

# Flour Power

With a little help from the Web, **King Arthur** has built a fast-growing premium brand out of one of the world's most mundane commodities. **BY VICKI POWERS**



**MIXING IT UP** Baking Circle members like Laura Nicoletti, Lindsey Anderson, and Susan Schwarting can meet up online.

courages the hobby.” It’s also a way to stoke King Arthur’s traditionally strong word of mouth and to reinforce its connection to hard-core bakers, some of whom have used the site to organize pilgrimages to the company’s headquarters.

The idea for the Baking Circle arose as the company began to outgrow its New England roots. As recently as 1993, supermarkets in only 11 states carried King Arthur flour; fans elsewhere bought it through the company’s “Baker’s Catalogue,” which sells baking equipment and flour to a subscription list that originally had just 40,000 people. Since then, the brand has fought its way into supermarkets in all 50 states, and the catalog now hits 9 million mailboxes.

The Baking Circle helps King Arthur customers continue to feel like part of an exclusive club even as the brand

If you think you have it tough trying to win brand loyalty, imagine if the product you were selling had been commoditized since, oh, say, 10,000 B.C. That’s the challenge faced by tiny King Arthur Flour of Norwich, Vt.—which would seem to leave the \$35 million company little room for a unique identity, let alone the kind of brand power that allowed it to grow sales by 20 percent last year, even as flour consumption shrank in our carb-conscious nation. King Arthur is No. 3 in sales nationwide, behind Gold Medal and Pillsbury. However, its whole-wheat flour is No. 1 in sales, and the brand overall is widely regarded as *the* flour for professional bakers and serious hobbyists. “It gives me a much more consistent product, so I have an easier time teaching with it,” says Nick Greco, an instructor and lecturer at the Culinary Institute of America in Hyde Park, NY.

The company works hard to keep that elite status—in part by promoting its 200-year history—but one of its best loyalty tools is of far more recent vintage. Called the Baking Circle ([www.bakingcircle.com](http://www.bakingcircle.com)), it’s a 100,000-user online community where users swap recipes, post messages, and upload pictures of baked goods. “What frustrates people about baking is that recipes never quite come out the same,” says Joe Caron, King Arthur’s director of Internet marketing and operations. “But the Baking Circle lets them ask questions, so it en-

goes mass market. Membership has grown 50-fold since its debut, and the average member not only buys directly from King Arthur three times more often than non-member customers but also spends about \$12 more on each order. Here’s a look at the Baking Circle’s recipe for success.

## Involve Potential Members in the Planning Process

During development in 2000, King Arthur queried its 40,000 e-mail newsletter subscribers about the Baking Circle idea. When 86 percent said they’d participate, the company asked what they’d like the Baking Circle to provide. Many of those requests are reflected today, including the ability to save recipes and see the number of users online.

## Start With Core Customers

After more than a year of testing and development, the Baking Circle invited King Arthur’s e-mail newsletter sub-

### Sweet Success

Baking Circle members

100,000

Increase in sales since 2002

20%

Portion of sales from website

17%

Source: King Arthur Flour

scribers—truly committed baking buffs—to sign up. Two thousand joined in the first few days. The company followed up with invitations to other users through its call center and catalog.

### Keep the Technology Simple

Because Baking Circle members aren't the most tech-savvy bunch, King Arthur kept the site basic and easy to use. Simplicity also meant that just about everything could be programmed in-house, which kept costs comparatively low.

### Reward Them in Return

King Arthur grants members "baker's points" for each online purchase. They can redeem the points for merchandise or discounts on online or catalog purchases. (Each point equals \$1, so just four points buys a 5-pound bag of flour.) The company also hopes the rewards will attract new users and convert "lurkers," who read the message boards but don't chat, into buyers and active participants.

### Mine the Postings

The busier the message boards, the better, because the chatter gives King Arthur insight into what customers really want. P.J. Hamel, a 14-year King Arthur veteran, serves double duty as editor of the catalog and Baking Circle liaison. From that vantage point, she can monitor what products customers are demanding—say, a pan that makes square muffins—and work to add them to the catalog.

### Get Feedback From Fanatics

King Arthur formally surveys Baking Circle members every few months about the products or ingredients they want, why they buy, and what new features they'd like to see on the site. It's like an instant focus group with 100,000 people who are deeply interested in the company. "We'll be in a conference room strategizing, and someone will say, 'Well, we have a bunch of folks in the Baking Circle we can ask,'" Caron says. "They're more than happy to tell us what they think." ♦

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## Unleashing the Monster Download

Using file sharing for good instead of evil, **BitTorrent** is helping companies save a bundle.

**B**lizzard Entertainment knew what it was in for when it announced in March that fans of its Warcraft computer games could download an online role-playing version for testing: 100,000 would-be orc killers sweeping down on its website to grab the mammoth 2-gigabyte download. In the past a traffic spike of that magnitude would have bottlenecked or even crashed the Irvine, Calif., game developer's servers, and infuriated gamers would scream with blood lust.

This time there was nary a whimper. That's because the company tamed the bandwidth-hogging hordes with an ingenious file-sharing system called BitTorrent. Though "file sharing" carries a shady connotation for those who think of it in terms of illegal music downloads, this open-source software is not just free but also legal.

Simple too. Normally, when you attempt to download a file, your PC waits in line with all the others trying to get it. Once you install the program, BitTorrent breaks the file up into pieces

**20,000 users can download a file simultaneously.**

and instructs the host server to send these bits to all the waiting PCs, which then share what they've received with other PCs asking for the same file. By reducing both the number of servers and the amount of bandwidth needed—20,000 users have downloaded a file simultaneously, something that would bring most servers to their knees—BitTorrent can cut infrastructure costs by as much as 50 percent. "BitTorrent is the most efficient distribution scheme we've seen," says Blizzard producer Mark Kern.

Despite its cost-cutting potential, BitTorrent initially got the cold shoulder from the corporate world. Bram Cohen, a 25-year-old unemployed programmer when he created the system in 2001, posted it on the Web and encouraged others to adapt it to suit their needs. BitTorrent has since been downloaded more than 13 million times, according to SourceForge, a website that hosts open-source projects. Early adopters include software developer Linx, which uses BitTorrent to help distribute its version of Linux.

As for Cohen, he's cool with the improvements that have been made to his brainchild, as well as its growing popularity in corporate America: "It doesn't suck anymore, so I'm happy to see people picking it up." — MATTHEW MAIER