

# [Saxonville](https://assignbuster.com/saxonville/)

Saxonville's Background Saxonville was a 70-year-old, privately held family business headquartered in Saxonville, Ohio, with 2005 revenues of approximately $1. 5 billion. The company produced a variety of pork sausage products, predominantly fresh sausage as opposed to smoked or semi-dried. The heart of the business consisted of branded products: bratwurst (70% of Saxonville's revenues); breakfast sausage, both links and patties (20% of revenues); and an Italian sausage named Vivio (5% of revenues). Storebrand products accounted for the additional 5% of revenues.

While the bratwurst and breakfast products were sold throughout the United States via both ational and regional brokers and distributors, the products had very little distribution in stores in the Northeastern markets. Since 2004, both the bratwurst and breakfast categories across all sausage producers had been flat (0% volume increase) nationwide, with little or no growth expected in the short term. Saxonville's own brats sales had been flat, but in breakfast sausage the company had underperformed the market, resulting in a double-digit revenue decline; in December 2005, Saxonville ranked sixth out of eight national breakfast sausage brands.

Italian sausage was the one category showing growth across producers in he retail sausage market, having grown at an annual rate of 9% in 2004 and 15% in 2005. Saxonville's Vivio brand had matched that level of category growth; however, Vivio was available in Just 16% of the nation's large supermarkets, primarily in Boston, New Jersey, New York, Maryland, and South Carolina. Kate Moore prepared this case solely as a basis for class discussion and not as an endorsement, a source of primary data, or an illustration of effective or ineffective management.

Kate Moore is a marketing consultant who specializes in brand identity development and positioning work. Following eight years in brand anagement in Fortune 100 consumer goods companies, Kate has run global and domestic projects across a range of industries in both 82B and B2C settings. actual persons or entities is coincidental. There are occasional references to actual companies in the narration. Copyright 2007 Harvard Business School Publishing. To order copies or request permission to reproduce materials, call 1-800-545-7685, write Harvard Business Publishing, Boston, MA 02163, or go to http://www. bsp. harvard. edu. No part of this publication may be reproduced, stored in a retrieval system, used in a spreadsheet, r transmitted in any form or by any means” electronic, mechanical, photocopying, recording, or otherwise” without the permission of Harvard Business Publishing. Harvard Business Publishing is an affiliate of Harvard Business School. 2085 | Saxonville Sausage Company Upon hiring Ann Banks in the fall of 2005, Steve Sears assigned her to assess " the Italian opportunity' for Saxonville and develop a national product under the Vivio name or as a new brand.

Coming from a Fortune 100 packaged goods company, with experience in brand identity and development work, Banks was eager to " make her mark" in a smaller organization. In their first conversation, Sears had told Banks, miour portfolio shows that you don't Just rely on developing a distinctive product; you know how to match up core values in the 'hearts and minds' of consumers with the attributes of a product, so that consumers feel like the brand was designed specifically to meet their needs.

Saxonville needs a well-thought-out positioning plan if we want to move from our also-ran position in Italian sausage to national category leader and make our product one that every major grocery account in the U. S. will want to carry. " Background of Saxonville's Italian Sausage Business Banks soon found a willing guide to Saxonville's business and a partner for her project in Laura Bishop, director of market research. Bishop gave Banks the results of Saxonville's Attitude and Usage research in 2001 and access to the company's constantly updated, online market database.

In their first lengthy conversation, Bishop frankly explained Saxonville's challenges. " In the breakfast category we Just don't spend enough to compete with the big players. Besides, fewer people are serving sausage for breakfast; it's eaten more at special occasions, typically on weekends. " She continued. The bratwurst division fired their ad agency mid-year. Then it was too late to get a new campaign developed and fielded. Steve knows we need to change the marketing planning for brats. Bishop smiled, " But think about the potential for brats” theyre mainly prepared at outdoor barbeques, and there's only so much outdoor grilling. People eat inside more often. " " About Vivio. Saxonville first entered the Italian sausage market in 2002 in the Northeast where," Bishop laughed, " brats are not a basic staple like here in the Midwest. They made up an 'Italian' name because senior management worried that people wouldn't buy an Italian product from a 'German heritage' company. Vivio was priced comparably to other regional Italian sausages, and we gave it the required trade support.