

1. **Important**: the difference delivers a highly valued benefit to target buyers

2. **Distinctive**: competitors do not offer the difference, or the company can offer it in a more distinctive way

3. **Superior**: the difference is superior to other ways in which customers might obtain the same benefit

4. **Communicable**: the difference is communicable and visible to buyers

5. **Pre-emptive**: competitors cannot easily copy the difference

6. **Profitable**: the company can introduce the difference profitably

Figure 6: Assessment criteria on differentiation (Kotler, 2008, p. 441)

Positioning is defined as 'arranging for a product to occupy a clear, distinctive and desirable place relative to competing products in the minds of target consumers (Kotler, 2008, p. 410). Within this definition, a product is to be considered a brand which can be positioned. The mixture of presented attributes that could be perceived as benefits by the consumer are summed up in certain value propositions on which these benefits can be positioned, that are:

1. More for more
2. More for the same
3. The same for less
4. Less for much less
5. More for less

More for more is a value proposition which includes providing the 'most upscale product or service and charging a higher price to cover the higher costs.' (Kotler, 2008, p. 442). Which means that the company is able to justify a higher price, because it the product includes a high level of benefits for the consumers. It also has a certain effect on the buyer who also feels that he or she is better than the rest, by using the product.

More for the same is a value proposition most often used as an attack on competitors who use a more for more value proposition. Therefore, the company would offer more valued attributes that are perceived as benefits of a product of similar quality for the same price so it can strengthen its position relative to competitors.

The same for less is a value proposition in which a company would offer a product of the same quality at a lower price in order to strengthen its position relative to competitors.

Less for much less is a value proposition in which less valued attributes that are perceived as benefits are offered and therefore lower prices are charged. Kotler (2008) argues that there are few people who need all benefits offered to them and would therefore 'gladly settle for less' (p. 443).

More for less is a value proposition that all companies try to achieve by offering more benefits for a lower price. While on the short term, companies are able to achieve such positions, on the long term these companies are not able to cover the high producing costs.

All in all, the company's brand positioning should be summarized in a **positioning statement** which is structured as follows: 'to (target segment and need), our (brand) is (concept) that (point of difference) (Kotler, 2008, p. 444).

3.1.2 Customer value analysis

According to Kotler (2008), the aim of a customer value analysis is 'to determine the benefits that target customers value and how customers rate the relative value of various competitors' offers.' (p. 465). In order to conduct a customer value analysis the following three questions need to be answered:

  1. What attributes are valued by customers?

  2. What importance do they attach to these valued attributes?

  3. What is the performance of both the company and its competitor on these valued attributes.

In case a company's offer has managed to exceed the value offered by its competitors, it gained competitive advantage. This is also when a company can ask for a higher price for its product.

3.1.3 Integrated marketing communication

According to Kotler (2008), integrated marketing communication is 'the concept under which a company carefully integrates and coordinates its many communication channels to deliver a *clear*, *consistent* and *compelling* message about the organization and its products' (p. 697). Therefore, a company prevents having confused customers. The theory also explains how a customer might encounter the brand on various platforms and how all these platforms have to tell the same message about the brand. These moments in which a customer encounters a brand are called brand contact. In order for a company to develop an effective integrated marketing communications, the following steps have to be taken:

 1. Identify the target audience – which are 'potential buyers or current users' (p. 701), but at least he people who make the buying decision or who influence the buying decision. From preliminary research, one can derive that the target audience of Launch Cafe fall into three different categories: entrepreneurs, administrators and freelancers.

2. Determine communication objectives – the second step is strongly linked to the buyer-readiness stages which is defined as 'the stages that consumers normally pass through on their way to purchase' (p. 701). These stages are described as awareness, knowledge, liking, preference, conviction and purchase. The communication objective of Launch Cafe is to inform the target audience about the organization and the price of renting a desk. One can argue that the communication objective is based on the first phase of a buyer readiness cycle in which Launch Cafe aims to raise awareness.

 3. Design the message – Within the design of the message, the company must keep in mind what it wants to say (message content) and how it wants to say it (message structure and format). In terms of message content, there are two ways of setting the tone for a message and that is through *rational appeals* or *emotional appeals*. Rational appeals are defined as the message that relate to the audience's self-interest and show that the product will produce the claimed benefits; examples are appeals of product quality, economy, value or performance'

(p. 703). Whereas emotional appeals are defined as 'message appeals that attempt to stir up negative or positive emotions that will motivate purchase; examples are fear, guilt, shame, love, humor, pride and joy appeals' (p. 703). The final appeal is a moral appeal, which is defined as message appeals that are directed to the audience's sense of what is right and proper' (p.704).

In terms of message structure, there are three issues that need to be resolved before the message can be created. First of all, the creator must decide whether or not to put a conclusion in the message or to let the consumer figure it out. Secondly, it must decide to put the strongest arguments first or put these arguments at the end of the message. Finally, it must decide to present one-sided or two-sided arguments.

In terms of message format, there are several elements that should be taken into account depending of the channel in which the message is conveyed. In a printed advertisement, once should take into account copy, illustration and color. One should also look at novelty and contrast, eye-catching pictures and headlines, distinctive formats, message size, position, color, shape and movement. When the message involves sound, one should take into account sound, words and voices. When the message is conveyed through presenters, one must keep in mind that customers look at facial expressions, gestures, clothing and hair style. When the message is conveyed on the product itself, one must take into account texture, scent color, size and shape.

In formatting, Kotler (2008) also advices a set of other criteria that must be taken into account which are that the message must:

1. Contain practical value
2. Evoke interest
3. Convey new information
4. Reinforce the buyer's recent purchase decision
5. Make an impact (without causing offence and irritation)

In several conversations with one of the founders of Launch Cafe, but one in particularly (K. Atema, personal communication, March 4 2016), it had been pointed out that the tone of

message content of Launch Cafe is most often emotional. In these messages, one will usually find direct benefits of, for example, joining one of many events organized by Launch Cafe. Therefore, the message structure is often very direct, presenting all important arguments of joining this particular event immediately. A conclusion is not often presented, however, Launch Cafe does want to give a reader the idea that it becomes part of a community when he or she decides to join. The format of a message is highly informal, so that the community becomes more accessible and approachable for an outsider. All in all, it is argued that Launch Cafe succeeds in all criteria of Kotler.

4. Choose media –there are two types of media channels one can choose from: personal and non-personal communication. **Personal communication channels** are channels 'through which two or more people communicate directly with each other, including face to face, person to audience, on the phone, through mail or e-mal or through and internet chat' (p. 708). A **Non-personal communication channel** is 'media that carry messages without personal contact or feedback, including media, atmospheres and events' (p. 709).

At point 3, a fictive event was used as an example for the design of a message. The same example is also used to explain through what channels such events are communicated to the audience. Internally, events are made publicly known through the community group on Telegram, which is a message service. On top of that, the community manager also used screen advertising. Externally, channels such as Facebook and Twitter are used.

5. Collect feedback – when a message is send, feedback must be collected in order to do research on the effect. Some of the questions that are asked concern topics such as remembrance, the amount of times that somebody has been into contact with the message, the feelings it brought and whether or not attitude has changed.

Launch Cafe does not officially collect feedback, however, employees react in a very appreciative manner when a customer is not satisfied how things are done. Very often, the community manager reacts immediately to given feedback and turns it into a point of action.

3.1.4 Assessment criteria

3.1.4.1 Assessment criteria on value proposition

From theory one could derive assessment criteria on differentiation. Within product differentiation, products should offer a distinctive:

    1) Feature

    2) Performance

    3) Style

    4) Design

    5) Consistency

    6) Durability

    7) Reliability

    8) Repairability

Whereas services should differentiate on attributes such as:

    9) Speed

    10) Delivery

    11) Reliability

    12) Installation

    13) Repair service

Within channel differentiation, the channel should present distinctive features in terms of:

    14) Coverage

    15) Expertise

    16) Performance

The people who work at a company should be distinctively different from competitors in terms of:

    17) Educational background (expertise)

    18) Training (internally)

From theory assessment criteria could also be derived on image differentiation (an impression of the product or the brand). Within image differentiation, images should offer a distinctive:

19) Singular and distinctive message

20) Presentation of main benefits and positioning

When choosing a set of differences to promote, one must take into account that the promoted differences are:

21) Important: the difference delivers a highly valued benefit to target buyers

22) Distinctive: competitors do not offer the difference, or the company can offer it in a more distinctive way

23) Superior: the difference is superior to other ways in which customers might obtain the same benefit

24) Communicable: the difference is communicable and visible to buyers

25) Pre-emptive: competitors cannot easily copy the difference

26) Profitable: the company can introduce the difference profitably

From theory one could derive three assessment criteria for an effective positioning. The positioning should be:

27) clear

28) distinctive

29) desirable

Benefits are positioned according to a:

30) More for more value proposition: a higher price is asked to justify a higher price, because the product includes a high level of benefits for the consumers

31) More for the same value proposition: perceived benefits of a product are asked for the same price so the company can strengthen its position relative to competitors

32) The same for less value proposition: a product of the same quality is offered at a lower price in order to strengthen its position relative to competitors.

33) Less for much less value proposition: less valued attributes that are perceived as benefits are offered and therefore lower prices are charged 34) More for less value proposition: more benefits are offered for a lower price.

3.1.4.2 Assessment criteria on customer value analysis

From theory assessment criteria could be derived on customer value analysis. In order to conduct a customer value analysis, one should establish:

    35) what attributes are valued

    36) what importance they attach to these valued attributes

    37) The performance of both the company and its competitor on these valued attributes.

3.1.4.3 Assessment criteria on integrated marketing communication

From theory, one can derive the following assessment criteria on an effective integrated marketing communication strategy. A message should be:

    38) Clear

    39) Consistent

    40) Compelling

One can also derive assessment criteria on the development on an effective integrated marketing communication strategy. An effective strategy should be:

    41) Directed to a specific target audience who make or influence the buying decision

    42) Centered within one of the phases of the buyer readiness stages

    43) Focused on what it wants to say and how it wants to say it. In formatting on must take in to account that the message must:

        a. Contain practical value

        b. Evoke interest

        c. Convey new information

        d. Reinforce the buyer's recent purchase decision

        e. Make an impact (without causing offence and irritation)

    44) Placed within personal or non-personal communication

    45) Given feedback on topics such as remembrance, the amount of times that somebody has been into contact with the message, the feelings it brought and whether or not attitude has changed.

3.2 OPINIONS AND PREFERENCES OF ENTREPRENEURS, ADMINISTRATORS AND FREELANCERS WITH REGARD TO VALUE CREATION

The following chapter provides a thorough look into empirically derived results among 68 customers of Launch Cafe. Out of these 68 respondents, 20 were entrepreneurs, 20 were administrators, 21 were freelancers and 7 respondents believed not to be part of any of the groups and are therefore not part of the research. Firstly, all closed data is discussed per theme, followed by some of the answers given to the open questions. These themes are derived from theory on value proposition and the theory on customer value analysis. The results are approached per theme, which means that firstly the opinions of Launch Cafe's superiority in providing features of different categories such as *physical*, *services*, *location*, *people* and *image* is discussed in comparison to alternative coworking spaces in Groningen. Followed by opinions of the importance of these categories when choosing a coworking space. Then, the results on positioning is discussed. Finally, an overview is given of the answers to open questions. As closed data is generated through a 5-point scale rating, the average rating of each category per theme is taken in order to analyze the data.

Superiority of Launch Cafe in providing attributes relative to competitors

To the question whether or not Launch Cafe is superior in providing attributes of a certain category relative to alternative coworking spaces with 1 being very inferior and 5 very inferior, most respondents indicated that Launch Cafe is superior (4) in providing attributes in different categories. Per customer target group, entrepreneurs indicated that Launch Cafe is most superior in providing attributes in the category of *people* (e.g. other coworkers, employees, interns) with a rating of 4,40. Administrators indicated that Launch Cafe is most superior in providing attributes in the category of *image* (e.g. reputation, appearance) with a rating of 4,00. The final group freelancers, indicated that Launch Cafe is most superior in providing attributes in the category of *image* too, with a rating of 4,24. The result on this question are visually presented in the bar graphs below:
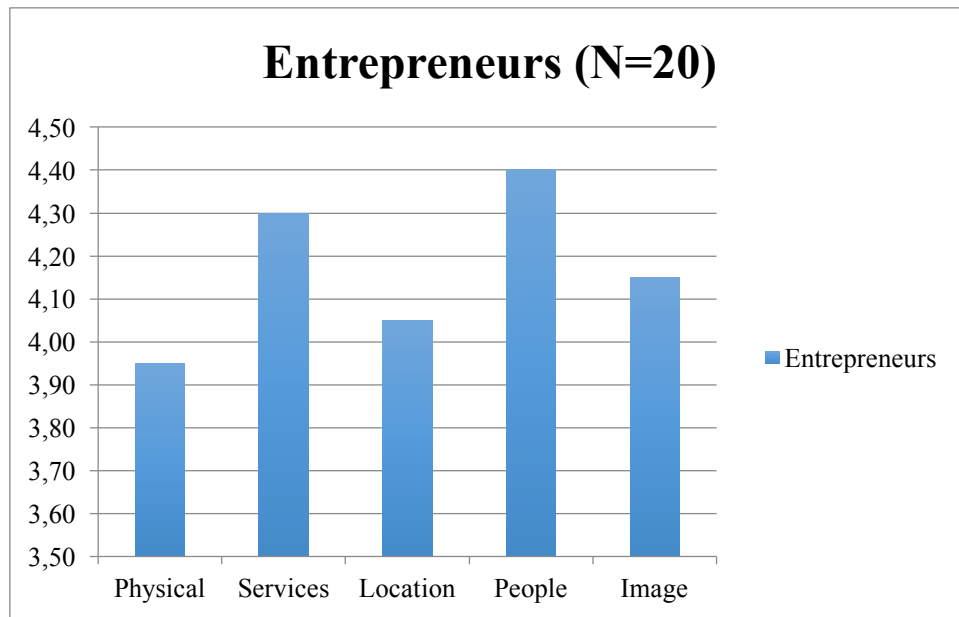
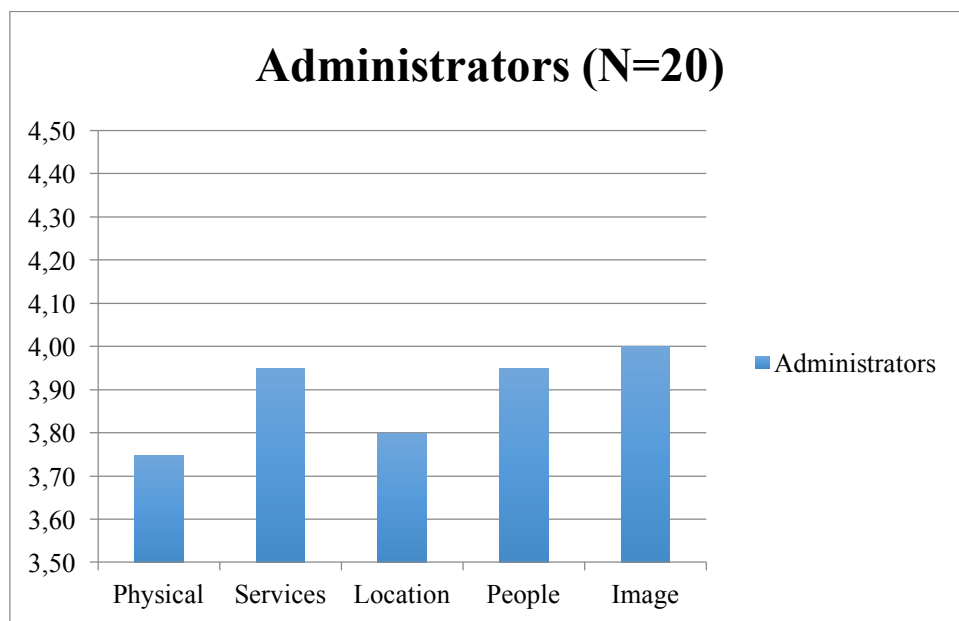Figure 7: results of entrepreneurs of the theme superiority

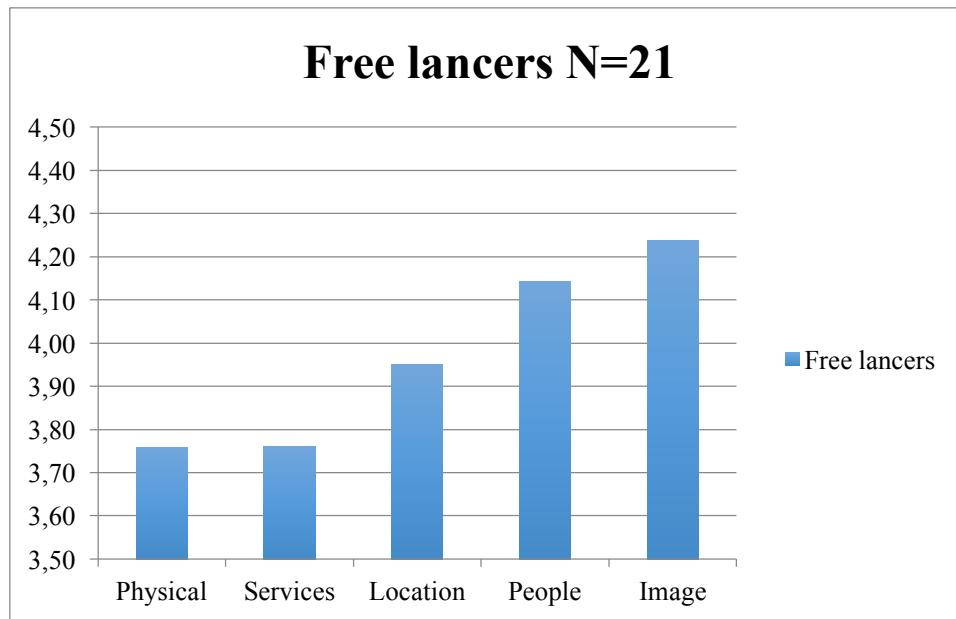Figure 8: results of administrators of the theme superiority

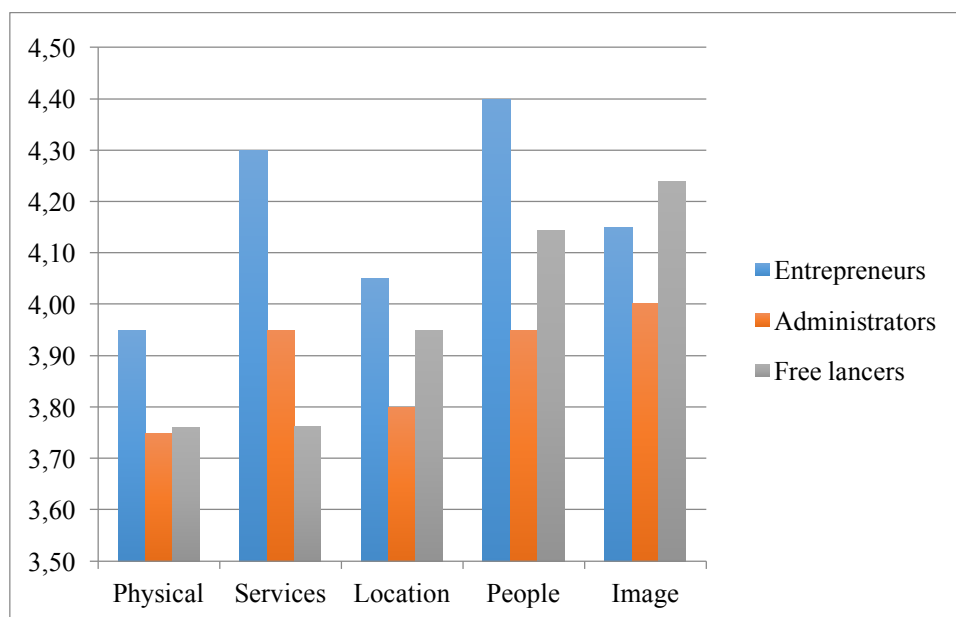Figure 9: results of freelancers of the theme superiority

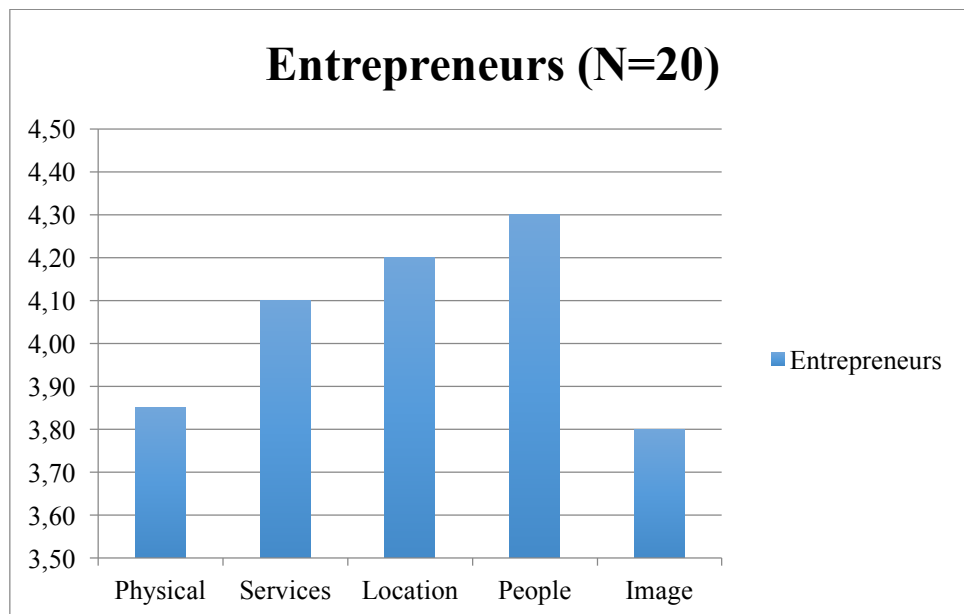Figure 10: results on superiority of all respondents

The average rating given by entrepreneurs, administrators and freelancers per category within the theme superiority is given below. The highest rating is highlighted.

	Physical	Services	Location	People	Image
Entrepreneurs	3,95	4,30	4,05	**4,40**	4,15
Administrators	3,75	3,95	3,80	3,95	**4,00**
Freelancers	3,76	3,76	3,95	4,14	**4,24**

Table 1: average rating on superiority of provided attributes per category

Importance of attributes when choosing a coworking space

Within the following theme, respondents were asked to rate what attributes they find important when choosing a coworking space on a scale from 1 tot 5, with 1 being not at all important and 5 being very important. Per customer target group, entrepreneurs indicated that they find *people* to be important to take into consideration when choosing a coworking space with an average rate of 4,30. Most administrators disagree, and indicated with an average rating of 4,20 that *services* (e.g. agreements, contracts, opening hours, customer care etc.) are important when choosing a coworking space. Similar to entrepreneurs, freelancers indicated with an average rating of 4,33 that *people* are important when choosing a coworking space. The result on this question are visually presented in the bar graphs below:

Figure 11: results of entrepreneurs on importance
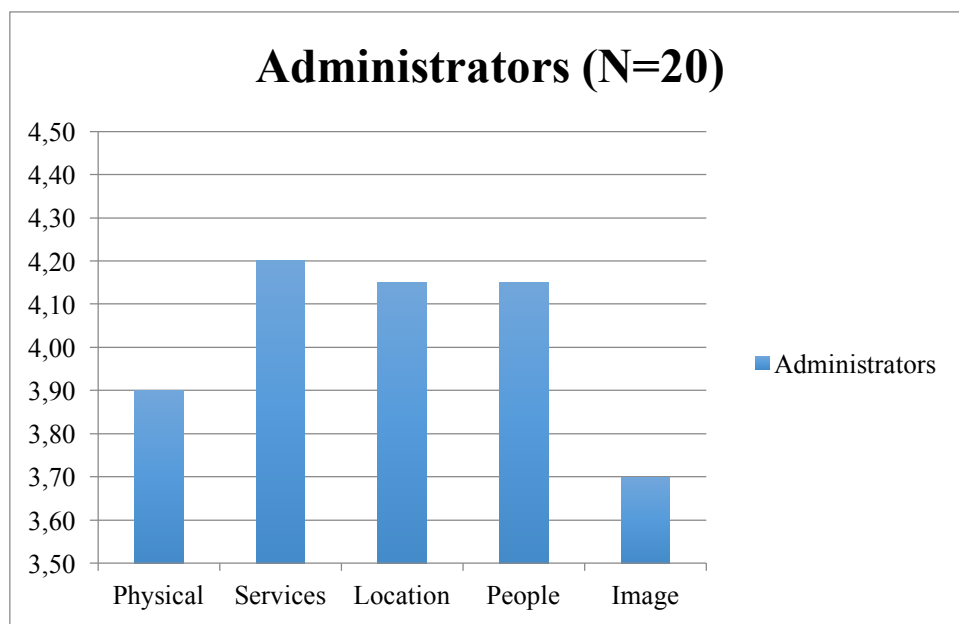
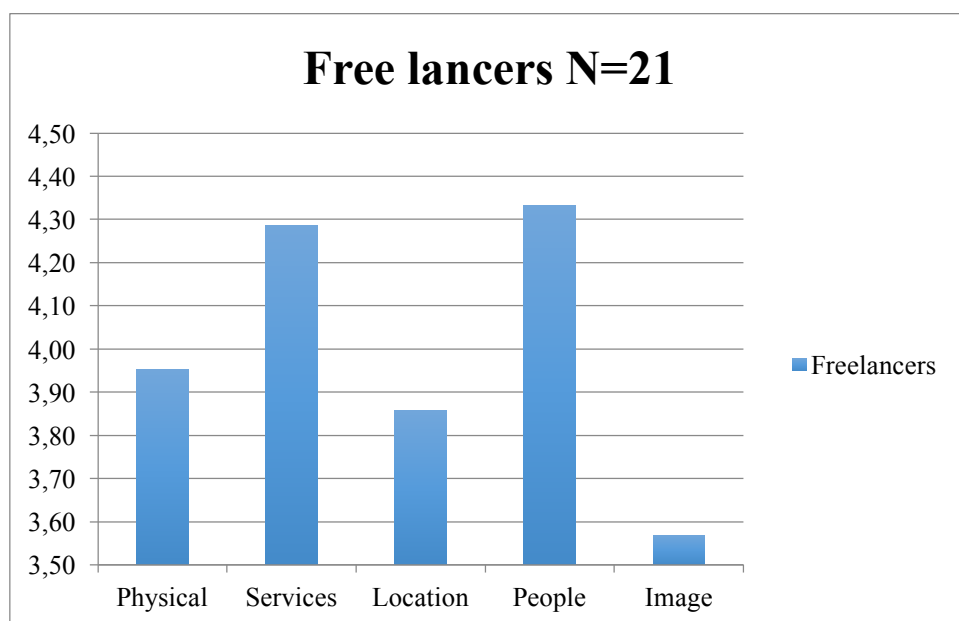Figure 12: results of administrators on importance

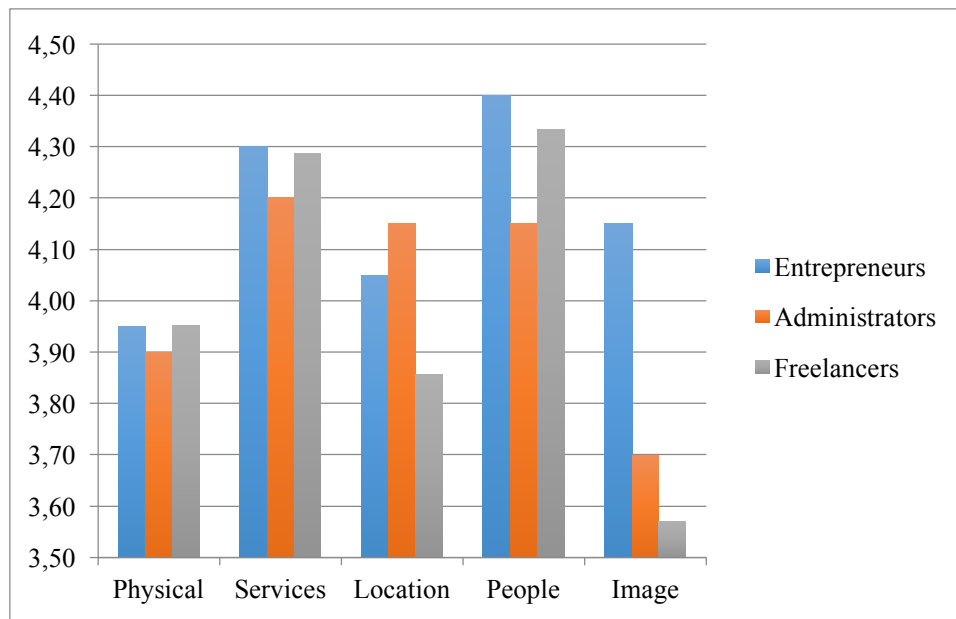Figure 13: results of freelancers on importance

Figure 14: results of all respondents on importance

The average rating given by entrepreneurs, administrators and freelancers per category within the theme importance is given below. The highest rating is highlighted.

	Physical	Services	Location	People	Image
Entrepreneurs	3,85	4,10	4,20	**4,30**	3,80
Administrators	3,90	**4,20**	4,15	4,15	3,70
Freelancers	3,95	4,29	3,86	**4,33**	3,57

Table 2: average rating on importance of provided attributes per category

Positioning: is the category promoted clearly?

To the question whether or not a category is promoted clearly with 1 being very unclear and 5 being very clear most respondents were relatively positive. Among entrepreneurs, an average rate of 4,15 is given to the category of *people*. Most freelancers are also of opinion that the category of *people* is promoted clearly with an average rating of 4,24. Most administrators however, are of opinion that both *people* and **image** (e.g. reputation, appearance) are promoted clearly. Both categories received an average rating of 3,60. The result on this question are visually presented in the bar graphs below:
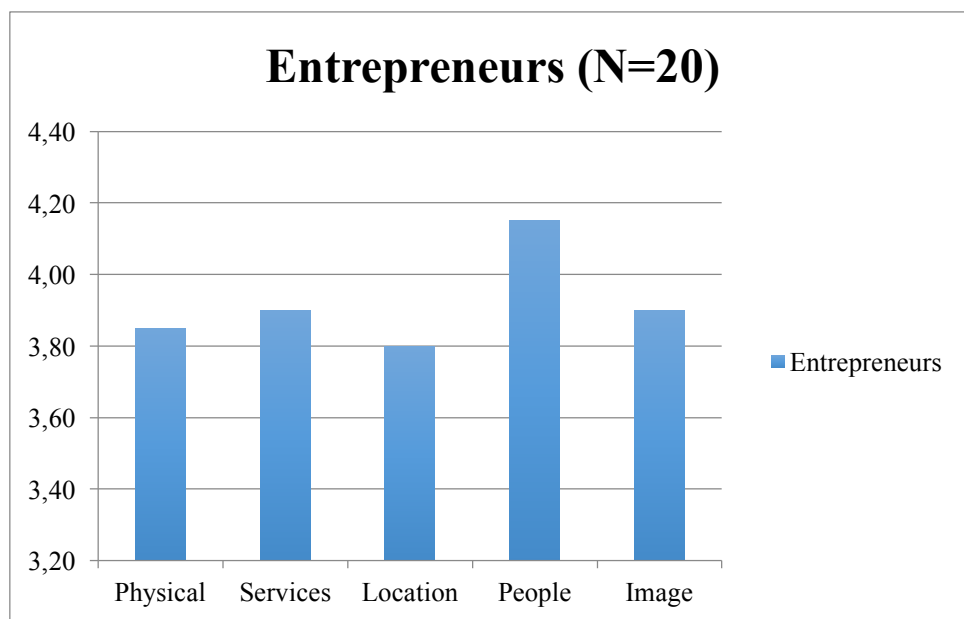
Figure 15: results of entrepreneurs on clarity of categories
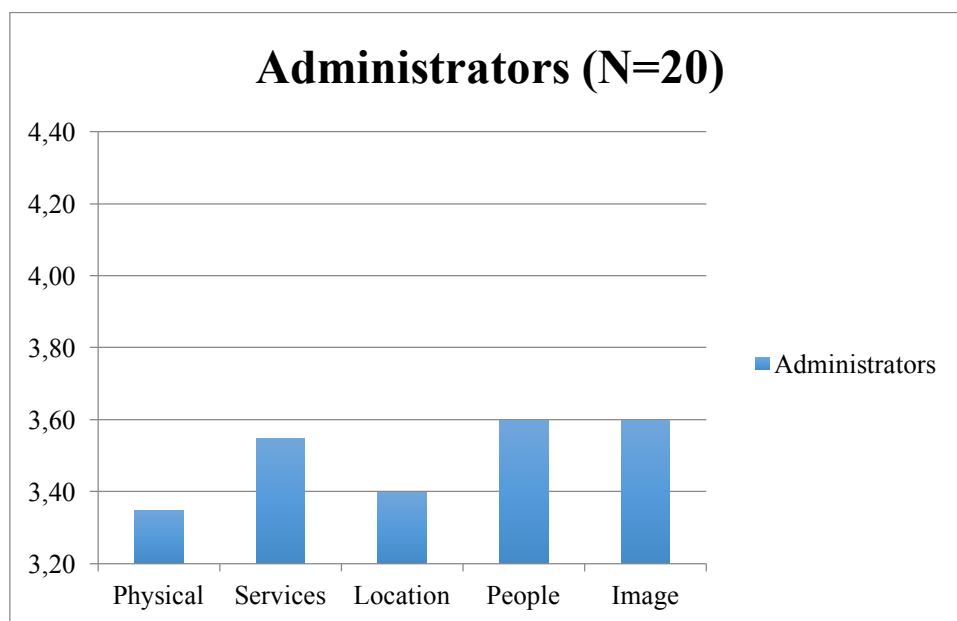

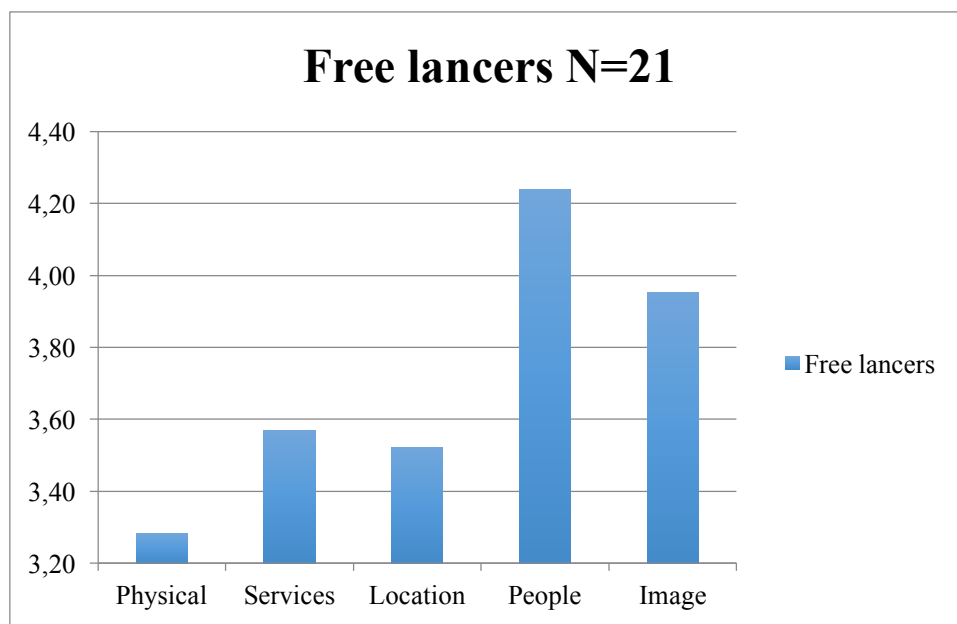Figure 16: results of administrators on clarity of categories

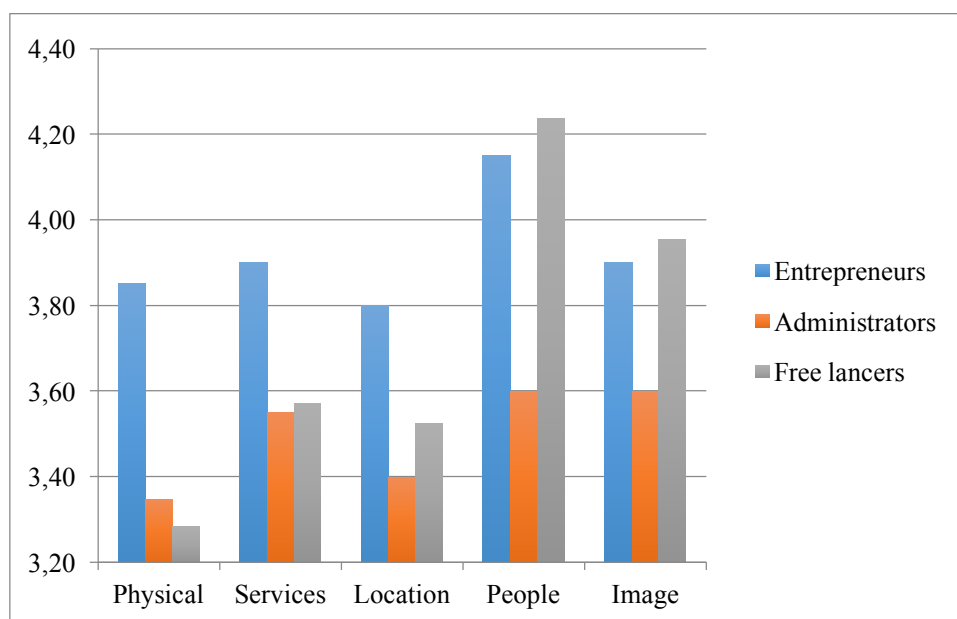Figure 17: results of freelancers on clarity of categories

Figure 18: results of all respondents on clarity

The average rating given by entrepreneurs, administrators and freelancers per category within the theme of positioning set against the criteria of clarity is given below. The highest rating is highlighted.

	Physical	Services	Location	People	Image
Entrepreneurs	3,85	3,90	3,80	**4,15**	3,90
Administrators	3,35	3,55	3,40	**3,60**	**3,60**
Freelancers	3,29	3,57	3,52	**4,24**	3,95

Table 3: average rating on positioning in terms of clarity of provided attributes per category

Positioning: is the category promoted distinctively?

To the question whether or not a category is promoted distinctively with 1 being not at all distinctive and 5 being very distinctive, most respondents have indicated that most categories are promoted in a distinctive manner (4). From all categories, most entrepreneurs have indicated that *people* is most distinctive with a rating of 4,00. Most administrators however, are of opinion that *image* is most distinctive about Launch Cafe with an average rating of 3,60. Most freelancers indicated that both *people* and *image* are equally distinctive and gave an average rating of 3,60. The result on this question are visually presented in the bar graphs below:
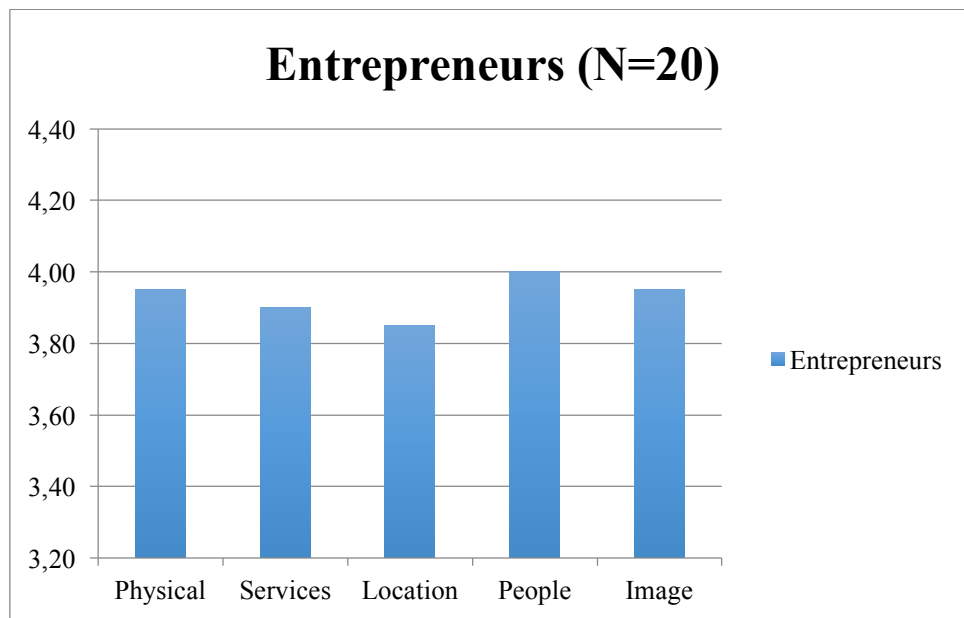

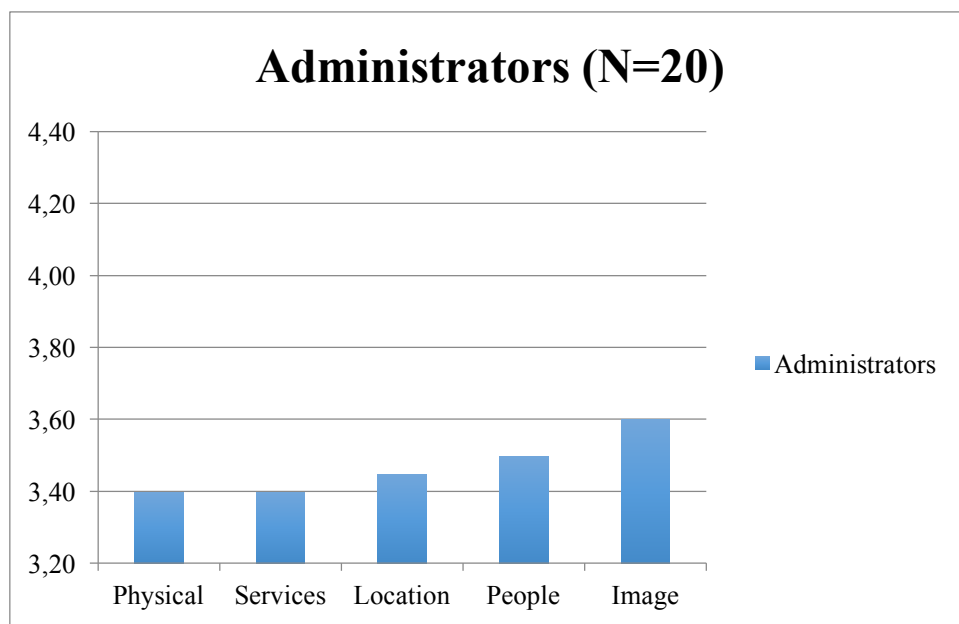Figure 19: results of entrepreneurs on distinctiveness of categories

Figure 20: results of administrators on distinctiveness of categories

Figure 21: results of freelancers on distinctiveness of categories

Figure 22: results of all respondents on distinctiveness of different categories

The average rating given by entrepreneurs, administrators and freelancers per category within the theme of positioning set against the criteria of distinctiveness is given below. The highest rating is highlighted.

	Physical	Services	Location	People	Image
Entrepreneurs	3,95	3,90	3,85	**4,00**	3,95
Administrators	3,40	3,40	3,45	3,50	**3,60**
Freelancers	3,33	3,48	3,57	**3,95**	**3,95**

Table 4: average rating on positioning in terms of distinctiveness of provided attributes per category

Positioning: is the category promoted desirably?

To the question whether or not a category is promoted desirably with 1 being very undesirable and 5 being very desirable most respondents were relatively positive. Among entrepreneurs, a majority indicated to find the category of **physical** (e.g. furniture, computers, phone room etc.), **people** and **image** to be promoted desirably with an average rating of 4,05. Most administrators indicated that categories such as people and image are promoted desirable with an average rating of 3,65. Most freelancers indicated that the category of image is promoted

desirable with an average rating of 3,86. The result on this question are visually presented in the bar graphs below:
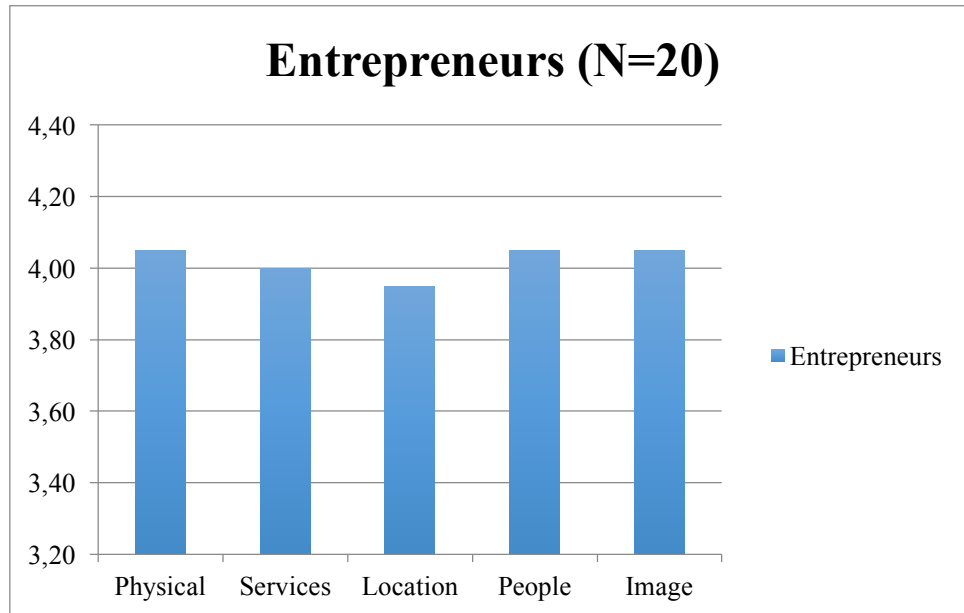
Figure 23: results of entrepreneurs on the desirability of categories

Figure 24: results of administrators on the desirability of categories
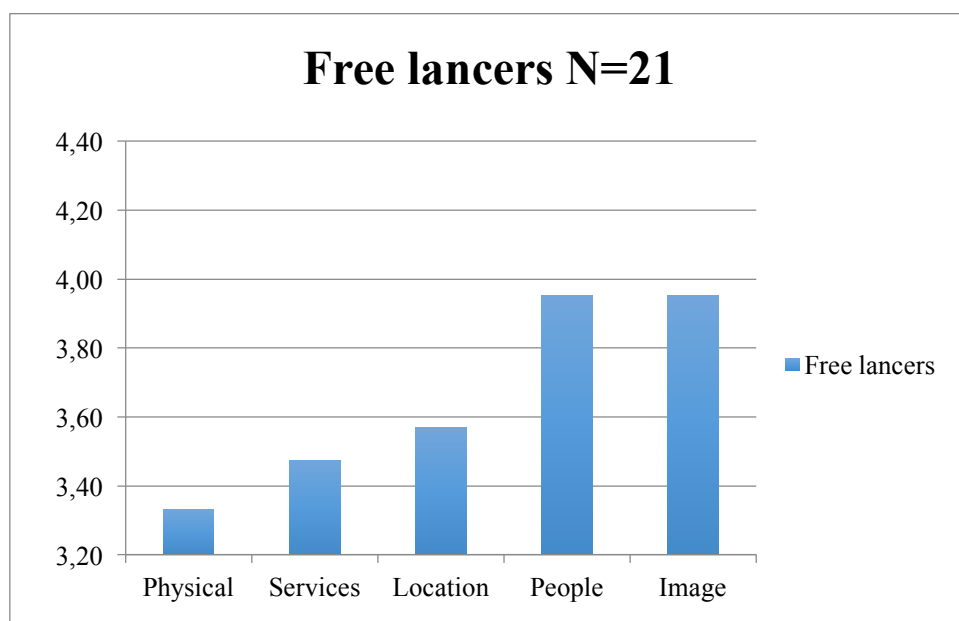
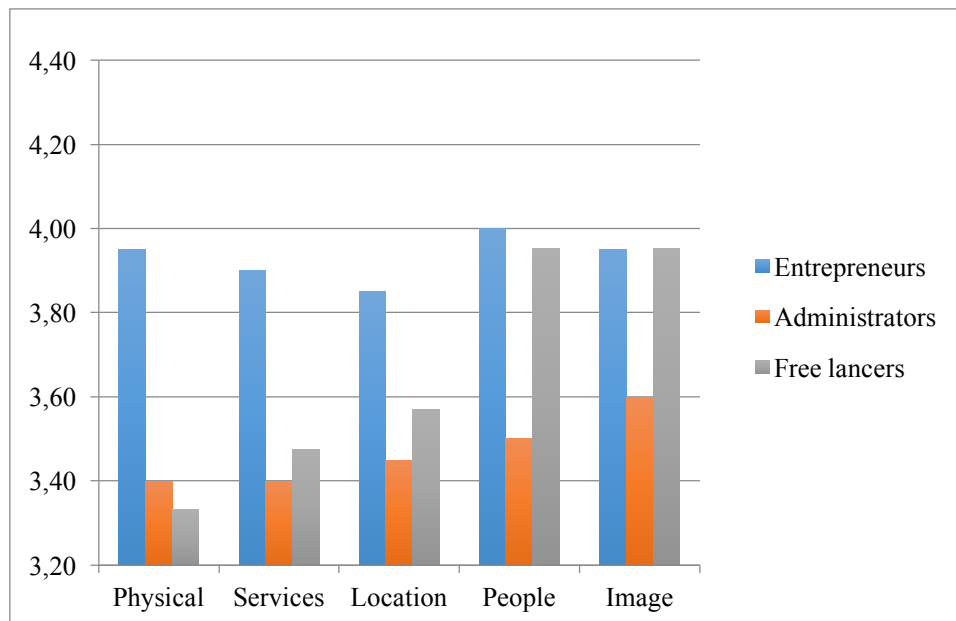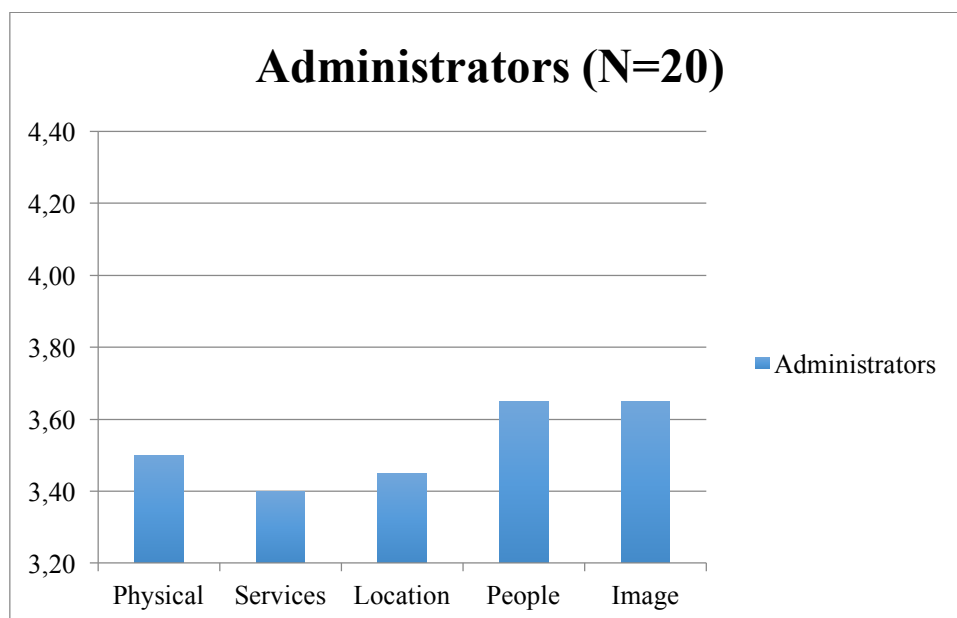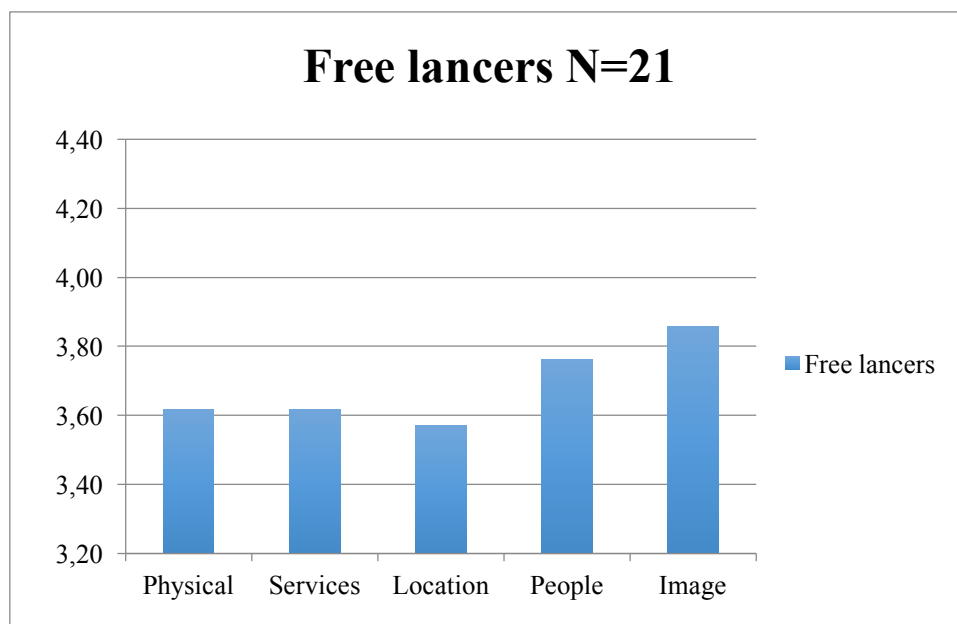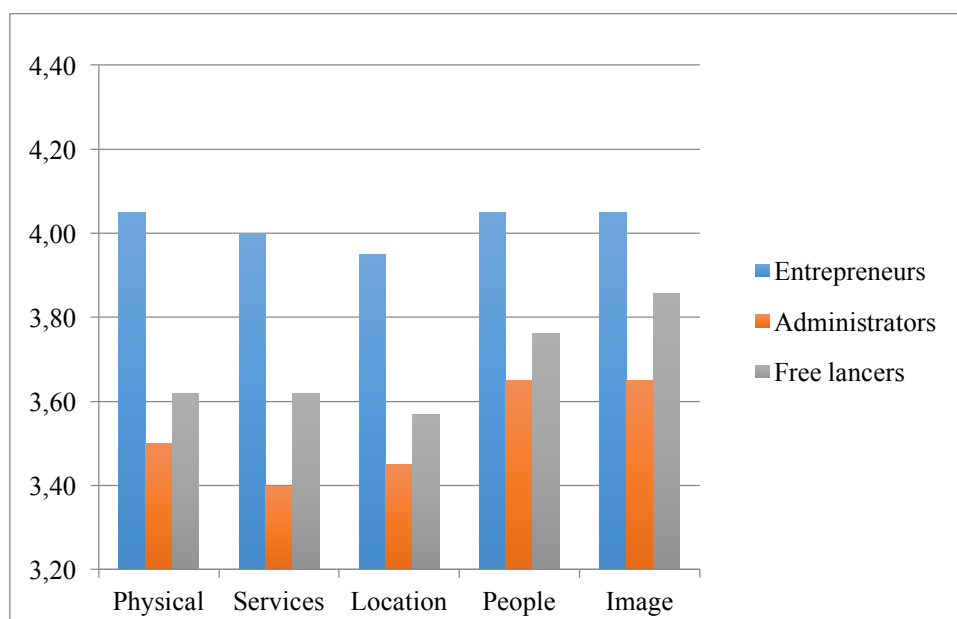Figure 25: results of freelancers on the desirability of categories

Figure 26: results of all respondents on distinctiveness of different categories

The average rating given by entrepreneurs, administrators and freelancers per category within the theme of positioning set against the criteria of desirability is given below. The highest rating is highlighted.

	Physical	Services	Location	People	Image
Entrepreneurs	**4,05**	4,00	3,95	**4,05**	**4,05**
Administrators	3,50	3,40	3,45	**3,65**	**3,65**
Freelancers	3,62	3,62	3,57	3,76	**3,86**

Table 5: average rating on positioning in terms of desirability of provided attributes per category

Value proposition of Launch Cafe

To the question what one thinks of the prices that is paid for coworking at Launch Cafe, 17 out of 21 entrepreneurs find that one has to pas *as much* at other coworking spaces. Followed by a majority of entrepreneurs that indicated that the value given to a customer is *more than* alternative coworking spaces in Groningen.

However, 10 out of 20 administrators find that one has to pay *more* at Launch Cafe than at any other coworking space. From all administrators, 12 believe the value given to them is *the same* as any other coworking space in Groningen.

Almost similar to entrepreneurs, 14 out of 21 freelancers find that one has to pay *as much* at Launch Cafe compared to other coworking spaces. Out of 21 freelancers, 19 responded that Launch Cafe offers them *more* value than any other coworking space.

Points of improvements for Launch Cafe

To the question what Launch Cafe should improve in order to increase the likelihood to be recommended 6 out of 21 entrepreneurs indicated that they would like to see a change in *services*. Some given examples are longer opening hours and thorough cleaning of the entrepreneurs and administrator areas. 7 out of 20 entrepreneurs indicated that they would like to see a change in *physical* features. Some given examples are more meeting facilities and more private phone call areas. Respondent E13 indicated Launch Cafe would benefit of an increase of activities to improve brand awareness, which is linked to the category of *image*.

4 out of 20 administrators indicated that they would give Launch Cafe a higher score if it would improve some of its *physical* features. Both A1 and A2 mention they would like to see an improvement in chairs and tables. Respondent A8 would like to see an expansion of the space. 6 out of 20 respondents indicated they would like to see Launch Cafe improve some features of its *service*. A10 mentions he would like to see that Launch Cafe actively starts attracting a diversity on professions. While A4 mentions that he would like Launch Cafe to facilitate the somewhat larger startups and small companies better.

6 out of 21 freelancers have indicated that Launch Cafe should improve its *service*. Some examples of service that were given are a better diversity of coworkers and more common quiet areas, this includes another room to make phone calls. Another service feature which should be improved according to 3 out of 21 freelancers is that Launch Cafe should change its opening hours and make it more flexible. An example is given respondent F2, who would like to see that Launch Cafe opens at 8AM. 10 out of 21 respondents would like to see an improvement in some of Launch Cafe's *physical* features. Most examples that are given are better chairs and tables as well as more rooms to make a phone call. 3 out of these 10 respondents would like to have more quiet areas and an area where one could work together in small teams. 2 out of 21 respondents also find that the *image* of Launch Cafe might be a bit old fashioned, the respondent did not give any examples.

Unique about Launch Cafe

To the question of what makes Launch Cafe unique, many answers correspond to location, service, atmosphere and network. Respondent E9 even mentions that the people (both who work for Launch Cafe and cowork at Launch Cafe) are amazing and are willing to help each other. E20 supports this statement by saying that Launch Cafe actively takes part in creating a nice environment.

The administrators appear to be divided. Some mention the professional appearance, community feeling, the atmosphere and the network. A7 supports this by stating that the self employed are more than willing to help each other. A12 mentions that a lot of attention is paid to startups and therefore Launch Cafe gets a lot of awareness. A5 supports this by stating that

there is a lot of focus on entrepreneurs. A7 also mentions that there is a lot of buzz around Launch Cafe and that is currently what makes it unique from competitors.

Freelancers mention words such as 'network', 'community' and 'atmosphere' are mentioned. Respondent F16 mentions that Launch Cafe offers one a high quality network of entrepreneurs that increase your "business smarts" because you can get a lot of free advice, help, inspiration, even customers/working partners. Respondent F11 mentions that Launch Cafe offers a real and cohesive community. Respondent F13 creates a better idea of the surroundings of this community by stating that Launch Cafe has a good location and a neat environment to work within. Respondent F18 mentions is that a customer basically buys a big social network.

Business specialty of Launch Cafe

To the question of what the business specialty is of Launch Cafe E10 describes that Launch Cafe's business specialty is to create moments of unforced networking. E11 also describes something similar and adds to this by stating that Launch Cafe therefore becomes accessible for everybody. Although the word community is only mentioned twice by respondent E19 and E15, some respondents tried to describe the environment of Launch Cafe by using words such as "social atmosphere", "nice working environment", 'ambiance' and a "lively environment".

A small amount of administrators indicated that it is to link coworkers with each other. A12 mentions that she believes other coworking spaces would merely offer a space, whereas Launch Cafe offers a space an accessible community. Moreover, an effort is made to link people to each other. 2 out of 20 administrators mention that there a lot of coworkers specialized in IT, which is not a particular business specialty of Launch Cafe. Though results show that it is considered to be involved in Launch Cafe's business.

Freelancer described Launch Cafe's business specialty as bringing together, solidifying a network and developing a community.

3.3 ANALYSIS ON VALUE CREATION OF ENTREPRENEURS, ADMINISTRATORS AND FREELANCERS

Within the theme of superiority of Launch Cafe relative to alternative coworking spaces, different opinions are given. While most entrepreneurs are of opinion that the category of *people* is what makes Launch Cafe superior in comparison to alternative coworking spaces, most administrators and freelancers think differently and indicated the category of *image*.

To the question what is most important, both entrepreneurs and freelancers indicated *people*, while administrators indicated *services*.

When it comes to the different assessment criteria on positioning set against the five categories, most entrepreneurs are of opinion that the category of *people* is promoted clear, distinctive and desirable. While it seems that administrators share this opinion, numbers show that the category of *image* might be promoted better in terms of distinctiveness. Other numbers show that freelancers are of opinion that Launch Cafe's *image* is promoted in a more desirable manner. However, in terms of clarity and distinctiveness, freelancers gave a high average rating to the category of *people*.

In terms of value proposition, both entrepreneurs and freelancers are of the opinion that coworking at Launch Cafe is as costly as alternative coworking spaces, while Launch Cafe offers more value to them. However, most administrators think differently. They are of the opinion that one might even pay more, while the value that is offered is the same as other coworking spaces.

In general, most respondents find Launch Cafe to be unique in community (feeling), network and atmosphere. Some also indicated to find the location and the service to be unique.

Respondents were not able to put in one word what Launch Cafe's business specialty is. Most respondents seem to agree that Launch Cafe is able to bring a diversity of coworkers together, create moments of unforced networking, develop a community and solidify a network, while keeping it accessible for everybody.

An overview of customer profiles is given in figure 27.

	The entrepreneur	*The administrator*	*The freelancer*
Finds Launch Cafe superior in…	All five categories, people scored best	In all five categories, image scored best	In all five categories, Launch Cafe's image scores best
Finds important…	All five categories are important, with people being slightly more important	The service at coworking spaces	The people are most important when choosing a coworking space
Needs to see improved…	Physical features, service and image. Examples that were mentioned are more meeting facilities, more private phone call areas, flexible opening hours, better cleaning and an increase of activities that promote brand awareness	Physical features such as better chairs and tables and services such as better facilitation of the somewhat larger startups and smaller companies	Physical, service and image. Examples that are given are better chairs and tables, a private phone call booth, more diversity of people and a slight less old fashioned look
Finds the following category to be promoted best in all assessment criteria…	People	Image	People (clear and distinct) and image (desirable)
Finds that the price a customer has to pay…	Is as much as alternative coworking spaces, while delivering more value	Is more than other coworking spaces, but that the value offered is the same	As much as other coworking spaces, while providing more value
Finds Launch Cafe's unique in	Location, service, people, network and the atmosphere	Professional appearance, community feeling, atmosphere and network	Launch Cafe's, network, community and atmosphere
Finds Launch Cafe's business specialty to be	To create moments of unforced networking	To link coworkers and therefore making the community accessible	Bringing together, solidifying a network and developing a community.

Figure 27: overview of customer profiles

4. DISCUSSION

The number of times respondents indicated to not have any knowledge of other competitors that could be doing well as a coworking space was relatively low. Also, none of the respondents mentioned any of the competitors that are discussed in the external analysis (appendix p. 92-100). There are two things that become apparent within this matter. Firstly, there is less knowledge about alternative coworking spaces than expected among the respondents, which is the reason why they were unable to indicate whether or not another coworking space is better. Secondly, respondents might not even consider the coworking spaces they know to be similar to Launch Cafe. Therefore, the question: 'if Launch Cafe wouldn't be number 1, what company is?' seems misplaced, as there is no coworking space similar to Launch Cafe according to respondents. This means that Launch Cafe might even be more than a coworking space, which means that another definition of coworking space must be brought forward or other companies have misused the word coworking space. Most importantly, one might question whether or not respondents were able to make comparisons at all. Hence, external validity is doubtful as the questions might have not measured, what they were supposed to measure (Reliability and validity, n.d.). Another point of discussion are the definitions given in the survey. As these were not empirically derived, respondents might have indicated to be part of a customer group, while in fact this was not the case. As this effects the reliability of the research, a similar survey, that is distributed in a different environment among other respondents, might result in different findings (Reliability and validity, n.d.). Also, the theory on differentiation explains several assessment criteria, that can be used to differentiate an offer. Current research only makes use of superiority and importance to differentiate Launch Cafe's market offer, which means that internal validity is doubtful, as the question might not fully measured what it was supposed to measure (Reliability and validity, n.d.). And finally, some respondents indicated to be neutral, which means that the actual number of people that does have material to compare becomes lower, which means that one might not be able to generalize findings over the target population. Therefore, external validity is also doubtful (Reliability and validity, n.d.).

5. CONCLUSION

The aim of current diagnostic research was to learn more about the background of the problem of Launch Cafe, that was established as losing customers to alternative coworking spaces. In order to gain more knowledge of the background of the problem, theory on value proposition, customer value analysis and integrated marketing communication were used. The decision of using these theories, was to be able to differentiate Launch Cafe's market offer relative to competing offers with the aim of enhancing customer value as well as to give Launch Cafe recommendations on the position of its brand in the mind of their customers. Consequently, a survey was conducted among 68 research units, which that consisted of different customer target groups of Launch Cafe, that were established as entrepreneurs (20), administrators (20), freelancers (21). Some respondents were not able to identify themselves to any of the definitions and therefore chose "other" (7). The data of this group is not used for current research.

From the data that is gathered from the survey it can be concluded that several interesting matters give more insights into the background of the client's problem. *(1)* First of all, there is a major difference to be found in what the customer target groups experience to be Launch Cafe's value proposition. A majority of entrepreneurs and freelancers is of opinion that one pays as much at Launch Cafe than any other coworking space, while being offered the same value. However, a majority of administrators believes that one pays even more at Launch Cafe in comparison to alternative coworking spaces, while being offered the same value. Whereas the value proposition indicated by entrepreneurs and freelancers corresponds with the value proposition more for the same, the value proposition indicated by administrators does not seem to fit any of the descriptions of Kotler. It can be said that it is a weaker value proposition of which one might question, why administrators would remain a customer of Launch Cafe. This is what brings one to the second point. *(2)* When comparing what category respondents find important, both entrepreneurs and freelancers indicated people, while administrators mention the category of service. This finding might be the reason why many administrators did not leave already. However, more research has to be done on this matter to be sure. *(3)* Furthermore, it became apparent that the category of people is both superior and important to a majority of entrepreneurs, which means that, in terms of differentiating its market offer, Launch Cafe currently delivers superior customer value to entrepreneurs and

therefore it gained competitive advantage. *(4)* And finally, when looking at the promotion of attributes within the category of people, most respondents indicated the attributes are promoted clear, distinctive and desirable, which indicates a better understanding of Launch Cafe's position in the mind of the customer. The answers to the open questions, support in understanding this data. When one looks at the answers given on the question of what makes Launch Cafe unique, most respondents agree with each other that both employees and coworkers create a nice working environment, which is both productive and fun. Some entrepreneurs indicated that the employees of Launch Cafe create moments of unforced networking, while linking coworkers with each other in order to keep the community accessible for everybody. Another description of what makes Launch Cafe unique is bringing together, solidifying a network and developing a community. Some freelancers indicated that Launch Cafe offers a high quality network of entrepreneurs that increase one's business smarts, because coworkers can get a lot of free advice, help, inspiration and even customers or working partners. Another freelance confirmed this by stating that one buys itself a network. All in all, Launch Cafe has already gained superior value among most entrepreneurs and freelancers through differentiation. It could be enhanced by solely focusing on the category of people as a coworking space, when differentiating itself from competitors. Also, Launch Cafe's brand is currently positioned in the mind of the customer as an accessible, productive and fun community with a high quality network that can be used for personal gain in the form of advice, help, inspiration, customers or working partners. In order to create a positioning statement for Launch Cafe, the assessment criteria on integrated marketing communication have to be taken into account. As mentioned, Launch Cafe's message design is focused on motivating purchase through emotional appeals, trying to evoke a sense of happiness, pride or joy. Also, in terms of message structure, important, one-sided arguments are most often used. Based on the theoretical and empirical findings, the following positioning statement of Launch Cafe can be derived:

'For entrepreneurs, administrators and freelancers who enjoy a productive yet fun working environment, Launch Cafe is a coworking space that offers and accessible, productive and fun community with a high quality network that can be used for personal gain in the form of advice, help, inspiration, customers or working partners'

Based on these findings, it is recommended to reposition Launch Cafe's brand and align its communication strategy accordingly.

6. RECOMMENDATIONS

First of all, it is recommended that more research should be done in the opinions and preferences of administrators, as their opinion on Launch Cafe's value proposition deviated most. Research clearly pinpointed a cause for the client's problem and therefore future research might give insights into possible solutions. Furthermore, it is recommended that the benefits of coworking at Launch Cafe are positioned according to a 'more for the same' value proposition in which Launch Cafe's community and network become central. However, this might result in customers, of which specifically administrators, who cannot identify themselves with this proposition. On the other hand, establishing another value proposition or maintaining it's current value proposition, might result in exclusion of both entrepreneurs and freelancers. And finally, it is recommended that Launch Cafe repositions its place in the mind of the customer and changes its online and offline communication tools, as well messages it conveys accordingly.

7. ADVICE

Advice report on how Launch Cafe can establish, maintain, align and reinforce its brand.

After a thorough analysis of the research results as well an establishment of recommendations based on these results, a set of communication interventions in the form of a brief analysis report can be established, which contribute to Launch Cafe's current internal and external communication strategy. The set of communication interventions are based on theoretical and empirical findings of current research as well as preliminary research, observations and insights from other relevant communication theories. Moreover, a critical stance is taken upon each point of advice, which means that these points are assessed on unexpected and potential barriers.

1. Establish the value proposition of Launch Cafe internally

From research we can learn that Launch Cafe's offered attributes are perceived of more value by a majority of entrepreneurs and freelancers than any other offer of alternative coworking spaces in Groningen. Additionally, these customers perceive that one has to pay as much at Launch Cafe than at alternative coworking spaces.

This is why it is advised to establish a "more for the same" value proposition among the employees of Launch Cafe by drafting a small report on what attributes are exactly perceived as benefits by the different customer target groups of Launch Cafe and how this translates itself to a "more for the same" value proposition. It is strongly advised advised to look into the findings of current research report as it gives much insights into what is considered to be valuable among customers. The reason why this needs to be established is to ensure that future communication towards customers aligns with this proposition. It can also be used to attack competitors who use a "more for more" value proposition and to strengthen its position relative to competitors so that Launch Cafe will not lose more of its current customers. Most importantly, it is believed that this will attract even more entrepreneurs and freelancers and therefore a future in which generating turnover is complicated, becomes less likely.

To conclude, information for this small report can be retrieved from current research and has the foundation as one can see in figure 26. It is advised that the community manager will add information to the report from its own findings. On top of this, it is advised that the community manager will act as a gatekeeper of the policy around maintaining the value proposition.

If the community manager will not be able to act as a gatekeeper of the policy, it is still advised that the interns of Launch Cafe (Launch Lab) are informed about the matter, as they are in much contact with (new) customers.

	The entrepreneur	*The administrator*	*The freelancer*
Finds important…	People	Service	People
Needs to see improved…	Physical features, service and image. Examples that were mentioned are more meeting facilities, more private phone call areas, flexible opening hours, better cleaning and an increase of activities that promote brand awareness	Physical features such as better chairs and tables and services such as better facilitation of the somewhat larger startups and smaller companies	Physical, service and image. Examples that are given are better chairs and tables, a private phone call booth, more diversity of people and a slight less old fashioned look
Finds that the price a customer has to pay…	Is as much as alternative coworking spaces, while delivering more value	Is more than other coworking spaces, but that the value offered is the same	As much as other coworking spaces, while providing more value

Figure 28: Foundation of report on the value proposition of Launch Cafe

2. Test the value proposition

While the community manager acts as a gatekeeper of the policy around the value proposition of Launch Cafe, one must also test the accuracy of the report after a period of time. Therefore, it is advised that Launch Lab, which exists out of 2-3 interns of Launch Cafe, conduct a small interview among customers of Launch Cafe to indicate whether or not the perception on attributes that offer benefits to customers has remained the same. While it is not expected that the perception on Launch Cafe's value proposition is easily changed, it is advised that a small

interview is conducted after each 6 months. The reason for choosing this time frame is for the interns of Launch Lab to finalize their term with an updated report and an advice to the community manager. There are a few steps that can be followed by the employees of Launch Cafe to test what customers perceive to be benefits of coworking at Launch Cafe, compared to alternative coworking spaces in Groningen:

1. Revision of previous analysis on value proposition
2. Creating interview questions (figure 28)
3. Extracting empirical data from customers through small interviews
4. Brief analysis on findings
5. Conclusion and presentation of the advice

It must be noted that the outcome delivers one more information than merely a value proposition. The information given by customer target groups, allows Launch Cafe to gain more insights into the brand reputation of the company. Brand reputation could be defined as 'encompassing the evaluations of all stakeholders, to maintain a representative evaluation of brand performance' (de Chernatony & Harris, 2001). The concept of brand reputation will also be of great importance with the following advisory measure and therefore the theory behind this concept will be explained more elaborate within step 3.

3. Internal branding

Within step 1 and 2, advice is given on how Launch Cafe could reexamine the opinions on the position of Launch Cafe in the mind of their customer target groups as a (long term) follow up on the research findings. Within step 3, advice is given on how Launch Cafe could reexamine the opinions on brand management among the employees of Launch Cafe. While it became clear from the research findings that Launch Cafe has gained superior value within the category of people through differentiation and therefore the attributes offered within this category are valuable for a majority among the customer target groups of Launch Cafe, we are one building block away of being certain this could be what encompasses the brand of Launch Cafe. What it is and what is could be according to employees.

If one would call step 1 and 2 external brand management, in which one would reexamine the updated results of opinions on Launch Cafe position as a brand, the following steps could be

called internal brand management in which employees of Launch Cafe reexamine how the company can act in accordance with it's brand identity. While step 1 – 3 mutually reinforce each other, these steps can be conducted separately over a longer period of time. However, it is advised to conduct all three steps, in order to gain a holistic understanding of Launch Cafe's brand and to minimize any kind of incongruency that might exists between the brand identity as derived among employees and the brand reputation as derived from the customer. Minimizing incongruences will result in a stronger brand (De Chernatony and Harris, 2001).

In order to provide Launch Cafe advice on how to establish their brand identity one must first have a brief understanding of the theory on brand management. De Chernatony and Harris (2001) explain that 'brand management is the process of narrowing the gap between the brand identity and reputation' (p. 442). Also know as the 'identity-reputation gap model of brand management' (p. 442). According to De Chernatony and Harris (2001) a brand identity consists out of six components which are: brand vision, culture, positioning, personality, relationships and presentation.

(1) Within the brand vision, employees must be able to reason why Launch Cafe exists. In other words, what are the core purposes of Launch Cafe? On top of this, employees must be able to describe the values of Launch Cafe as a brand. *(2)* Then the organization's culture must be reviewed. Within this step, employees must be able to pinpoint the grounds of their behavior at Launch Cafe, which means that employees must establish their own values and assumptions. The reason for conducting this step, is to analyze any incongruences between brand values and the behavior of employees. *(3)* The following step establishes for who Launch Cafe exactly is and what it exactly offers. *(4)* Then the emotional characteristics of Launch Cafe as a brand must be established, which can be called the personality of Launch Cafe. When in doubt, these can be retrieved from the brand's values. Also, it is recommended to think of a user when establishing a personality for the brand, so personality traits are found easier. On top of that, the brand's position should be a useful tool too. *(5)* Within the step of relationships, the manager must be assured that its employees are able to translate the brand values to relationships they might have with different stakeholders. *(6)* The final step is to identify the design of a message and where these messages need to be conveyed, so that 'people respond more favorably' (442). This can only happen when 'brands and companies they perceive as being consistent with their self-concepts' (p. 442).

The final step is very much linked to the theory of integrated marketing communication of Kotler and will therefore be discussed more elaborate within step 4 *Translation to online communication tools*. All in all, when perceptions are coherent, the gap does not exist or is very minimal.

The manner in which the chapter is build up is purposefully done as it is expected that Launch Cafe can benefit most from establishing internal perceptions on branding in the format of a workshop. The workshop should be held amongst the manager, concierges and interns of Launch Cafe (Launch Lab) as they are in most contact with the customers of Launch Cafe. Because the composition of interns changes every six months, it is advised that a workshop on internal branding is done at the beginning of their term. Because interns are of much value to Launch Cafe, they can also be seen as a danger to Launch Cafe's brand and specifically in how they might not understand the composition of Launch Cafe's brand identity on such short notice. As the interns do many projects for Launch Cafe they need to be aware of how the brand should be translated in their own behavior with customers, as well as the translation to the online and offline communication tools they produce.

4. Translation to online communication tools

From the research findings, it became clear that Launch Cafe has already gained a competitive advantage by offering customers attributes from the category of people that are considered to be superior and important relative to other coworking spaces. As this category also scores well when it is set against the assessment criteria of positioning, it can be concluded that Launch Cafe's brand should be positioned on the people who work and cowork at Launch Cafe. It must be noted that step 1 up until step 3 do not necessarily have to be conducted when translating Launch Cafe's brand into a positioning statement nor message design, however, these steps do give one a better understanding of how to gain more knowledge on Launch Cafe as a brand and how to maintain a brand through brand management. The following step is solely based on the research findings.

Based on closed as well as open data generation the following positioning statement is created:

'For entrepreneurs, administrators and freelancers who enjoy a productive yet fun working environment, Launch Cafe is a coworking space that offers and accessible, productive and fun community with a high quality network that can be used for personal gain in the form of advice, help, inspiration, customers or working partners'

It is advised that Launch Cafe aligns this positioning statement within all messages that are conveyed to its customers. When doing so, the assessment criteria of Kotler on integrated marketing communication should be taken into account. Therefore, all messages must be *clear*, *consistent* and *compelling* (Kotler, 2008, p. 697). One of the channels, which Launch Cafe utilizes to promote its attributes is its website:

Image 1: Homepage of Launch Cafe (Home, n.d.)

Currently, Launch Cafe positions its brand as 'Dedicated desks, hot-desks and drop in desks. That is Launch Cafe' (Home, n.d.). While this is a rather physical approach of presenting the brand, it also says 'Entrepreneurship in the city center of Groningen' (Home, n.d.), which puts even more emphasis on the physical and location features of Launch Cafe. Therefore, it is advised that Launch Cafe the brand is repositioned on the website as well so that Launch Cafe's community and network become central. Some suggestions are:

"Accessible, productive and fun community. Join the network."

"More than coworking. Join the community, expand your network and gain business smarts."

"An accessible, lively community and a high quality network."

It must be noted that these are merely suggestions and based on the value proposition of "more for the same" in which the attributes of the category of people are central.

Kotler (2008) explains that an effective integrated marketing communication strategy should also adhere to other criteria. *(1)* First of all, it must be directed towards a specific target audience who make, or at least influence, the buying decision. *(2)* Furthermore, when creating a communication objective, the message should fall into one of the phases of the buyer readiness stages, which means that the message must either make the target audience aware of Launch Cafe, give the target audience valuable insights about Launch Cafe, evoke a likeable feeling towards Launch Cafe, evoke a preference towards Launch cafe, convict the buyer into believing that one cannot get anything better than Launch Cafe or lead buyers to the point where they close an agreement at Launch Cafe. *(3)* The third step involves designing the message. In a conversation with the founder of Launch Cafe, it was established that Launch Cafe's tone of message content is often emotional, the format is informal and immediate, one-sided benefits are found at the beginning of a message (K. Atema, personal communication, March 4 2016). Furthermore, communication mostly happens in a personal context *(4)*, so that feedback can be collected immediately *(5)*.

While not all of these assessment criteria are addressed within the suggested statements for Launch Cafe's. Other measures are advised to be taken when rebranding the website.

One of these measures is that it is advised to integrate a slide show of three images on the homepage of Launch Cafe, which is to be found below the vertical bar with categories. The imagery presented in the slide show correspond to the different customer target groups of Launch Cafe: entrepreneurs, administrators and freelancers. Each image within the slide show should contain a call-to-action button, which means that one is offered the possibility to request more information on another page after seeing the image and reading the short description. In order to address the first criteria of Kotler (2008), which is that a message should be directed towards a specific audience, is by putting "More about entrepreneurs at Launch Cafe" or "More about administrators at Launch Cafe" or "More about the freelancers at Launch Cafe" on the buttons. Moreover, the goal of this slides show is to create more

awareness and to inform potential customers about current customers of Launch Cafe. These final two goals correspond with the first two stages of the buyer readiness phase (p. 701).

An example of how such a new website could look like is given in image 2-4.

Image 2: Example of homepage (entrepreneurs)

Image 3: Example of homepage 2: administrators

Image 4: example of homepage (freelancers)

Another measure is to integrate video testimonials on the page that one sees after having clicked on the call-to-action button. Depending on the type of customer a visitor has clicked on, he or she will be forwarded to a page with a description of the type of customers, the service that is offered by Launch Cafe and some examples of companies. On top of this a short clip is started in which a type of customer explains why coworking at Launch Cafe is valuable to him or her. When current customers explain what is valuable for them when coworking at Launch Cafe, the brand identity of Launch Cafe will resonate and leave an impact on the person who watches the video. If this is a potential customer, he or she might be able to identify him or herself with the statements that are made by the interviewee. As research indicated that both entrepreneurs and freelancers attach more value to offered attributes, while paying a similar price, similar customers are more likely to identify themselves with the statements. When one connects this to superiority and importance they attach to the attributes that are offered by Launch Cafe within the category of people, it can be stated that a potential customer, who is either an entrepreneur or freelancer will most likely be convicted or ready for purchase. An example of a page in which a visitor can watch a video testimonial is given below:
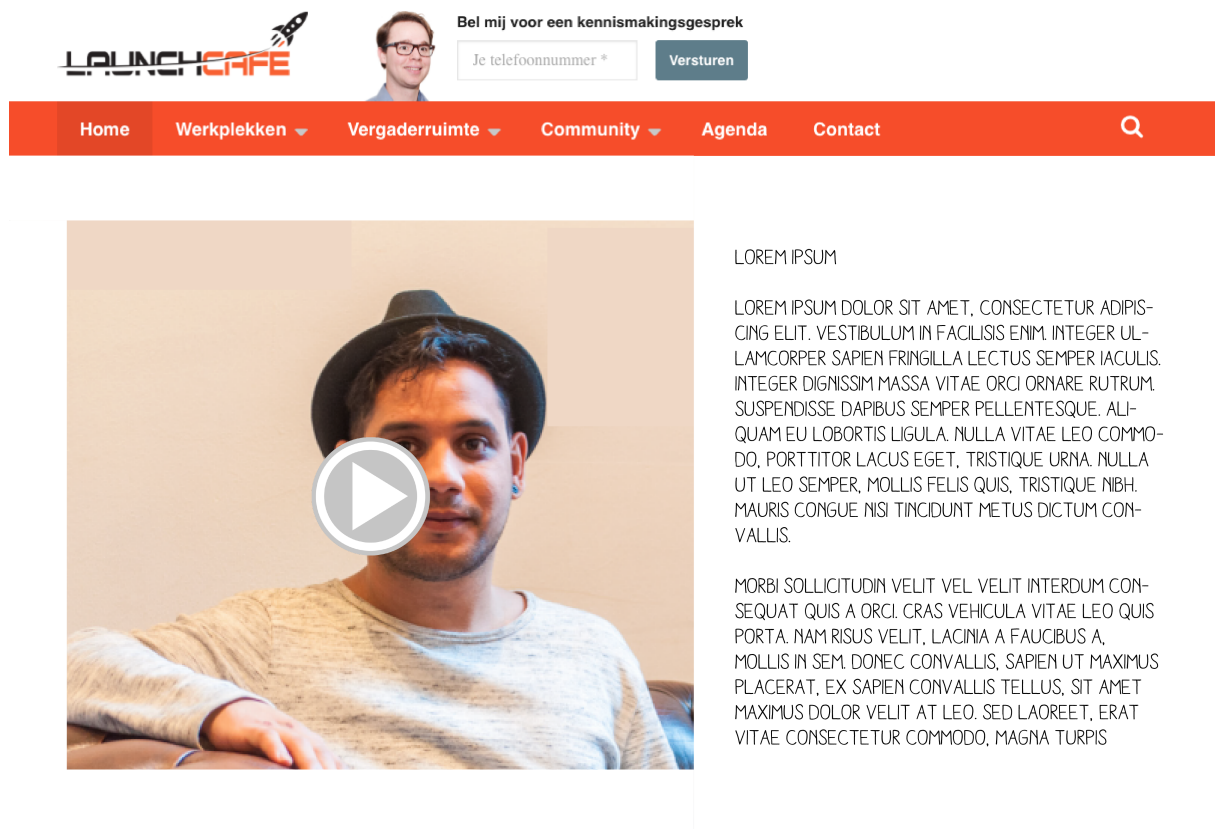
Image 5: Video testimonial

As these changes to the website might turn out to be costly for Launch Cafe, it is then advised to solely focus on offline material. However, if Launch Cafe takes on an employee with experience within this field, it might become cheaper. Therefore, it is advised to take on an intern with experience on website building/managing.

There might be a chance that the website already brought a visitor into the phase of purchase while he or she not even visited launch Cafe yet, this means that there is no need for heavy sales talks at Launch Cafe anymore, which means that employees can focus on other tasks.

5. Translation to offline communication tools

The previous step elaborately explained how Launch Cafe's brand can be translated into online communication tools. However, as these might turn out to be very costly for Launch Cafe, it is advised to take offline communication tools into consideration. Some of the tools that Launch Cafe used in the past were flyers and business cards. When potential customers are in doubt, these material are presented to them. However, the latest produced flyer by Launch Cafe does not emphasize the aspect of Launch Cafe's community and network

sufficiently, but puts emphasis on Launch Cafe being the best coworking space in Groningen. An example of a new flyer is presented in image 6:

Image 6: old flyer (left) and new flyer (right)

The same style is used for both flyers. The reason for doing so is because it is up to Launch Cafe to change the style if it doesn't fit the brand identity anymore. In image 6 on the left, one can see the old flyer. The text presented on the folder corresponds to the categories as defined by Kotler: meeting nice people (people), high speed wifi (physical), hot coffee (physical) and meet ups and events (service). It must be noted that Launch Cafe's does not convey one clear brand message, moreover it is positioned as "the best coworking space in Groningen", which falls either under the category of physical, or service. Since this is already unclear, it can be said that the old flyer is not clear, consistent nor compelling. While the new flyer is merely a suggestion, it is an example of what it could be, when more emphasis is put on the people who work and cowork at Launch Cafe. Moreover, key concepts such as "community", "network" and "And you. Join today" indicate the accessibility to environment.

6. Spread awareness about the brand

While the previous steps are focused on how the brand can be established, maintained and aligned both internally and externally at Launch Cafe, this step discusses how Launch Cafe could spread awareness about its brand. It is advised to spread brand awareness to reinforce a rebranded Launch Cafe. This step also aligns with Kotler's theory, who states that messages should be clear, consistent and compelling (2008, p. 697). When employees reached the same understanding about Launch Cafe as a brand, the company must stay one step ahead and convey the right messages on their online and offline channels to prevent surprises of new customers. Some of the online channels that are advised to use are Facebook and Twitter. The offline channels that are advised to use are flyers and business cards. It is advised to make use of the flyer as suggested in step 5, as this flyer most aligns with the research findings on the position of Launch Cafe in the minds of the customer.

This step can only be undertaken when there is a clear understanding of Launch Cafe's new brand among employees of Launch Cafe. A proper way of announcing a rebranding is through one of the Friday afternoon socials at Launch Cafe. So all new promotional material can be presented too.

Also the translation to offline tools may be costly for Launch Cafe. Therefore, it is advised that Launch Cafe takes on an intern who has experience in graphic design.

7. Research into customer types: administrators

While an establishment of a "more for the same" value proposition might turn out into positive effects for Launch Cafe, it also means that the customer target group of administrators might not be able to identify itself with this change in Launch Cafe brand identity. Therefore, Launch Cafe is advised to carefully consider this change as it might turn into an exclusion of this particular customer type. From the research results, administrators indicated that one has to pay more at Launch Cafe, while receiving the same value offered at alternative coworking spaces. Some even mentioned that the price is the same and the value is the same.

It is advised that Launch Cafe will meet about this matter as it indicates that administrators have another (not so much positive) customer experience than entrepreneurs and freelancers.

Within this meeting, it must be discussed whether or not establishing a "more for the same" will be a good move of Launch Cafe or that it will result in a loss of administrators. Launch Cafe can also establish a value proposition in which less valued attributes are offered, so that lower prices can be charged. While this seems as an attractive value proposition, especially for administrators, it might result in entrepreneurs and freelancers who cannot identify themselves with the offered attributes. Therefore, they might seek these attributes in alternative coworking spaces.

It is advised to have a conversation with some of these administrators and ask them to the background of their opinion on Launch Cafe's value proposition as they indicated on the survey. It is believed that that these conversations should be initiated and conducted by the manager of Launch Cafe.

8. IMPLEMENTATION PLAN

Based on the advice, a Gantt chart is created in which the implementation plan of repositioning Launch Cafe's brand becomes clearly visible. Within the outer left column, one finds the tasks that are advised to be carried out by the employees of Launch Cafe. While the blue boxes represent the approximate duration in which a task should be carried out, the red box, represents a deadline. It is believed that a Gantt chart is most suitable for this project, as it reflects all the tasks that should be carried out within a particular month. Moreover, the Gantt chart allows for Launch Cafe to maintain to current work structure in which deadlines can be push forward when other tasks have priority.

While it seems that the month September contains too many tasks, it is believed that the execution of these tasks can be done fairly quickly. Also, it is expected that the interns of Launch Cafe (Launch Lab) are still within the phase getting accustomed to Launch Cafe's work environment and their role within the team. Therefore, it will be good for the next interns to have a set of fixed tasks, that also allows them to get to know the company better. It is expected that the translation of Launch Cafe's new position to all online channels will take a long time, also because it is expected that Launch Cafe needs to outsource this. Unless, Launch Cafe takes on an intern that has experience in building and/or managing websites. It is also expected that that translation to offline tools will take some time, unless Launch Cafe takes on an intern who has experience in designing. In order to be sure that these efforts have some effect within the spring/summer of 2017, Launch Cafe should start early with spreading awareness of the its new position. Also this can be done by the interns of Launch Cafe. While it seems that Launch Cafe actively has to spread awareness during the month of November, December and January, online campaigns (e.g. campaigns on Facebook) can be designed and planned. Printed material could be spread within cafe's. By the end of January, interns of Launch Cafe should test the existence of a gap between brand identity and brand reputation, by using the material given in figure 2, the outcome gives information on the position of Launch Cafe.

Task Name	2016				2017	
	September	October	November	December	January	February
Research among administrators (7)	▉					
Establish Value proposition internally (1)	▉					
Workshop on internal branding (3)	▉					
Online communication tools (4)	▉	▉	▉			
Offline communication tools (4)		▉	▉			
Spread awareness on Launch Cafe's brand (6)			▉	▉	▉	
Test the value proposition (2)					▉	▉ (red)
▉ (blue)	Tasks are carried out					
▉ (red)	Deadline					

Figure 29: Gantt chart on Launch Cafe's project to reposition its brand

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APPENDIX

PRELIMINARY RESEARCH

The purpose of this preliminary research is to gain a better understanding of any significant developments or trends concerning startups on European, national and regional/local level. Furthermore, the aim is to define Launch Cafe's business as well as drafting an overview of companies that offer similar products and services to customers as Launch Cafe.

Moreover, concepts such as startups, incubator, accelerator, entrepreneur, administrator, freelancer and coworking are explained. Because the concept of coworking is a vital aspect of the empirical research, 'coworking' is put into context so that is able to understand what the concept encompasses.

CHAPTER 1: DEVELOPMENTS AND TRENDS CONCERNING THE PROJECT CONTEXT

On European level

Today, one of European's goals is to create a new Silicon Valley on its grounds. The idea to promote a single startup hub on European soil stems from the fact that startups in the U.S. are responsible for the creation for the majority of new jobs. For quite some time, there had been little recognition among European policy makers about the importance of these startups being the force behind substantial economy growth. Due to research into the economic effect of startups, European policy makers have started to understand the significance of supporting innovative, creative and disruptive thinkers. As a result, policymaking has steered towards creating policies for startup. However, European policymakers faced difficulties creating policies for startups as regulations were often at odds with the 'agile and merging work culture' (Osimo, n.d.) of startups.

The solution to this problem resulted in gathering of nine successful European entrepreneurs in 2013, who drafted a Startup Manifesto, which aim is 'to spur discussion on improving the startup ecosystem and digital-era performance in the European Union's 28 member states'.

The manifesto resulted in 10 national startup manifestoes among other European Member states. The Startup Manifesto resulted in a Startup Manifesto Policy Tracker of 6 policy areas, which tracked national policy progress. Consequently, a group of experts was gathered to gather data as well as evaluate legal reforms. According to Osimo (n.d.) 'the intention was to shed light on what is or isn't happening at the member-state level – and to inspire action when and where it counts' (Osimo, n.d.)

As a result, the Startup Manifesto has resulted nine so-called key findings: Firstly, the European Union as a whole showed great development concerning the adoption to new policies for startups. Secondly, the Netherlands ranks first as best adopted country to all new policies in comparison to all other European Union countries with Italy and the United Kingdom closely behind the Netherlands. Another finding is found in a policy what is adopted most, which is thought leadership and has resulted in 'startup-driven initiatives and rhetoric-driven policy-support schemes (Osimo, n.d., p.9). Belgium ranks first as best country in the category 'better access to capita land lower barriers to success' (Osimo, n.d., p.26). The Netherlands, as well as Italy and France share a first spot when it comes to measures that are taken in order to increase access to talent (including attracting foreign entrepreneurs). Other important findings are that measures to improve access to skills and education are lagging behind, there is a strong East-West European division, some policy initiatives are lacking boldness and finally, tracking policy initiatives in the future should be more based on 'concrete metrics and ambitious targets' (Osimo, n.d., p.10)

Incidentally, all research conducted by the European Digital Forum such as the Startup Manifest Policy tracker, is funded under the Research and Innovation program of Horizon 2020. The program is the biggest European Research and Innovation program, having over €80 billion available for funding. It is believed that funding projects through this program will result in 'breakthroughs, discoveries and world-firsts' (The European Commission, n.d.). Horizon 2020 follows the guidelines Innovation Union a strategy which is part of Europe 2020, a ten-year growth strategy of which the aim is to secure 'global competitiveness'. In order to achieve a better position globally, more investments will be made into projects that will result in 'smart, sustainable and inclusive growth and jobs' (The European Commission, n.d. a)

On a national level: Ambitious Entrepreneurship Action Plan

As a response to the developments on European level, the Dutch government created the Ambitious Entrepreneur Action Plan. In a letter send to the President of the House of Representatives on July 28 2014, Mr. Kamp, minister of Economic Affairs explains the need of society to support entrepreneurs with creative, innovative solutions. He explained that 'society demands creative solutions to societal challenges, such as good, affordable care for the elderly, a transition to renewable energy, and clean drinking water for a growing world population', he continues by stating that, 'Innovation and entrepreneurship can help [..] to meet these challenges' (Government of the Netherlands, 2014).

In this letter, Mr. Kamp also explains the measures that need to be taken in order to provide entrepreneurs enough ground to develop. These measurements are characterized by removal of barriers such as access to capital and tax authorities. Other barriers are 'access to innovation and knowledge, access to the Netherlands and the world, access to each other and supporting legislation and regulations'.

As a result of governmental support through financing and stimulation of corporation between the private sector and the research sector as well as establishing linkages between education and the labour market, jobs are created and the Dutch economy will grow substantially (Government of the Netherlands, n.d.).

Because entrepreneurs are good for employment as well as the economy, the government developed a policy for entrepreneurs which aims to strengthen the Dutch competitive position and to increase spending on research and development. The parliamentary document follows an agenda of action points that need to be taken for a plan called 'Ambitious Entrepreneurship' (Government of the Netherlands, 2014).

Firstly, support is given through financial schemes to innovative entrepreneurs and/or entrepreneurs who want to expand their business quickly. Secondly, the government aims to enhance public-private partnerships by linking private sector with knowledge institutions. The government also tries to decrease the amount of regulatory burden. By providing entrepreneurs the necessary IT tools, among the provision of other tools, they hope to lessen

the burden. Another support which is given by the government is to help entrepreneurs access networks. The government also promotes better linkages between education and the labour market as well as corporation with the franchise sector (Government of the Netherlands, n.d.).

All in all, the Ambitious Entrepreneurship Action Plan exists to provide better access to 'capital, knowledge, innovation and the global market' (Government of the Netherlands, n.d. a). The plan is put into certain policies and initiatives, which include the following:

1. Early-stage finance and research is provided to entrepreneurs to research whether an idea is 'technically feasible and suitable for the market' (Government of the Netherlands, n.d. a).

2. Attract foreign startups through the Startup Delta initiative

3. Provide temporary residence permits for Non-EU entrepreneurs as well lower the capital requirement

4. Fund Eurostars projects, which provides support to international innovative projects 'that improve daily lives of people around the world' (What is Eurostars, n.d.)

5. Fund projects under Horizon 2020 a program of the European Commission to finance European research and innovation projects (Netherlands Enterprise Agency, n.d.)

According to Gowling (2013), 'the Netherlands is seen as a great place for entrepreneurs to come, as Bloomberg rated it the best country in Europe to do business, and Wired UK called Amsterdam one of Europe's hottest start-up capitals'.

As part of the Ambitious Entrepreneurship Action Plan, an initiative called Startup Delta is started. StartupDelta is world's largest startup initiative which aims to 'help young startups to scale up to global enterprises', StartupDelta connects, 'international capital with exceptional talent, helping to create international awareness for fresh, disruptive ideas'. By partnering up with already existing powerful ideas and initiatives, StartupDelta grew out to become an 'extensive web of expertise', a platform for 'accelerating your startup in the best ecosystem on the planet'. With Neelie Kroes as Special Envoy of the initiative until the end of July 2016, the initiative has already provided a strong network as well as guidance to numerous startups. As they connect and offer guidance to young Dutch startups, they also maintain an overview of what is happening internationally.

With Groningen as well as provinces and/or cities such as The Hague, Leiden, Rotterdam, Utrecht, Friesland, Limburg, Amsterdam, Twente, Eindhoven, Delft, Wageningen, Arnhem

and Nijmegen presented as startup hubs, the Dutch startup skyline is well represented on the website of StartupDelta (StartupDelta, n.d.).

Groningen is described as the home to many already successful startups such as Voys, Experty, Kalooga, Belsimpel, Lookingforbooking, Paylogic, Dataprovider and Chordify (StartupDelta, n.d.). Having specialists in healthy ageing, smart-energy, ICT, new materials, gaming and water technology, Groningen is no less than other startup hubs. Groningen is to be considered as a frontrunner of startup hubs, with many good initiatives such as Cube050, Entrance, Mediacentrale, Launch Cafe, VentureLab North, FabLab and incubators such as the R&D Hotel. Moreover, Groningen has more than 60,000 students and over 1800 Ph.D. students.

However, there is no open data available yet of how many foreign entrepreneurs have moved to the Netherlands as a result of this new policy (RVO, personal communication, March 21 2016).

On a regional/local level: Groningen

In a conversation with former European Commissioner Neelie Kroes at a startup event in Helsinki, Koen Atema, founder of Launch Cafe spoke with Neelie Kroes, special envoy of StartupDelta, about his idea to set up an online portal to present entrepreneurs of Groningen to the public. As this initiative aligns with Kroes' StartupDelta, she was quite positive about the idea (Founded in Groningen zet startup-scene op de kaart, 2015). In the aftermath of Groningen's big win (which shows that 7 startups from the city have conquered a placement in Deloitte's Technology Fast50, an event which happened previously to the startup event in Helsinki), Kroes was both impressed and surprised. Though the success of startups from Groningen, there are a few who are aware of this success (Over Technology Fast50, de verkiezing voor snelgroeiende techbedrijven, n.d.). Therefore, Kroes' only point of critique to Atema was how the city of Groningen and its entrepreneurs failed to show their achievements to the public. According to Kroes, entrepreneurs from Groningen have quite some 'disruptive DNA', leading the most fascinating startups.

On November 20 2015, both Koen Atema and Joost van Keulen one of the City Council members of Groningen presented the website Founded in Groningen as an online startup portal, on which one can find both startups and companies founded in Groningen. This online

portal provides the opportunity to showcase the local startup scene of Groningen and to better their position internationally. Next to enhancing one's network, guidance and support from fellow-entrepreneurs, the online portal facilitates relationships between investors and startups.

Another development is discussed in Groninger Internet Courant, which explains employment in Groningen grew faster in between April 1st 2014 and April 1st 2015, in comparison to the average nationwide. The growth is explained due to a larger amount of startups and small enterprises (Groningen Internet Courant, 2016)

In an assignment of the Ministry of Economic Affairs and nine expat centers in the Netherlands, Decisio conducted an economic analysis of international entrepreneurs, students and independent entrepreneurs in the Netherlands (Decisio, 2015). They concluded as well that the number of international employees has almost doubled from 7700 in 2009 to 13000 in 2013.

These rapid developments in Groningen do not go by unnoticed, as Pim Feltz Google CEO of Benelux explains: 'The entrepreneurial spirit is very prevalent here. Not just in terms of business, but it extends to knowledge institutes and also the municipal government.' (Founded in Groningen, 2016). This 'pro-active and entrepreneurial attitude on all levels' was for Google a very important decisive factor to place a data center at Eemshaven. Feltz continues by saying that 'there's nothing wrong with communicating your successes. And by doing that collectively, with initiatives such as Founded in Groningen, there's plenty of opportunities to become even more successful as a region' (Founded in Groningen, 2016).

This success resonates in startups such as HackerOne and Kollectiv. Both founded in Groningen. Even though HackerOne placed its headquarters in Sillicon Valley, not a very long time ago, the founders are thinking of also placing a location of their company in Groningen. Besides giving optimal support to their American customers, HackerOne also wants to contribute to helping Groningen grow in order to become the tech epicenter of the North (Groningen Internet Courant, 2016a).

To conclude, the developments on national level as well as developments on regional/local level as described above, give sufficient motivation to go further into the opportunities Launch Cafe might have when it responds to these developments.

CHAPTER 2: ORGANIZATIONAL CONTEXT

INTERNAL ANALYSIS

Organization structure

Launch Cafe organizational structure is an adhocracy as explained according to Vos &
Schoenmaker (2006). An adhocracy is an antonym for a bureaucracy, which means that
unlike a bureaucracy, there is an absence of a hierarchy. Within an organization, most
employees make decisions in their own field of expertise which can affect the future of a
business. An example through which this is portrayed is that the interns of Launch Cafe
possess the freedom as well as the responsibility to carry out tasks as they wish to do so.
Moreover, there is little standardization of procedures, which makes it a very organic
organization structure, which is likely to change often. As all professionals, including the
interns, deal with their own specializations, there is a high need of information in order to
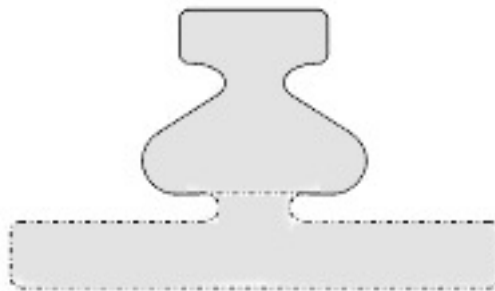react on certain wishes. An example of how an adhocracy looks is given below:

Figure 1: Adhocracy

An overview of all employees of Launch Cafe is given below:

Matthijs	Community Manager (mon-fri)
Eds	Caretaker 1 (mon, wed & fri)
Cris	Caretaker 2 (tues & thurs)
Koen	Founder (not always physically present)

Niek	Co-founder (not always physically present)
Pieter	Finance (not always physically present)
Aye	Intern (mon-fri)
Niels	Intern (mon-fri)
Talitha	Intern (mon-fri)

Internal communication

Launch Cafe's internal communication structure is characterized by a wheel structure as explained by Vos & Schoenmaker (2005). The central person switches between Koen Atema (founder of Launch Cafe) or Matthijs Smit (community manager of Launch Cafe, depending on the nature of the decision. Similar to the communication structure, the communication flow is also dependant from the nature of decisions. In most cases, communication flows horizontal as opinions and certain contributions from the group of interns are highly valuable and are considered to be somewhat equal to other contributions. On the other hand, important decisions flow in a direction of top-to-bottom.

Community manager

The mission of the community manager is to find means to unify all entrepreneurs who work within Launch Cafe. As explained by the community manager of Launch Cafe (M. Smit personal communication, 4 February, 2016), a good community manager has to monitor activities in order to identify needs. In return, the community manager finds the means to satisfy these needs. The enumeration of positive and negative features to a unified community is what creates added value for entrepreneurs.

Next to unifying activities, the community manager is in a constant search to innovate Launch Cafe's business model. It can be said that the main task of the community manager is to create and maintain value for (potential) customers as well as creating new business models to generate better earnings (M. Smit, personal communication, 2 March, 2016). Both Koen and Niek are there to support Matthijs in his ideas or to steer him in another direction. Cris and Eds support in cleaning all facilities.

Leadership style

The leadership style as employed by both the community manager and the founder is characterized by highly controlled and highly supportive. According to Vos and Schoenmaker (2005), this leadership style is called persuading in which a leader explains the purpose of doing a certain task, though attentively listens to any other suggestions.

Culture

It seems that Launch Cafe's corporate culture is located in between what is called an Incubator and a Guided Missile (Hampden-Turner & Trompenaars, 2004). Whereas the Incubator is both person-oriented and egalitarian, the Guided Missile is characterized by its tendency towards a more task-oriented and egalitarian culture.

Agreements of Launch Cafe

Flexible agreements

What	How much	Includes
Hot Desk	100 euros	Unlimited access for a month to any desk in the common areas of Launch Cafe in between 08.30AM and 6PM. Also included: - Coffee/Tea - Printing, copying and scanning facilities - Private space for phone calls - Wifi - 50 per cent off on all meeting rooms

Drop-In Desk	125 euros (10 times)	Access for a total amount of 10 times in a month to any desk in the common areas of Launch Cafe in between 8.30AM and 6PM. Also included: - Coffee/Tea - Printing, copying and scanning facilities - Private space for phone calls - Wifi
Guest Card	15 euro a day	Access for a day to any desk in the common areas of Launch Cafe in between 08.30AM and 6PM. Also included: - Coffee/Tea - Printing, copying and scanning facilities - Private space for phone calls - Wifi

(Launch Café, n.d.)

Fixed agreement

What	How much	Includes
Dedicated desk	250 euros per month	Unlimited access to all areas of Launch Cafe, 24 hours a day, 7 days a week. Also included: - Coffee/Tea - Printing, copying and scanning facilities - Private space for phone calls - Wifi - Free use of all meeting rooms

(Launch Café, n.d. a)

Meeting rooms

What	How much	Includes
Small room (2-4)	15 euros per hour	- Drinks (coffee, tea, water) - Wifi - Television - HDMI cable - Flip-over (Launch Café, n.d. b)
Medium room (<10)	25 euros per hour	- Drinks (coffee, tea, water) - Wifi - Television - HDMI cable

		- Flip-over (Launch Café, n.d. c)
Big room (<20)	150 euros per four hours	- Drinks (coffee, tea, water) - Wifi - Television - HDMI cable - Flip-over - Beamer (Launch Café, n.d. d)
Grand Cafe (<100)	In consultation	- Drinks (coffee, tea, water) -Wifi - Beamer - Flip-over (Launch Café, n.d. e)

In case somebody an administrator or freelancer is interested in coworking in a common area, that person can choose out of a Drop-In desk agreement and a Hot-desk agreement. The main differences between a Drop-In desk and Hot-desk agreement are price and amount. The reason why a Drop-In desk agreement is a pricing strategy of Launch Cafe. Launch Cafe's goal is to sell more Hot-desk agreements than Drop-In desk agreements, because it triggers customers into coming more often, this is good for the community. A startup commits to a Drop-In or Hot desk agreement and always commits to a dedicated desk agreement. The reason is because they need to at Launch Cafe daily and startups work in teams.

In addition to these agreements, anyone (also people who are not coworking at Launch Cafe) in need of a renting a space for an event can rent one of the meeting rooms.

Community

The total amount of coworking people at Launch Cafe as of March 29 2016 is 111. This number includes entrepreneurs, freelancers and administrators. All coworkers who are an entrepreneur or administrator, have a Dedicated desk agreement for which they pay 250 euros

per month. Their dedicated desks are located in a separate are next to the common area. It must be noted that all members of a team pay 250 euros per month for their desk. All freelancers either have a Hot Desk or a Drop-In Desk Agreement. Because they are freelancer, they work alone and therefore do not feel the need to commit to a Dedicated Desk agreement. However, there are some freelancer who have chosen to do so. Coworkers with a Guest Card are not included in this overview.

Launch Cafe has a partnership with VentureLab North, a program of the University of Groningen. They rent an office spaces on the first floor. They are not a big part of the community, but every now and then join the Friday social. As well as FabLab, a 3D printing studio. They rent a room on the ground floor. Because they have been in Launch Cafe from 2012 already, they know all people quite well, even though they do not take an active part in the community. The community manager considers these partnerships as successful and foresees a future of more partnerships with different actors, such as corporates and universities (of applied sciences). It is believed that there is a mutual beneficial relationship between these actors. The following circle diagrams give a representation of the community of Launch Cafe as given by the community manager (M. Smit, personal communication, March 29 2016):
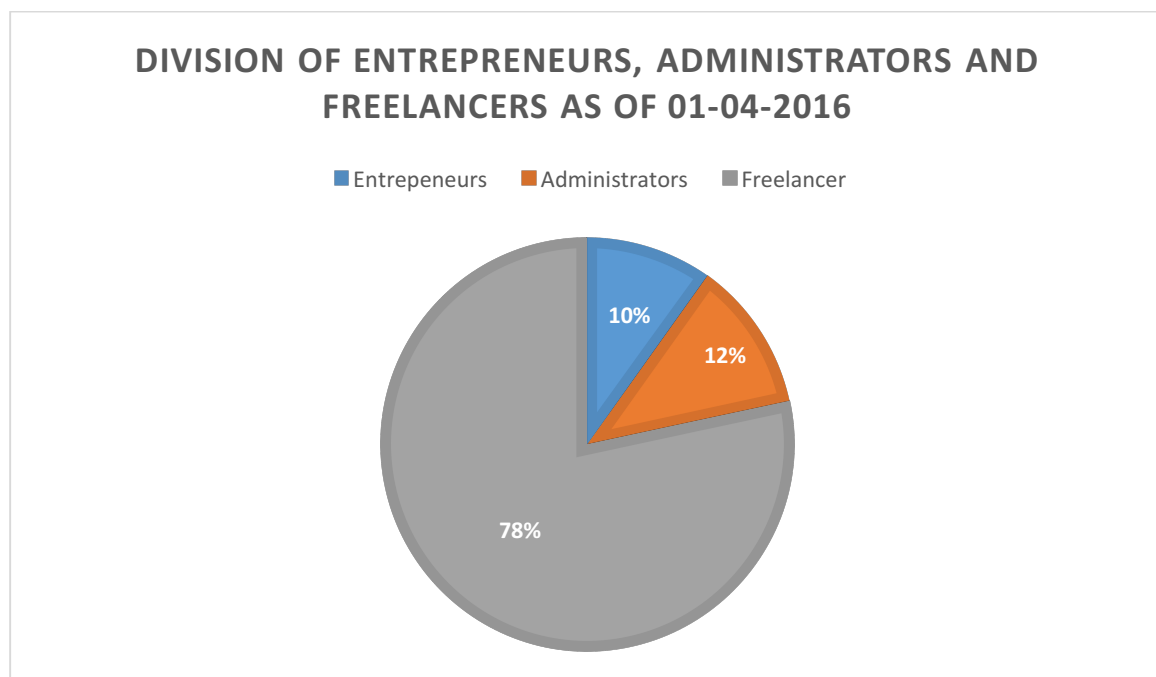

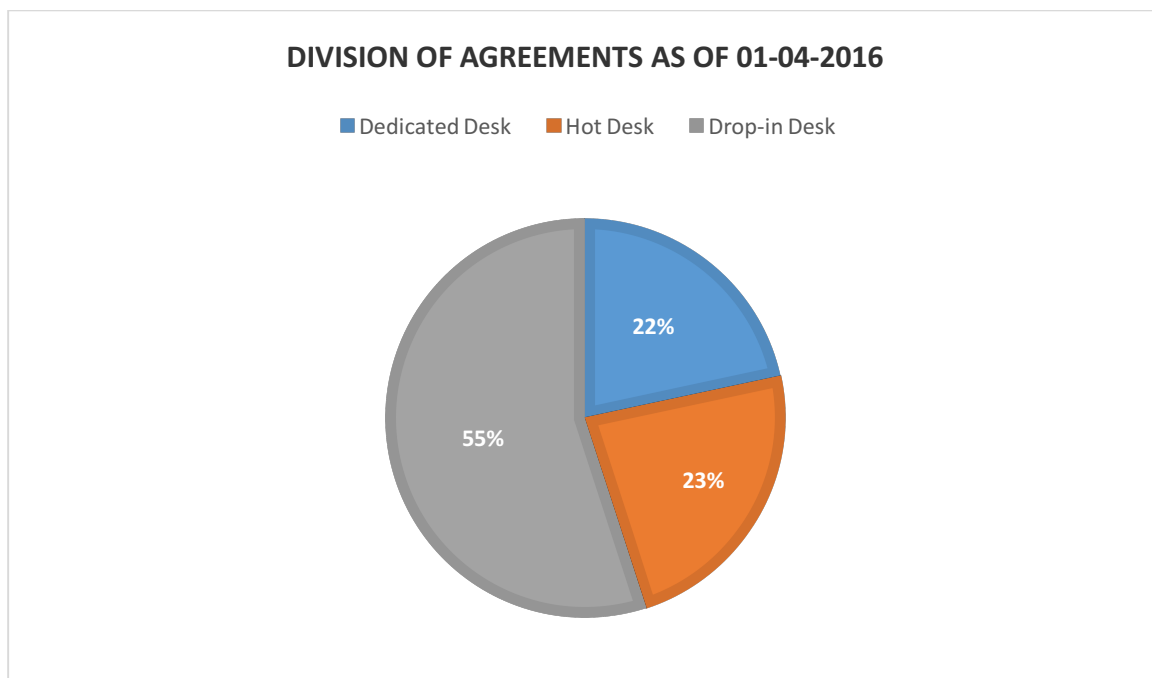Figure 3: Division of entrepreneurs, administrators and freelancers as of 01-04-2016
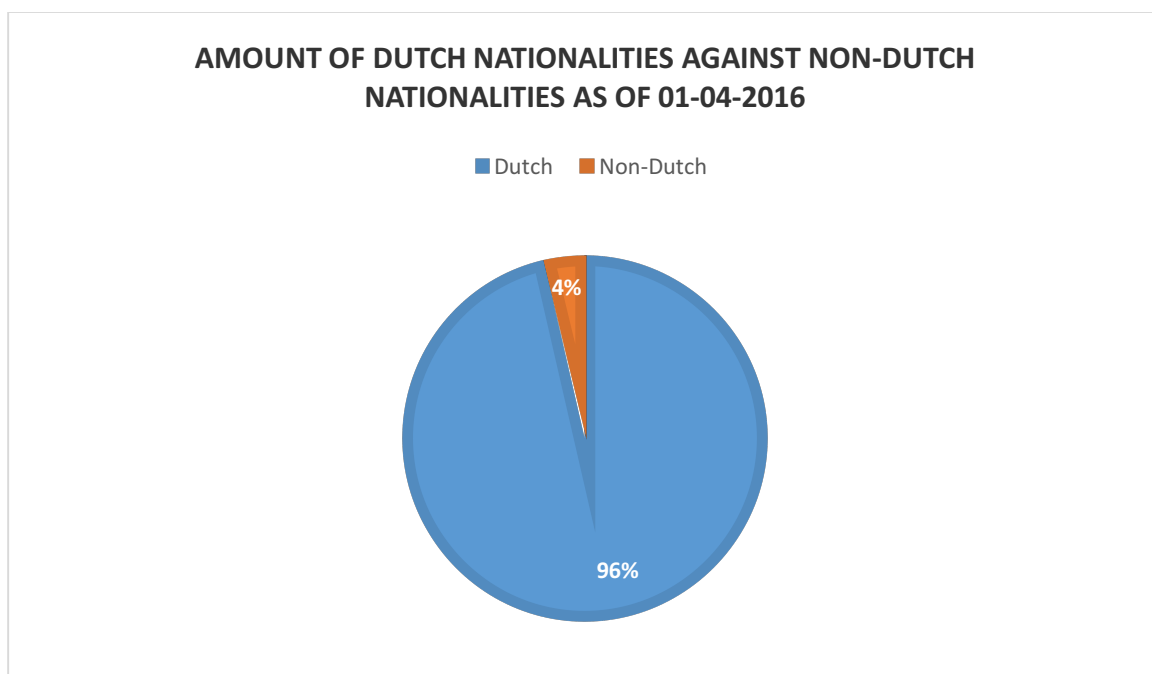
DIVISION OF AGREEMENTS AS OF 01-04-2016

■Dedicated Desk ■Hot Desk ■Drop-in Desk

22%

23%

55%

Figure 4: Division of agreements as of 01-04-2016

AMOUNT OF DUTCH NATIONALITIES AGAINST NON-DUTCH NATIONALITIES AS OF 01-04-2016

■Dutch ■Non-Dutch
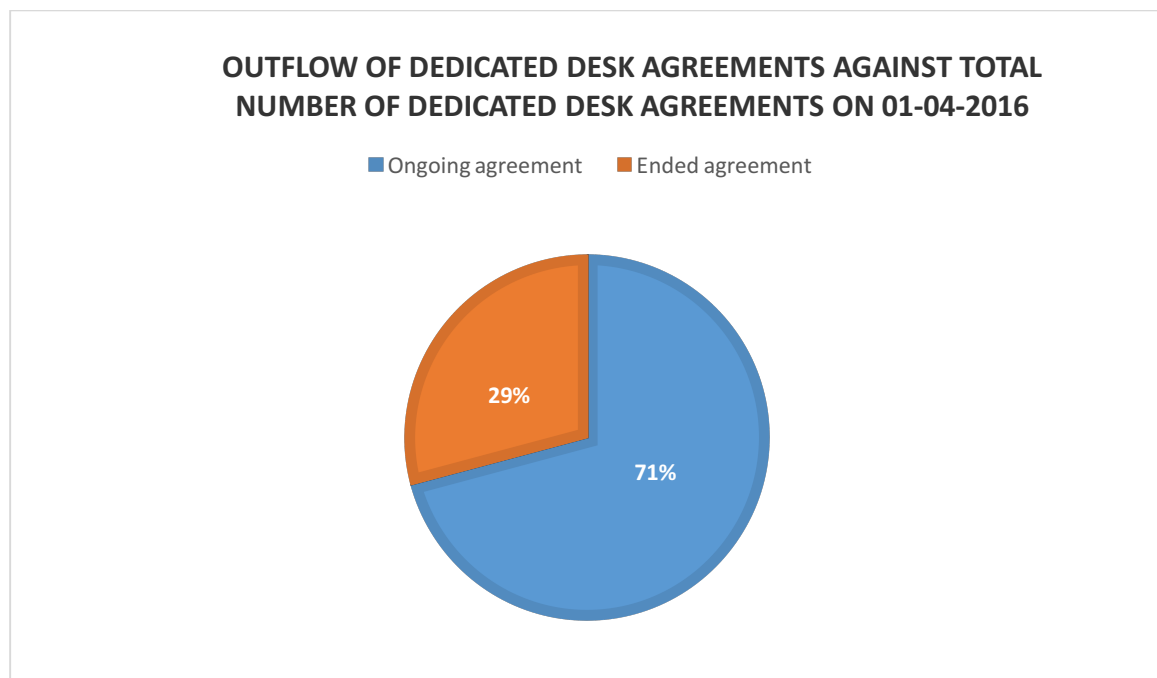
4%

96%

Figure 5: Amount of Dutch nationalities against non-Dutch nationalities as of 01-04-2016

OUTFLOW OF DEDICATED DESK AGREEMENTS AGAINST TOTAL NUMBER OF DEDICATED DESK AGREEMENTS ON 01-04-2016

■ Ongoing agreement　　■ Ended agreement

29%

71%

Figure 6: Outflow of dedicated desk agreements against total number of dedicated desk agreements on 01-04-2016

Overview of attributes offered by Launch Cafe

Positioning statement and attributes of Launch Cafe's service
Positioning statement Launch Cafe has been the favorite coworking space of entrepreneurs and administrators for years. Intermediair Magazine proclaimed that Launch Cafe is best coworking office of Groningen. Come and try it out. The first day is always for free. (De beste buiten de deur werkplek van Groningen, n.d.). *Attributes* • Spacious (common) areas • Private (phone) areas • Relaxation areas • Meeting rooms • Tables and office chairs

- Power outlets

- Storage

- Secured parking area

- Print, copy and scan machine

- Location: city center of Groningen

- Amenities such as: central heating system, air control system, a kitchen (including kitchen supplies), toilet rooms and a cleaning service

- Flipcharts, beamers, cables etc.

- Unlimited coffee and tea

- Discount at caterer

- Fast Wifi

- Network

- Meetups and events

- Joint lunch hours

- Feedback provided by coworkers

- Flexible agreements (can be ended each month)

- No deposit

- Own key (dedicated agreements)

- Postal address

(Vaste werkplek in Groningen, n.d.)

Figure 6b: Positioning statement and attributes of Launch Cafe's service as part of the agreements

EXTERNAL ANALYSIS

Overview of attributes offered by competitors

Company	Attributes of service and positioning statement (when indicated on the website)
a. De Chemie	*Positioning statement* Large workstations, a unique location in an inspiring working

	atmosphere - De Chemie is a breeding ground for (starting) entrepreneurs with extensive fixed and flexible work space for synergy. Having an unique location in the Ebbingekwartier you are assured of an inspiring workplace in the city center of Groningen (De Chemie, n.d.). *Attributes* - Located in the center of Groningen - Inspiring work environment - Meeting rooms (including a brain storm wall) - Roof terrace - Spacious work areas - Parking garage directly below the venue - Wifi - Coffee/tea - Logo on building - Closet space (Mogelijkheden, n.d.)
b. Proton Valley	*Positioning statement* Proton Valley – You can always get a normal office later on (Proton Valley, n.d.) *Attributes* - Synergy - Working together - Meeting rooms - Game center - Relaxation area - Library - Kitchen - Tea/coffee (Proton Valley, n.d.)

c. R&D Hotel	*Positioning statement* 'The R&D Hotel facilitates the cooperation between researchers and entrepreneurs with a focus on Food & Health, Medical Technology, Pharma and eHealth. Designed to meet the needs of people who are on the move and need a flexible environment. Workspaces for preparations, meetings and communication.' (Healthy Aging Campus R&D Hotel, n.d.) *Attributes* • Project rooms < 8 people • Board rooms < 15 people • Seminar rooms < 20 people • Business address • Flex work spaces • Fixed workspaces • Office spaces • Fast fiber internet • Coffee corner • Kitchen facilities • Print/copy corner • Lockers • Parking are • Catering (Healthy Aging Campus R&D Hotel, n.d.)
d. Cube050	*Positioning statement* Cube050 (Creating & Upgrading Business and Entrepreneurship) is the incubation and accelerator in Groningen which gives support to students, alumni entrepreneurs of the Hanze University Groningen, alumni entrepreneurs of the University of Groningen and knowledge-intensive entrepreneurs. (Service en faciliteiten, n.d.) *Attributes* • Low rent (gas, water and light)

	• Wifi • Kitchen facilities • Meeting rooms • Business courses and coaching • Magazines • Support through partnerships and knowledge centers • Financial support • Activity program • Networking • Location is easy accessible • Parking area • Zernike business and science park • Near to the University of Groningen en the Hanze University of Applied Sciences (Service en faciliteiten, n.d.)
e. Werkplek 9	*Positioning statement* The place for anyone who wants to have a representative and inspiring workplace in the center of Groningen. *Attributes* • Spacious working areas • Meeting rooms • Fast Wifi • Printer and copy machine • Coffee and tea (Werkplek 9, n.d.)
f. Burowerkplekken	*Positioning statement* BURO Work places with Synergy - Entrepreneurs who are looking for a fixed office space with a flexible lease are at the right place at BURO. *Attributes*

	• Wifi • Meeting rooms • Kitchen • Printer and copy machine • Fax • Closet space (which can be locked) (Werkplekken, n.d.)
g. Flexiplace	*Positioning statement* Flexible and fixed office spaces at the best location *Attributes* Not mentioned (Flexiplekken, n.d.)
h. S2M050	*Positioning statement* S2M050 is an inspiring working and meeting place. With unprecedented momentum S2M050 facilitates professional coworking-, office, meeting and event space. We connect organizations with independent professionals. *Attributes* • Encounters • Meetups • Office space • Events (Maak kennis met S2M050, n.d.)
i. Het Nieuwe Kantoor	*Positioning statement* The most fun coworking space of Groningen (HNK, n.d.). *Attributes* • Meeting rooms • Inspiring workspace • Food area • Wifi

	• Support of the HNK team
	• HNK membership
	• Office space which can be designed by oneself
	• Office space which is pre-designed
	• Parking area
	(HNK, n.d.)
j. Het Paleis	*Positioning statement*
	Leasing office spaces for starting, restarting and freelancing businesses particularly in the field of New Media and ICT.
	Attributes
	• Encounters with creative
	• Four meeting rooms
	• Meetups
	• Common coworking space for flexible coworkers
	• Apartments
	• Hotel
	• Lunchroom
	• Coworkers in Media and IT
	• Agreement can be ended within three months
	(Wat is de SilverRoom, n.d.)
k. De Kranepoort	*Positioning statement*
	De Kranepoort is the hotspot for Groningen (Internet) entrepreneurs. In the classrooms of the former school building small businesses work together. From a merchant to communications and graphic designer to web designer, you will find them all in this hotspot.
	Attributes
	• Inspiring work environment
	• Fast fiber internet
	• Accessibilty 24/7

	• Network opportunities • Parking area • Center is on walking distance • Easy accessible with public transport • Good connection to the high way • Camera surveillance • Cleaning service (Kranepoort, n.d.)
l. Mediacentrale	*Positioning statement* Not mentioned *Attributes* • Own office space under a fixed agreement • Flexible agreement • Feedback of coworkers • Quiet areas (Kantoren, n.d.)
m. De Ommelanden	*Positioning statement* Not mentioned *Attributes* Not mentioned (Contact, n.d.)
n. The Big Building	*Positioning statement* 'The Big Building - for Entrepreneurs' (Page info, n.d.). *Attributes* Not mentioned
o. Groningen Martini Business Centers (part of	*Positioning statement* Business centers. The perfect place to work. (Business Centers, n.d.).

Regus)	*Attributes*
	    • 24-hours access
	    • Double glass
	    • Elevator
	    • Studio
	    • Video conferences
	    • Lowered ceiling
	    • Located at at business park
	    • Parking area
	    • Voicemail system
	    • Climate control
	    • High-speed internet
	    • Vending machines
	    • Meeting rooms
	(Groningen Martini Business Centers, n.d.)

p. The Milk Lab	*Positioning*
	'Awesome coworking & event space in Groningen' (Extremely simple pricing, n.d.).
	
	Attributes
	    • 24/7 access
	    • Professional environment
	    • Community
	    • Meeting rooms
	    • Delicious coffee
	    • Free parking
	(Extremely simple pricing, n.d.)

q. FlexOffiz	*Positioning* Completely designed office space with a flexible lease contract *Attributes*

	• Located next to the training area of FC Groningen
	• Inspiring work environment
	• Shops, super market and cinema nearby
	• Private office space
	• Flexible agreement
	• Meeting rooms
	• Wifi
	• Lunch area
	• Public transportation nearby
	• Parking area
	(Kantoorruimte FlexOffiZ Groningen, n.d.).

Figure 6c: Competitors of Launch Cafe and the attributes offered

ABELL'S FRAMEWORK: ANALYSIS OF THE SCOPE OF A BUSINESS

In order to describe Launch Cafe's business, a three dimensional business definition model according to Abell is utilized. As assignment to get to know all customers of Launch Cafe, a 'customer need' survey was conducted. The surveys was conducted among entrepreneurs, administrators and freelancers (explanation: APPENDIX D) and its purpose was two-folded: firstly, all interns of Launch Cafe had to make a start getting to know customers (workers) of Launch Cafe as well as identifying their needs. In other words, as interns: what could we do for them? It has resulted in a survey which could be utilized to create an Abell business scope model. Some of the answers are given in print screens below:

Identifying customer needs

*Vereist

1. Wat is je naam? *

2. Wat is je bedrijfsnaam?

3. Welk abonnementsvorm heb je? *

17 reacties

Alle reacties weergeven   Analyse publiceren

Overzicht

1. Wat is je naam?

Jochem Pastoor
Bart Breij
Anouk
Albert Waakens
Richard
Manuel Leito
Dick Oudman

2. Wat is je bedrijfsnaam?

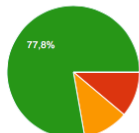| |
| --- |
| Gek |
| ReloadSEO |
| Digital spark interactive |
| Concept Noord |
| Nicky de Boer, Leesbevorderaar |
| Benjamin Durr Legal Analyst |
| Congressus |

2. Wat is je bedrijfsnaam?

Gek

ReloadSEO

Digital spark interactive

Concept Noord

Nicky de Boer, Leesbevorderaar

Benjamin Durr Legal Analyst

Congressus

3. Welk abonnementsvorm heb je?

Een dag gratis (proef)	0	0%
Flexabo - Onbeperkt	1	5.9%
Strippenkaart - Flexwerker	1	5.9%
Alleen - Vaste plek	7	41.2%
Samen - Vaste plek	0	0%
15 euro voor 1 dag	0	0%
8 euro voor 2 uur	0	0%

4. Wat doe je bij het Launch Café?

systeem voor verenigingen, administratie voor het bestuur versimpelen

Apps in de markt plaatsen: heeft 20.000 getest maar een apple website Teksten schrijven (alle soorten)

Grafisch ontwerp, richard wedbouwer samenwerken, 050 legal samengewerkt, voorwaarden, borrel op vrijdagmiddag, lunch af en toe , begin heel veel, maar nu dus later. Lunch is te vroeg. Aan het begin meet ups, maar nu niet meer, te specifiek. Algemene meet ups. Er gaat vaker een vaste groep mensen naartoe.

Wij werken vanuit Engeland, Dubai en Nederland elk op flexwerkplekken

Online marketing en design. Lunch aan het begin heel veel gedaan, meet ups nooit. De connectie is weg met huidige groep. Zit wel in de telegram app, maar levert geen bijdrage. De behoefte is er niet om erop in te gaan. Zoveel berichten bij Telegram, lastig om bij te houden. Echte nog steeds blij dat hij voor Lauch cafe heeft gekozen. Snel afgeleid door geluid, mensen die rondlopen. Weet dat 050 daar ook veel last van heeft.

5. Hoe kunnen wij jou ondersteunen of hoe zouden wij jou kunnen helpen?

Marktonderzoeken

Marktonderzoek etc.

In de ondersteuning, social media strategie zou kunnen. Gebruikers onderzoek zou kunnen.

bedrijf is enorm gegroeid in de afgelopen 3 maanden. alle hulp is welkom, marktonderzoeken met als doel bepaling van nieuwe klanten is zeer gewenst. Ook grafische vormgeving en bijvoorbeeld een factuurtje ontwerpen is vraag naar. User interface ook interessant.

marktonderzoek, ondernemersplan, zie ik iets over het hoofd.

Zeker, ik lanceer in maart een website dan: usability testen (eye tracking)

6. Hoeveel tijd verwacht je per week te hebben om een project te bespreken?
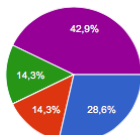
15 minuten	2	28.6%
30 minuten	1	14.3%
45 minuten	0	0%
1 uur	1	14.3%
Overig	3	42.9%

7. Wat is de tijdsomvang van de projecten die je voor ons in gedachten hebt? (Per week)

2 uur	1	14.3%
4 uur	2	28.6%
8 uur	1	14.3%
10 uur	1	14.3%
Overig	2	28.6%

8. In welk vakgebied zou jij het prettig vinden om gebruik te maken van onze diensten?
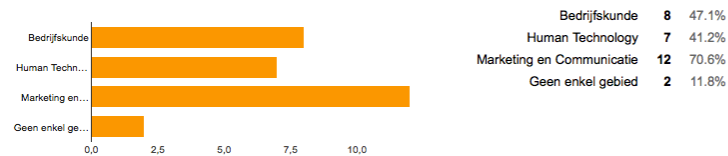
Bedrijfskunde	8	47.1%
Human Technology	7	41.2%
Marketing en Communicatie	12	70.6%
Geen enkel gebied	2	11.8%

9. Bij Bedrijfskunde

Ondernemingsplan	2	22.2%
Marktonderzoek	7	77.8%
Financiën	0	0%
Overig	1	11.1%

10. Bij Human Technology

Gebruikersonderzoek	2	22.2%
Gebruiksonderzoek (UI)	6	66.7%
Doelgroeponderzoek	2	22.2%
Concepting	0	0%
Overig	1	11.1%

11. Bij Marketing en Communicatie

PR/Marketing Campagnes	5	41.7%
Social Media Strategie	3	25%
Brand Management	3	25%
Grafisch ontwerp	1	8.3%
Overig	3	25%
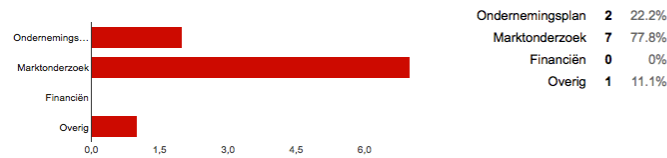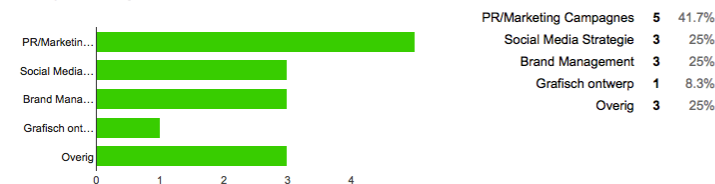
12. Heb je zelf nog iets toe te voegen?

Meet ups, laagdrempelig Idee met de dokter medische vragenlijsten.

-

eigen startup aware, mensen die alleen wonen veiliger te maken

veel behoefte aan programmeurs, wilt hij ons niet aan doen Engels native, behoefte aan iemand met engels als moedertaal vanwege hoge aantal internationale klanten.

laagdrempelig houden, misschien jongere startups handiger om te helpen omdat persoon zelf al meer establlished

Het sparren is ook heel handig, met z'n drieen alle ideeen en kritieken spuwen. Kan ook dingen als marktonderzoeken even delen en dat wij onze visie erop geven.

Bij mijn yoga studio, social media bij het opstarten, voor de open yoga social media strategie, planning voor website: blogs, social media, daarbij heb ik ondersteuning nodig; hoe

13. Wat is je mailadres?

jaap@conceptnoord.nl

dieuwertje.homan@zz-perfect.nl

r.albronda@vidend.nl

nickydeboer@gmail.com

The answers given to the survey as well as at least 6 weeks of observation and conducting tasks for the company have resulted in sufficient knowledge for the Abell framework.

Who?

Identification of customer profiles

- Freelancers
- Entrepreneur (part of a start up)
- Administrators

What?

Identification of customer needs

- Area to work
- Area to meet clients
- Quiet areas to work
- Quiet areas to meet (clients)
- Area to relax
- Comfortable chairs
- Connection to the internet
- Connection to power
- Print, copy and scan facilities
- Toilets
- Warm drinks
- Lunch
- Food
- Internal communication program
- Storage for food
- Storage for equipment
- Secured storage
- Parking areas (bikes and cars)
- Networking
- Exchange ideas
- General meet ups
- Business support
- Native speakers (English)
- Programmers

How?

Identification of the means to meet needs

- Spacious rooms to work
- Spacious rooms to meet clients
- Various areas to meet in private
- Wifi
- Power outlets
- Storage area
- Secured storage areas (not near the desks)
- Screen advertising (two television screens that announce social activities)
- Launch Cafe website (announces activities, publishes blogs and introduces workers at Launch Cafe)
- Telegram (internal communication desktop and mobile application)
- Splitwise (internal desktop and mobile money tracker application, which keeps track of whose turn it is to get lunch)
- Meetups (social and/or informative events)
- Community manager
- Coffee and tea from the coffee/tea machine
- Kitchen (including kitchen appliances)
- Ergonomic office chairs
- Office desks
- Print, copy and scan machines
- Toilet facilities
- Cleaners
- Game area
- Secured bike parking area
- Parking lots (< 500m)

PORTER'S FIVE FORCES MODEL: UNDERSTANDING THE COMPANY'S COMPETITIVENESS

According to Hollensen (2008), one is able to position a company within its industry. It can highlight strengths as well as weaknesses. The latter is a good indication to change a strategy. The five key elements of the Porter's Five Forces Model are given below:
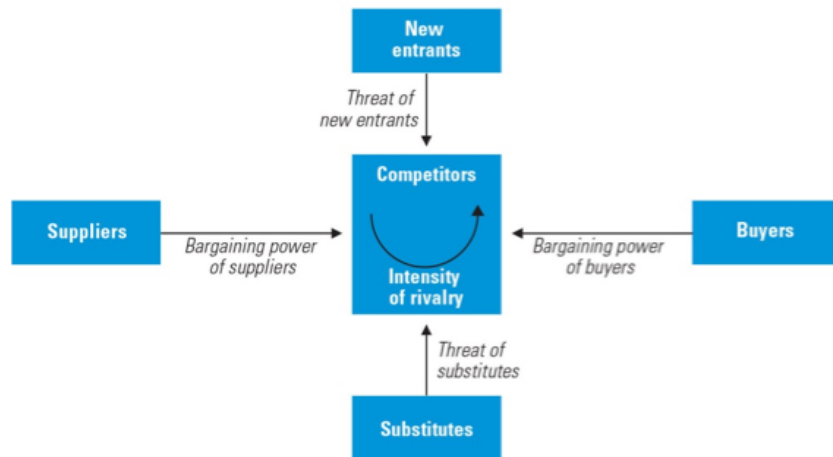

Figure 7: Porter's Five Forces Model (Marcus & Van Dam, 2015)

Market competitors – HIGH intensity
Within the market of Groningen, there are only a few coworking offices that offer similar services as Launch Cafe. These coworking offices are De Chemie (De Chemie, n.d.) and Proton Valley (Proton Valley, n.d.). However, these coworking spaces are less known and they have less customers.

Other competitors of Launch Cafe are the companies that offer either business or financial support to their customers next to coworking spaces. These competitors are the accelerators or incubators, which are the following companies: R&D Hotel (Healthy Aging Campus R&D Hotel, n.d.) and Cube050 in corporation with Value050 (Welkom, n.d.).

The third group of competitors are the companies that offer solely spaces where workers can rent an office (there are no membership contracts), most of the time these offices are called work units. These offices might be called coworking spaces even though, the only communal spaces are the toilet and kitchen. These offices are found at the following companies or belong to the following companies: Werkplek 9, Burowerkplekken, Flexiplace, S2M050, Het Nieuwe Kantoor, Het Paleis, De Puddingfabriek, De Kranepoort, Mediacentrale, De Ommelanden and The Big Building (Broedplaatsen en werkplekken, n.d.)

The market density is low as there are few direct competitors. Launch Cafe is considered to be a market leader of coworking spaces in Groningen. However, the company experiences a slow growth and the business concept can be easily copied. Therefore, it can be said that there is a high intensity of rivalry.

Suppliers – MEDIUM

Launch Cafe not much dependant from what is given to them at low cost or for free. However, a good example of this, is the DeviceLab, which contains workstation computers of HP. These are given to Launch Cafe in return for promotion on the website. This is the only supplier that has a higher bargaining power than any other supplier. However, if Launch Cafe takes upon more deals such as this deal with HP, the bargaining power is becoming bigger.

Buyers – LOW

In comparison to De Chemie and Proton Valley, Launch Cafe is known for having a better and bigger community. The bargaining power of buyers remains low when Launch Cafe differentiates its tight community and large network.

Substitutes – HIGH

When customers of Launch Cafe lose interest in the community there are very few reasons to stay. This is when workers move to places as indicated in the third competitors group. Another reason to leave Launch cafe is when startups are hiring more employees and therefore need more space. As long as the community is not stable (a lot of people come and go or lose interest in participating in activities) the willingness to switch to a substitute becomes more likely.

New entrants – MEDIUM

There are a few barriers to stop someone else from setting up a similar business. However, the most important barriers (connections or an established network) cannot be obtained easily. Launch Cafe's founders Niek Huizenga and Koen Atema both already had a lot of connections as well as a strong network to start a coworking office (Hollensen, 2008).

All in all, these findings are summarized and presented through a SWOT (Kotler et al., 2008):

Strengths	Weaknesses
- Organizational structure: adhocracy. Decisions are made fast and there is much freedom. - Community manager Matthijs Smit who is responsible for cultivating the community - Partnership with VentureLab and FabLab - Network	- Entrepreneurs and administrator might create a community of their own, due to separated work areas - Less involvement of Koen and Niek, might result in some of the 'old' customers leaving too - Not many partnerships of which Launch Cafe can money
Opportunities	*Threaths*
- Involve actors of which a mutual beneficial relationship can be extracted through partnerships - Enlargement of network through founders of Launch Cafe - A significant increase of (international) entrepreneurs on regional/local level as a potential result of a relaxation of policy in favor of entrepreneurs	- The attributes of Launch Cafe can be easily copied - Competitors of Launch Cafe (especially accelerators and incubators). These are not only a threat in price offer, but also a threat in community, location and the 'look and feel'

CHAPTER 3: AN EXPLANATION OF MOST IMPORTANT CONCEPTS

Startups

There are different ideas about what a startup is, or how it should be defined. Some entrepreneurs would say that one cannot call a company a startup anymore, once It exists longer than two years. Other experts say that a startup is more than young and innovative people. These experts argue that the product or method of entrepreneurs of s startup is considered to be disruptive or causes a disruption in society (Leuk zo'n startup, maar wat is het, 2015). RTL Nieuws tried to define it according to the following standards: a startup in an innovative idea, scalable, doesn't have many employees, doesn't have big turnover, is still growing and exists for a maximum of three years. While some of this might be true, a lot of what is found on the internet contradicts one another.

According to Shontell, there might not even be a correct definition, as a startup is rather a 'state of mind' (Shontell, 2014).

Dagblad van het Noorden supports this statement (Wat is een startup, 2015). Atema states that 'startups are continuously working on improving their product or service [..] a product or service that is made available through the latest technology [..] which is scalable and repeatable' (Wat is een startup, 2015). Klepper, CEO of one of the biggest accelerators of the Netherlands, agrees by stating that startups should be able to process as well as absorb new information quickly. It is a way of thinking'. Therefore, companies such Google, Facebook and Apple might still feel like a startup, because they act like startups (Cukier, 2015).

For this research, a working definition is derived as given by Atema.

Accelerator

'Startup accelerators support early-stage, growth-driven companies through education, mentorship, and financing. Startups enter accelerators for a fixed-period of time, and as part of a cohort of companies. The accelerator experience is a process of intense, rapid, and immersive education aimed at accelerating the life cycle of young innovative companies, compressing years' worth of learning-by-doing into just a few months' (Hathaway, 2016).

Incubator

'An organization designed to accelerate the growth and success of entrepreneurial companies through an array of business support resources and services that could include physical space, capital, coaching, common services, and networking connections' (Business incubator, n.d.).

'Business incubation programs are often sponsored by private companies or municipal entities and public institutions, such as colleges and universities. Their goal is to help create and grow young businesses by providing them with necessary support and financial and technical services.' (Business incubator, n.d.).

'The terms incubator and accelerator are often used interchangeably. Furthermore, these two models have some similarities and operate in overlapping spaces with technology entrepreneurs.' (Isabelle, 2013).

Entrepreneurship – a working definition

An individual who is willing to 'take risks with new or innovative ideas to generate new products or services.' (Ahmad & Hoffmann, 2008). He or she is part of a startup, a small enterprise which is 'continuously working on improving their product or service [..] a product or service that is made available through the latest technology [..] which is scalable and repeatable' (Wat is een startup, 2015).

Freelancer – a working definition

An individual that delivers a fixed product or service to a customer (Ondernemersplein, n.d.), who is not part of an enterprise.

Administrators – a working definition

Administrators are part of an already established enterprise and is chosen to be the antonym for entrepreneur. Like entrepreneurs, administrators also seek for opportunities, but they remain risk-averse. According to Feynman (2011), administrators look at the 'control and process' of opportunities.

Coworking spaces

The concept coworking originates in 2005 in San Francisco and its envisions a so called Third Way of working which means that 'coworking' is a concept in between what we nowadays call a normal work life at a normal office and working at home. It must be noted that there is a difference between coworking and co-working. The latter explains people working on the same project, whereas people in a cowork setting work on different projects independently (Gandini, 2015).

In a study to coworking spaces conducted by the Harvard Business Review (Gandini, 2015), coworking is defined as 'membership-based workspaces where diverse groups of freelancers, remote workers, and other independent professionals work together in a shared, communal setting'. Among their respondents they have found three characteristics which makes working in a coworking space successful. Firstly, work is seen as meaningful, because workers continuously choose projects that are meaningful or what they care about. Secondly, respondents felt like they have more job control and they feel part of a community'. This last one seems to be very important, as coworkers are willing to pay a lot for this community.

Spreitzer, Bacevice and Garrett (2015) end by stating that a coworking space should be a combination of 'a well-designed environment,' as well as, 'a-well curated work experience.'

These statements are shared by Chawla (2013). Who says the following: 'Co-working spaces have become popular worldwide, affording startups instant networking opportunities and camaraderie, as well as the intangible benefit of what I call "assisted serendipity": a multitude of unexpected encounters that are difficult to recreate in traditional office settings and provide nearly immeasurable amounts of value for new businesses' (Chawla, 2013).

Spinuzzi (2012) conducted a 20-month study in which he made an attempt to define coworking as well as coworking spaces, to identify people who cowork and why they cowork. Reasons of coworking given by his respondents varied, but most respondents felt mostly distracted at home and end up doing chores such as cleaning or doing the laundry. Another group felt isolated and missed interaction as well as the amenities provided at an office. Other reasons were self-motivation problems at home or the pressure to buy a product when working at coffee shops or cafes, which is also seen as a form of distraction.

He states that 'working alone can take a toll on people, who sometimes find themselves cut off from networking and trust-building opportunities, with limited access to infrastructure and without firm barriers between their personal and work lives (Spinuzzi, 2012, 401). Coworking is the solution for everybody who can work anywhere, as these people -more than other people- experience isolation and an inability to build trust and relationships.

Spinuzzi explains in his study that defining coworking had been rather difficult as opinions differentiated greatly. In order to gain a better understanding of a coworker's perspective Spinuzzi, interviewed coworkers in the three most populated coworking offices in the state. The following characteristics of coworking were heard most often as a component of a definition:

1. *Coworking as a space*
According to respondents the ability of having an office space in a non-office
2. *Coworking as an inexpensive office alternative*
According to some respondents coworking spaces are not considered costly
3. *Coworking as a social hub*
A combination of social working and networking
4. *Coworking as collaboration*
Some respondents defined coworking as collaborating with others
5. *Coworking as heterogeneous and homogeneous*
Either working with like-minded people or people who are working on other dissimilar projects
6. *Coworking as work/home separation*

(Spinuzzi, 2012, p.408-409).

Below one can find characteristics that coworkers look for in coworking spaces:

- Space, design and professionalism
- Flexibility
- Location
- Benefits from other coworkers

(Spinuzzi, 2012, 412)

The meaning of benefits of other coworkers is described below:

- Interaction
- Feedback
- Trust
- Learning
- Partnerships
- Encouragement
- Referrals

(Spinuzzi, 2012, p.413-414):

And

- Parallel work as an outcome
  Need to interact socially and sometimes gather feedback
- Cooperative work as an outcome
  Need to gather specific feedback and learning techniques

(Spinuzzi, 2012, p.415)

Spinuzzi explains how coworking spaces can differ greatly in the following categories: 'ambience, amenities, location and clientele' (Spinuzzi, 2012, 400). In an explanation of his expectations regarding the evolvement of coworking spaces in, he explains the need of community manager who 'structure interactions, facilitate introductions, and otherwise introduce greater social coherence' (Spinuzzi, 2012, p.417).