



# DISRUPTIVE BUSINESS INTELLIGENCE

**Using Social Media to Identify Emerging Competition**

CASE STUDY - TESSEMAE'S ALL NATURAL

**By Peter Murane**

President, Brand VO<sub>2</sub>

Reading Time – 3 Minutes

# THE DIGITAL AGE

## It's Happening Right Now

It's becoming an increasingly common story line in the digital age:

1) Innovative brand emerges seemingly out-of-nowhere to disrupt a mature category. 2) Incumbent brands do not see the change coming or they do not take it seriously. 3) Delay in responding allows the innovator to establish a market foothold, leaving incumbent brands vulnerable to market change, having to play catch-up or, worse, puts them out of business.

It's happening right now in the world of online payment systems where banks and credit card companies are encountering formidable new competition from innovators like Square, Venmo and Apple.

It's happening right now in the travel industry where Airbnb is creating unique travel experiences that don't involve staying in hotels. Airbnb just completed a \$450 million investment round that valued the company at \$10 billion. And it's achieved this eye-popping success in six years. For perspective, Marriott International has a valuation of \$20 billion and has been in business for eighty-seven years.

And it's happening right now in grocery stores – the salad dressing category to be exact – where underdog Tessemae's is breaking the rules and successfully competing with big established brands, including Kraft and Marie's Dressings.





## About this Case Study and Brand VO<sub>2</sub><sup>®</sup>

This case study demonstrates how the Brand VO<sub>2</sub><sup>®</sup> business intelligence platform can be used to identify emerging market disruptions and to assess the threats and opportunities presented by new competitors.

Subscribers can use this information to monitor change in their category, understand the strengths and weaknesses of competition and identify potential innovation areas and acquisition targets.

Our analysis was completed with Brand VO<sub>2</sub> – a business intelligence platform created by BrandJuice, one of the country's top brand strategy and innovation agencies. [brandjuice.com](http://brandjuice.com)

Brand VO<sub>2</sub> combines cloud-based software with insight-rich Analyst Services to derive real-time category, brand and competitor insights sourced from online conversations found in social media, e-commerce, blogs, review sites, forums, traditional media and CRM systems.

Instead of applying a “sentiment” framework (which simplistically considers whether customers are happy or sad), Brand VO<sub>2</sub> applies a sophisticated brand equity framework and an innovative linguistic model to data. As a result, the platform has several advantages including the ability to:

- Measure brand health live using the Brand VO<sub>2</sub> Score™
- Identify where competitors are vulnerable
- Predict future market share
- Identify threats in real-time
- Identify trends and market shifts
- Identify acquisition targets
- Source inspiration for innovation & product improvements

“  
Brand VO<sub>2</sub>  
combines cloud-  
based software  
with insight-rich  
Analyst Services  
to derive real-  
time insights...  
”



Tessemae's first product –  
Lemon Garlic Dressing

## Tessemae's Story

Tessemae's was founded in 2009 by 25 year-old Greg Vetter. The recipe for the company's first product (Lemon Garlic Dressing) was actually created by Greg's mother, Tesse. Her culinary inspiration was getting her three sons to enjoy salad.

Tesse's dressing was a hit in the family – and in the neighborhood. It was so good that the neighbors were soon “borrowing” bottles of it.

Greg saw an opportunity and convinced his mother to go into business. She agreed, on the one condition that he would have to secure distribution at Whole Foods. Greg did just that, getting the product placed in a new Whole Foods store in Annapolis, Maryland.



Fast-forward five years and Tessemae's All Natural has all three brothers working in the business, 24 products and growing distribution at Whole Foods, Costco and regional supermarkets.

In 2013, only the company's fifth year, Tessemae's brought in \$4.1 million in revenue, up 342% over 2012, which was in turn up 247% over 2011's \$890,000. (Source: Forbes) Today, the brand is the No. 1 refrigerated salad dressing at Whole Foods – chain wide.

While the numbers above may seem relatively small, in 2014 the company projects \$35 million in sales. (Source: Inc)

That kind of revenue is certain to get the attention of market leaders like Kraft but it's likely a discovery that will happen sometime in 2015. This will give Tessemae's one more year in the market to enhance its already formidable relationship with consumers and to innovative additional product items.

The strategic question becomes, is it possible to identify upstart brands like Tessemae's years before their success is obvious?

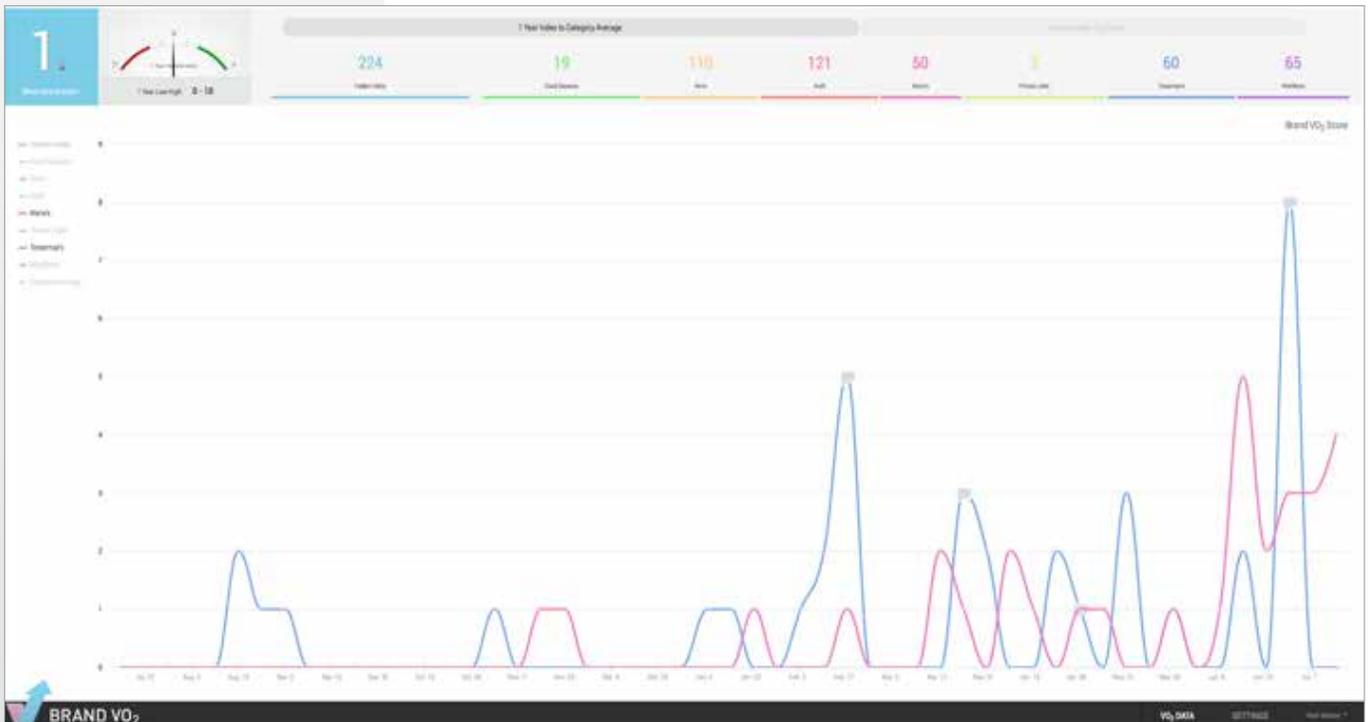
In a word, the answer is yes.

## Tessemae's Brand VO<sub>2</sub> Score

The Brand VO<sub>2</sub> platform first detects Tessemae's appeal to consumers in August 2013. In the chart below, Tessemae's is the blue line and Marie's Dressings (for reference) is the pink line. Both brands compete in the refrigerated segment.

Think of the line charts below like a company's stock. The higher the Brand VO<sub>2</sub> score, the higher the brand's relevancy and online engagement among consumers.

Note the steady rise of Tessemae's over time.





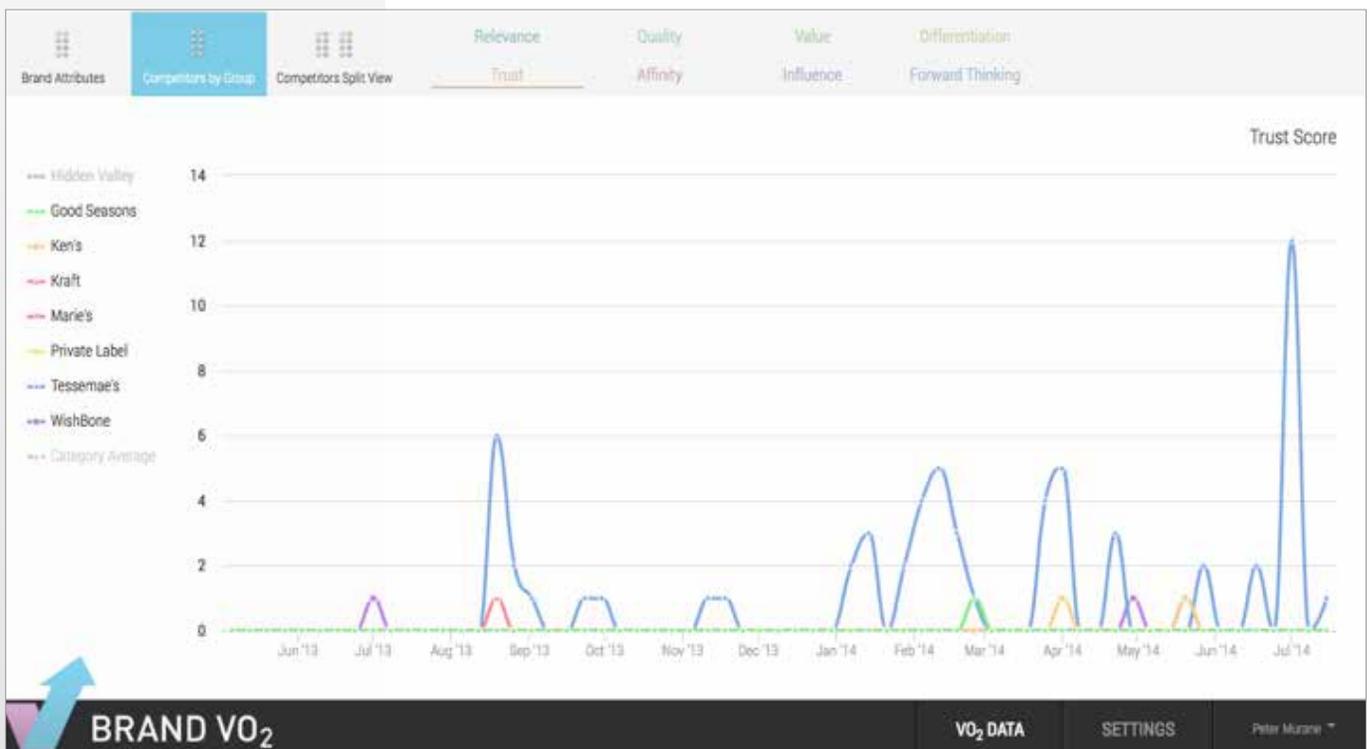
## Driver #2 Trusted Authenticity

Not surprisingly, there's resonance around this being a family success story — from Mom's kitchen to distribution in Whole Foods stores.

More importantly, consumers appreciate the ingredient integrity of Tessemae's products and the decision by company leaders not to use MSG, gluten, sugar or GMO ingredients in their products. The brand is walking the walk when it comes to truly being a healthier, All-Natural option.

Interestingly, our analysis indicates that Tessemae's is the most trusted brand in the category – likely the result of the company's clean ingredient strategy as well as its family-company status.

Tessemae's Trust attribute ratings are much higher than market leaders like Kraft and Wishbone.



## Driver #3

### Aligned with Health & Wellness Trends

Finally, Tessemae's has cleverly aligned itself with macro trends shaping the way Americans eat. These trends may not yet be mainstream but they have significant growth rates.

The brand resonates within the Paleo and Vegan communities. And it's paid attention to the little things to build credibility with consumers. For example, it's one of the few dressings that does not use Xanthum gum as a thickener. And it's progressively certified as Earth Kosher™.

"Everything is moving toward clean eating, whether farm to table or paleo or vegan, people just want unprocessed food, and we make that," Vetter said. "We have a five-year head start on the current food trends." (Baltimore Sun)

As a result, Tessemae's Brand VO<sub>2</sub> product quality ratings are higher than share leaders like Kraft.

### Summary

Accurately predicting the future is generally very good for business. Strategically, the early detection of market changes and emerging competition provides incumbent brands numerous advantages.

These include the ability to respond to new competition with innovation – or acquisition (when a small competitor is going to be much cheaper to buy).

Moreover, the ability to see trends and shifts in the market in advance of competitors creates a sustainable advantage for companies wanting to maintain control of their strategic agenda.

For more information on the analytic and predictive capabilities of Brand VO<sub>2</sub> contact us today for a brief conversation.



**Peter Murane**  
*President*

Direct - 303.454.3256

Email - [peter.murane@brandvo2.com](mailto:peter.murane@brandvo2.com)

Learn more at [brandvo2.com](http://brandvo2.com)