

Ginsters report

[Business](#), [Marketing](#)



GINSTERS Table of Contents Introduction and Background Ginsters is the main brand of the Samworth Brothers, a privately owned family business active in various food sectors. Its product range includes pasties, savouries, pies, wraps and sandwiches. Ginsters is based in Callington, Cornwall. The brand has been building its credentials as authentically Cornish and a local product with local ingredients. More recently it's also trying to associate its brand with the image of fresh and quality ingredients.

This is reflected on packaging, advertising and new product development (Ginsters Official website, 2010). The task at hand is to discover the Critical Success Factors for Ginsters, therefore analytical tools and frameworks were used such as SWOT, STP and the Marketing mix analysis. The external and competitive environment were also analyzed. The first section includes the critical evaluation of Ginsters' CSFs, while the second section is concerned with developing recommendations for a three-year strategy for the firm. 1.

Ginsters' Critical Success Factors 1. 1 CSFs According to Rockart and Bullen (1981), Critical Success Factors (CSFs) are the limited number of ways and the factors that are fundamental for the continual successful performance of a company. The identification of CSFs is important because it allows organizations to focus their efforts on building their capabilities to support their CSFs. On the other hand, it may even allow firms to assess whether they have the capabilities to develop the necessary requirements to meet CSFs.

Daniel (1961) was the first to introduce the concept of CSF. The concept was then used to assist in defining the CEO's information needs that are most

critical for a business (Rockart, 1979) (Zwikael and Globersonz, 2006). The CSFs method is straight-forward, however it has a complexity as it can be viewed from several perspectives. Geller (1985) points out that CSFs can be generic to a given combination of conditions in the industry, market and external environment. They can also be context specific in terms of the organization.

Furthermore, Rockart and Bullen presented five key sources of CSFs, the industry, competitive strategy and industry position, environmental factors, temporal factors, and managerial position. It is also important to note that CSFs can be monitored or measured to ensure they are still important and valid as they can change over time (Brothererton, 2004). 1. 2- Human resources development The first CSF for Ginsters is its ability to develop human resources. Embedded in its strategy is the recognition that people are important assets of the organization (Ginsters Official Website, 2010).

This is evident as it achieved the status of top-service supplier to UK supermarket giant Sainsbury's. Ginsters came up with a way of enhancing the efficiency and productivity of its workforce. It designed and implemented a unique branded management-development program, which it dubbed "Platinum" (Politt, 2006). This cut staff turnover to half, mitigated absenteeism, increased staff stability, reduced production-line down time building on improved relationships between engineering and production, and succeeded in offering higher services to its supermarket customers, following the introduction of a new training course (Politt, 2006). . 3 Brand Image and Advertising A full STP analysis conducted for Ginsters (see Appendix) has

derived important conclusions on Ginsters success factors. The decision to produce and distribute products solely in the United Kingdom has ultimately been positive and successful for the company, as it has increased its UK customer base. In 2009, Ginsters spent over 1 million pounds on advertising, which has generated considerable attention for the company (Mintel Report, 2010). Ginsters has consistently used advertising and it leads the pack in the pies and pastries category of the market (Mintel Report, 2010).

This is important and is evident through its great brand reputation along with goods that represent quality and trustworthiness. Ginsters has always promoted its Cornish heritage, emphasizing the importance it gives to local sourcing and the use of 100% British ingredients. The brand has also evolved immensely. Ginsters marketing scheme has developed to highlight the importance of quality ingredients that are put in the pasties. This is of critical importance because consumers are confident that Ginsters products will deliver on quality and taste.

Understandably, the pie and pastry industry is highly competitive with Ginsters competitors being able to produce virtually all the products that Ginsters is able to produce. That being said, Ginsters success lies in its convenience and impulse sector largely due to sales of chilled savoury pastry. In fact, Ginsters has been recognized as the number one 'food on the go' brand in the last four years (Doonar, 2004). 1. 4 Fragmentation of mealtimes and rise of chilled food industry & The ability to target and reach segments of market These are two important and correlated success factors for Ginsters.

The chilled and prepared foods market has evolved in the past 10 years and has become a very dynamic area of the food market. This is largely due to the trend in consumer behaviour where lifestyles are influencing mealtime. This has made mealtimes more fragmented, informal and less important. This environmental social change has resulted in suppliers and retailers placing more emphasis on the chilled cabinet. Moreover demand for chilled foods has soared. This is a type of environmental CSF is one in which the firm has no control over.

However, looking at Ginsters reaction to this environmental change is also a strategic critical success factor. Ginsters understood the impact of these changes on consumer purchasing behaviour and they adapted their products to meet this demand. This becomes clear in their ability to target the largest group that conforms to this environmental change, which are young people and business professional, and reaching their target by presenting their products in the right locations such as petrol station, convenience stores and university union shops (Keynotes food industry report, 2010).

Ginsters has also benefited from getting the right product mix to serve their target market as the SWOT analysis shows that its products are location independent, convenient, deeply filled, easy to eat and not unhealthy (Mintel Report, 2010). 1. 5 value chain Another critical success factor of Ginsters has been the way it incorporated its value chain. In terms of inbound logistics, Ginsters has chosen a direct channel approach that is characterized by low proximity. The place of Ginsters manufacturing facility is within a 20 mile radius of the raw material providers.

It forms a vertical marketing system (VMS) and more specifically an administered VMS. This type of cooperation helps Ginsters have a great degree of control. The system provides 35% of the total raw materials and the target is to reach 50% (Hunt, 2005). Furthermore, concerning operations, increased investments in production technology by introducing automation systems with quality control, ensured the end-quality of the products and also decreased costs (Growth at Ginsters, 2004; Drives cut pastry production costs, 2009; Keeping an eye on the Pie, 2002; Accurate pack coding easy as a pie, 2005).

Outbound logistics have also been a subject of focus for the company with a fleet of vans that place emphasis on delivering to 10000 companies during the peak hours (Brooks. 2004). A company-owned distribution system makes it possible to plan and incorporate delivering objectives, as relying on others would have made that difficult. Recommendations for three year strategy

The UK has been one of the major economies that are still in recession. Due to the economic crunch, businesses are facing grave troubles to cope with their existing businesses and are trying to raise capital for investment into new businesses.

Therefore, Ginsters should focus on improving its existing capacity and making better use of its factors of production. This can be achieved by reducing its working capital, increasing inventory turnover and implementing employee learning and performance improvement training programs similar to the platinum program undertaken 4 years ago (refer to 1. 2). However,

the company must establish some long term objectives as there are signs of recovery for the UK economy in the years to come.

The Bank of England estimates that the economy will get back on track by 2011 and the HM Treasury has published independent forecasts predicting that by the same year the GDP growth will be a mean 2%. It should plan for the development of smaller markets and target market segments which although less in size, have excellent expected growth rate. Ginsters is targeting youth and working people, but without offering Halal foods as compared to their competitor Pukka pies. According to The Times UK, Muslim population has been increasing 10 times faster than the rest of the communities in the

United Kingdom. It has grown by 0.5 million and reached 2.4 million in four years from 2004 to 2008 and expected to grow at the same pace as revealed by office of national statistics. Therefore, Ginsters should adopt a market development strategy to target the Muslim community in the UK. It can incorporate this strategy by introducing it into the heavily populated Muslim areas. Ginsters has been spending a lot of money on advertisements and has been successful in conveying the positive image of the company to the people.

Its latest TV brand shows that it puts quality ingredients in its products, but it does not convey the clear message that its food is more healthy. According to the survey conducted by Mintel, 16 % of people think that Ginsters food is unhealthy as compared to its competitor Pork Farms which was marked unhealthy by only 12 % of them (Mintel, 2010). The reason for this

misconception may have arisen from its marketing slogan, 'Real Honest Food'. This portrays that Ginsters products are of quality and authentic, however fails to demonstrate that it has taken healthy eating into consideration.

Therefore, the firm should seriously plan for new advertisements and promotions that give a more clear picture of Ginsters as a healthy food manufacturer. To convey the idea of healthy foods, the company should take advantage of the ongoing and upcoming events that represent Ginsters target market and could be helpful in promoting its message. It is recommended that Ginsters should become an official sponsor of the 2012 Summer Olympic Games. It can make new and innovative advertisements in the Olympic Games that can help produce a healthier image.

Sponsorship will also enable the firm to increase the awareness of its products and influence consumer behaviour patterns thereby leading to increased sales. It will also help to enhance the brand image in target groups' minds and develop a disposition to change behaviour towards buying the promoted brand, thereby leading to improved revenues (Smolianov et al, 1999). Ginsters support of a major international event will help in conveying its message to billions of people more accurately and positively.

It costs nearly 10 million pounds to become a three tier sponsor. Ginsters had pre-tax profits of 45. 2 million in 2009 and paid dividends amounting to 16. 2 million, up from 14 million in 2008 (Bloomberg Database, 2010).

Assuming a stable dividends growth, there is the potential for worldwide promotion and brand recognition. Instead of paying dividends out, it should

deposit them with a bank or place them in investment grade securities in order to grow at an amount sufficient enough to secure a place in the top sponsors of the Olympic Games.

TV advertising during the Olympics will also increase brand awareness among live audiences who watch TV broadcasts, which will ultimately pave the way to Ginsters going global. In 2008, a record breaking 70 million viewers tuned to NBC to watch the opening ceremony, not mentioning the other international broadcast stations (The Washington Post, 2010). The cost for a 30 second spot is expected to reach the 400. 000 USD level, signifying the importance of the particular event. In Ginsters case, the advertising strategy should include all forms of digital and physical advertising (television, radio, press, online, billboard, in-store etc. . In late 2009 Ginsters decided to redefine its brand image and target a broader market segment. It tried to appeal more to mothers and fathers while dropping its image as simply a snack. To continue to accomplish this, a massive advertising campaign is desperately needed. Along these lines, the company should negotiate a deal with BBC1 and ITV1 to sponsor the most popular programs in UK television. Programs that aim to captivate the interest of thousands of British families, which comprises the new target group for Ginsters.

Such programs would include “ Eastenders”, one of the most watched and long running soap operas, “ Coronation Street”, the longest running drama series in the world still to be in production and “ X Factor” a singing competition with over 13 million viewers each week (Broadcaster’s Audience Research Board, 2010). Appendix STP Analysis: | Ginster’s| Pukka Pies|

Segmentation| Products are sold exclusively in the United Kingdom highlighting the fact that Ginsters is a domestic company. Products are grouped towards the younger population of both sexes due its convenience.

The family appeal is one in which Ginsters strives to achieve as they portray a family environment in their advertising. Socio-economic class is not of vital importance with Ginsters as they want to cater to the complete market. The upper class can rely on a quality product while the lower class can rest assured that the product is competitively priced. | Products are sold all across Europe. Countries include Austria, Cyprus, France, Gibraltar, Greece, Holland, Hong Kong, Malta, Portugal, Spain, and the United Kingdom Products are grouped for people of all characteristics, specifically the middle-class family.

With a wide variety of products including frozen and chilled pastries, it is important for Pukka Pies to capture the full European market, rather than segment. | Targeting| Products are targeted towards the young students as evident in their separate online education portal and their collaboration with different colleges and universities. Also, they are actively involved in surfing, football, and music festivals which appeal to young generation. They targeted the meat eating and non-Islamic sector as they do not have a Halal pastry| Products are targeted towards outgoing events to garner considerable public interest.

Examples include the Pukka Pies England band as well as major sponsorships to major sporting events. | Positioning| The pie and pastry market is a competitive one in which each company does not differentiate it s

positioning too much. Ginster's remains unique and relevant amongst its United Kingdom customers by positioning its domestic appeal. Ginsters have strategized to provide quality food for a reasonable price. As compared to competitors, Ginster's is ranked amongst the top for pricing. Quality is of utmost importance and therefore they position themselves to advertise quality and honesty of foods.

Media advertising, over 1 million pounds in 2009, was largely concentrated on the target markets including students and mothers. This was done by adding more sandwiches to cater to women as well as advertisements at sporting and recreation events for students. | The differentiation by Pukka Pies is their international appeal. They strive, not solely to dominate a market, however to diversify themselves into different markets. Penetration strategies is their positioning technique as their products are available across Europe. | Marketing Mix Analysis Products:

Ginsters has got a huge product line consisting of 58 types of pasties, slices, pork pies, hot pies, savories, sandwiches and wraps as compare to its competitors, pukka pies and pork farms. All Ginsters raw material comes from the farms and suppliers present in Cornwall. They have different specialize supplier who provides them with fresh and pure raw material. These farms and suppliers includes Hay farm, torpoint for vegetables, Bocaddon farm, Lanreah for Cornish soft cheese, Cornish orchards, duloe for apple juice to capture that authentic west country flavour, jaspers of treburley for beef and David stone creamery for fresh cheese. Ginsters official website, 2010) Ginsters focus on Chilled products whereas Pukka pies

have variety of categories including frozen backed, chilled backed, frozen backed wrapped, frozen unbaked range, frozen pastry (Pukka pies official website, 2010) If we analyze Ginsters product line we find that they have 21 types of different sandwiches as compare to pies and pasties which are few in numbers (Ginsters official website, 2010). Whereas Pukka pies and pork farms have less variety than Ginsters.

Pukka pies have some additional flavour of pies including kidney and potato and they also sell halal food (Pukka pies official website, 2010). Furthermore pork farms have bakes and scotch eggs (pork farms official website, 2010) Price: Ginsters product pricing is almost same as compare to Pukka pies and pork farms. For example steak pies from Ginsters and Pukka pies cost exactly 1 ? but in some cases Ginsters is expensive for example Ginsters pork pie is 1. 29 ? and Pork farms pork pie is 0. 91 ? (Tesco Official website, 2010).

Therefore we can say that Ginsters have a comparable pricing strategy with most of its product line but with some of the market leading products they show skimming pricing strategy as well. Place: Ginsters only Target UK market. They follow wholesale sale strategy. They have distributors all over UK. They keep their products in big super markets like Tesco, Sainsbury etc. The major area where Pukka pies leaves Ginsters behind is its sale locations. Pukka pies are selling in Austria, Cyprus, France, Gibraltar, Greece, Holland, Hong Kong, Ibiza, Lanzarote, Malta, Portugal, Spain and Tenerife other than UK. Pukka pies official website, 2010) Promotions: When it comes to promotions, Ginsters are spending a lot of revenue on advertisement and

promotional activities like charity, supporting local teams etc. The differentiating part of Ginsters promotional activity includes collaboration with different universities including Plymouth University and community colleges at Callington, Launceston, Tavistock and Saltash colleges and universities. Ginsters also have their online educational portal. This shows that they are targeting youngsters from schools, colleges and universities.

For the new promotions Ginsters is focusing on introducing some fruit pies as well. Their promotional strategy seems to be product benefit advertisement strategy. As compare to Ginsters Pukka pies have a large variety of souvenirs including footballs, posters, cups, caps etc. They have an online portal where people can buy their souvenirs. As compare to both of them pork farms focus on introducing new packaging and actively conduct live shows with consumers to test their products and tells them of their products taste. Pork farms are teaming up with Peperami and Branston to launch a number of co-branded recipes.

The new partnerships will see a Spicy Hit sausage roll with Peperami and two Pickle Hit sausage rolls - one with Branston Pickle and cheese and one with Branston Pickle and sausage meat - available from mid-March 2010. The company is also launching a Pork and Branston Pickle Pork Pie. (Ginsters official website, 2010; Pukka pies official website, 2010; Pork farms official website, 2010) SWOT Analysis: Strengths * Product variety in comparison to competitors places a strong emphasis on new product development to create innovative, exciting products to enhance its core product range.

Ginsters launched mini pasties in Q2 2010 to tie in with the upcoming picnic season and the on-the-go snacking market. * Ginsters position in more than one market and covering them successfully due to their diverse products * Ginsters' products have a number of characteristics that make them a highly popular lunchtime food firstly their products are location independent and can be eaten practically anywhere. Secondly their products are convenient and can be found in many locations. Furthermore their products are filling and positioned as big eats.

Finally the products are easy to eat and are pre-packed. * Advertisement and promotion strategy Ginsters' promotional activities have always highlighted its British provenance and local sourcing. Moreover their brand image Fresh and hygienic food which is an advantage in the current customer behaviour trends. * HRM program that allows for organisational learning * Their supply chain is short therefore saves them money and increases quality *

Manufacturing processes are fully automated speed up production and inspection and quality programs to be easy. Weaknesses The product range is not comprehensive and there are some niches they did not cater for, such as the vegetarian market the Halal and Kosher markets. * Ginsters operate only in the UK where competitors such as Pukka Pies operate internationally they are pies are selling in Austria, Cyprus, France, Gibraltar, Greece, Holland, Hong Kong, Ibiza, Lanzarote, Malta, Portugal, Spain and Tenerife other than UK. * Although Ginsters are trying to convey that they are a healthy product. This message is not reaching other market segments, such as women and families. Their image as a healthy product is not strong. Despite a high rate of new product development, the favourite lines continue

to be the BLT, prawn mayonnaise, cheese and pickle, chicken salad and egg and cheese Opportunities * Increase emphasis on health awareness products. Interest in healthy eating will undoubtedly outlive the recession and there is scope to increase the number of functional products in many areas of the market. * Ginsters can explore minority market niches such as, vegetarians and Halal foods. This can be achieved by new product development. * Utilisation of production capabilities by exploring International markets, as competitors are present outside the local market. Despite the recession, sales of indulgence products such as desserts may also grow if suppliers can position the products as relatively inexpensive treats. Threats * One of the longer-term challenges that the pies and pastry category will face is whether consumers will stick to the category when the economy improves and they have more disposable income. Pies and pasties offer consumers a low cost meal that is convenient, but does not tick the healthy eating box and so requires manufacturers to find ways to reformulate their product ranges to make them healthier. When looking at the things that worry consumers the most, their financial situation and the economy supersedes any concerns they may have about their health, so while they face financial challenges, the health credentials of the food they are eating may be of less importance if it proves to be more cost efficient. * Ginsters needs to ensure that they maintain their above-the-line support of their brands to ensure they are top of mind when consumers are looking for a quick snack. The recession will strengthen the appeal of own-label products and consequently affect NPD and marketing, which will culminate in undermining value growth in the market. References Accurate pack coding easy as a pie (2005). Packaging

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