

Analysis of tyrells potatio chips business



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The team of the Tyrrell potato chips is very passionate about growing potatoes and turning them into delicious chips. Having travelled the world in the last nineties in search of the perfect potato chips production method and equipments. Therefore later on the equipment and methods were brought to Tyrrell's court farm and launched a product that would be Britain's best loved "premium" snack product. The main objective of the Tyrrell's potato chips was to get closer to the customers.

Therefore as a result Tyrrell potato chips developed a more sophisticated chip. He mainly cut the potatoes thicker so that it retained more potato flavor. Due to this the final product was very different from other products and therefore the customers were happy to pay a premium price for a superior quality and a better tasting product.

Since the launch of Tyrrell potato chips in 2002, it has built over 4000 customers. They include independent retail customers and many prestigious food retailers. Therefore Will Chase continues to evolve his dream and remain devoted to develop the Tyrrell's brand using his Herefordshire farm.

What advice would you offer Will Chase, the owner of "Tyrrell's chips", as to how to develop and grow its customer base amongst customers from higher social grades, without either changing or losing the perception of its product coming from a Herefordshire farmer.

With reference to: http://en.wikipedia.org/wiki/Customer_base 2010 11: 30am customer base is defined as:

The customer base is the group of customer and/or consumers that a business serves. In the most situations, a large part of this group is made up of repeat customers with a high ratio of purchase over time. These customers are the main source of consumer spending. In many cases, the customer base is considered the business's target market, where customer behaviors are well understood through market research or past experience. All actions the company takes would be through consideration of its customer base.

Companies with a customer base consisting mainly of large companies may increase their customer base by pursuing small and mid-size companies

Businesses in war zones may temporarily expand their customer base to include military personnel, but ongoing violence can drive away a local customer base.

The advice offered by me to Will Chase will be based on three main points i. e.:

Maintaining company's image

Customer relationship management (CRM)

Emphasis on core benefits of unique selling proposition (USP)

Maintaining company's image means that whatever action is taken by the members of the company it should make sure it gives a rise to the company's name and not a fall. The company's image can be maintained by

considering the 4p's of marketing, the 4p's of marketing are as follows:
product, price, place and promotion.

Customer relationship management (CRM) is the overall process of building and maintaining profitable customer relationships by delivering superior customer value and satisfaction.

Unique selling proposition (USP) is a marketing concept that was first proposed as a theory to explain a pattern among successful advertising campaigns of the early 1940s. It states that such campaigns made unique propositions to the customer and that this convinced them to switch brands. The term was invented by Rosser Reeves of Ted Bates & Company. Today the term is used in other fields or just casually to refer to any aspect of an object that differentiates it from similar objects

Today, a number of businesses and corporations currently use USPs as a basis for their

Marketing campaigns.

In reality in Advertising (Reeves 1961, pp. 46 – 48) Reeves laments that the U. S. P. is widely misunderstood and gives a precise definition in three parts.

1. Each advertisement must make a proposition to the customer,. Not just words, not

just product puffery not just show – window. Each advertisement must say to each reader: “ Buy this product, and you will get this specific benefit”.

2. The proposition must be one that the competition either cannot, or does not offer. It must be unique-either a uniqueness of the brand or claim not otherwise made in that particular field of advertising.

3. The proposition must be strong that it can move the mass millions, i. e. pull over new customers to your product.

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Reference: http://en.wikipedia.org/wiki/Unique_selling_proposition 1: 03am 22/4/2010

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either changing or losing the perception of its product coming from a Herefordshire farm can be as follows:

Handle customers properly.

Mr. Will Chase should handle his customers as his partner and not as normal customers. This will encourage customer loyalty towards Tyrell's chips thus telling others about it. Having a good relation and good attitude will increase their customer base.

Good communication system

Secondly Will Chase should also have good communication system with his customers, the good communication system will bridge the gap between the customers and Will Chase and any alteration needed could be made easily which would satisfy the customer and customer's satisfaction will lead to an increase in number of customers.

Advertisements

Also Will Chase should increase advertisement which would make people aware even those who were not aware of Tyrell's chips. Making a wide range of people aware of Tyrell's chips and its taste it will encourage more and more people to have it because in this globalized world everyone wants to have a good health and Tyrell's chips is a low fat product which would be very much suitable for the people to consume it and this way there could be a high increase in customers.

Increase in outlets/ distribution

Also Will chase should increase outlets which would lead to growth and development of customer base because more people would be aware of the

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product, even those who were not aware of it. The reason for many people not to be aware can be that it didn't have a lot of outlets and since the outlets will increase the problem would have been solved and that way it will increase in sales.

Increase in sales representatives

Increase in sales representatives would increase in sales of Tyrrell's chip because since there will be an increase in sales representative that means there will be an increase in the people who can talk and convince the customer that will automatically increase sales. This is because the sales representatives will be able to reach in a wider area than they used to sell their products.

The advices below is referred from About. com Guide By, Susan Ward
3/10/2010. 9: 13pm

Give your customer the inside scoop

Inside scoop refers to giving customers the idea or making them aware of something which is going to be sooner.

Example if the Tyrell's chips company is thinking of promoting chips and before it is promoted, the salesman decides to tell those few best customers about it that may lead to increase in customers because those few customers will go and tell their friends and relatives who will be attracted to buy it and in that way it will increase demand which will also give a rise to sales.

Sampling

Another way through which Will Chase the owner of Tyrrell's chips can develop and grow its customer base amongst customers from higher social grades is by distributing free chips to the public in trade shows and other public programs, that will increase awareness towards the people and might lead to the increase in demand of Tyrell's chips which will on the other side increase sales.

Set up a customer rewards program

To attract other people to buy Tyrell's chips one of the possible ways can be by setting up a customer reward program. Customer rewards can be in any ways one of it can even be by giving out discounts or even by celebrating the customer's birthday the non buyer of Tyrell's chips will get attracted to buy because even he/she will want such good care from his/hers sellers. And his/her wants will force him to buy Tyrell's chips which will increase sales of the chips.

Task 2

What specific sales strategy and structure might you advice " Tyrrell's chips" to employ eventually, to further develop long term customer relationship and equally long term value with its customers? Why would you recommend this?

Sales strategy definition

Planned approach to account-management policy formation, prospect identification and qualification, sales presentation, and order generation aimed at achieving a firm's sales quotas or targets.

Reference: <http://www.businessdictionary.com/definition/sales-strategy.html>

A well-planned sales strategy will help your business achieve its growth potential. The sales-efficiency.com Sales Strategy consulting services are designed to help businesses:

Target and penetrate the most promising and profitable markets and sectors

Go to market in the most effective manner

Refine and maximise your competitive advantage and product/service differentiation to increase market share and margins

Increase sales win ratios and shorten sales cycles by refining and aligning sales and marketing messaging to capitalise on your value proposition and your competitor's weaknesses

Define the most efficient and cost-effective tactics and methods to sell your company's products and services.

Establish a specific plan to strengthen and enhance lead generation.

Establish comprehensive success metrics and quantitative targets at every critical level from the number of impressions made to the number of customers gained.

Reference: http://www.sales-efficiency.com/index_files/Page504.htm.

Specific sales strategy and structure I would advice Will Chase, the owner of " Tyrrell's chips" are as follows:

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High commission

Will Chase the owner of Tyrrell's chips should give high commission to the sales representatives so as they should promote the chips more, commission would encourage the sales representatives to work harder on the chips by extra advertising which would increase the rate of awareness of the chips towards the people and be an advantage to the Tyrrell's chips.

Building loyalty

Another sales strategy and structure which would help Will Chase in building long term customer relationship and long term customer value is by building loyalty with his customer. Loyalty means building faith and trust of customer on a product. Building loyalty is one of the best way of building long term customer relationship and long term customer value because once one has faith and trust on the chips then it's very hard to lose him/her.

Questionnaire

Questionnaire can be taken as another sales strategy which would Will Chase the owner of Tyrrell's chips to develop long term customer relationship and equally long term customer value. By questioning the customers about the chips and making some changes on their word will make them feel that they are given importance and respect as a member of the company, that respect can develop long term customer relationship and equally long term customer value. Another advantage of questionnaire is that it will help the Will chase and his team to know their mistakes, customer's taste and the view of point towards the chips.

Pull strategy

Pull strategy can be another strategy which would help Will Chase the owner of Tyrrell's chips to develop long term customer relationship and equally long term customer value, with pull strategy the company tries to sell its chips to its own customers by encouraging the customers at the end of the supply chain to demand its product. Pull strategy can be done by heavy advertising.

Offers to boost sales

For independent retail customers of the Tyrrell's chips one of the sales strategies used to build long term customer relationship and equally long term value with its customer is by introducing offers to boost sales.

Example: for frequent and loyal customers, buy two and get one free. Or even a small gift hamper would encourage long term customer relationship towards the Tyrrell's chips.

Customer value:

The short and long term customer value can be defined by use of the following matrix:

Total Value

Negative

Positive

Current Value

Low

Malicious Compliance

Demonstrate Capability

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Teambuilding / Quick Win

Information / Infeasibility

Option

High

Ego

Wrong Guess

Direct

Synergy

Domination

Lock-in

Low Current Value, Negative Total Value

This quadrant represents the worst case.

High Current Value, Negative Total Value

This quadrant represents things that benefit the short-term only. In both these cases, sometimes the development team will “know” the feature has low total value. They certainly should make their case to the customer. But one of the reasons there’s a customer involved is because the customer can recognize value in some things developers would not.

Low Current Value, Positive Total Value

This quadrant represents features that are an investment.

High Current Value, Positive Total Value

This quadrant represents the obvious winners: features that you know you should do.

Summary

Features with direct value are the easiest to choose, but not always the best. Be aware of opportunities that may seem low in value now, but can be extra valuable later. And guard against features that will never become valuable.

Reference: <http://xp123.com/xplor/xp0410/index.shtml> 12: 15pm 2/05/2010

The company of Tyrrell's chips falls under high current value and positive total value.

Key Account Management

The management of the customer relationships that is most important to a company. Key accounts are those held by customers who produce most profit for a company or have the potential to do so, or those who are of strategic importance. Development of these customer relations and customer retention is important to business success. Particular emphasis is placed on analyzing which accounts are key to a company at any one time, determining the needs of these particular customers, and implementing procedures to ensure that they receive premium customer service and to increase customer satisfaction.

Reference: <http://dictionary.bnet.com/definition/key+account+management.html> 12: 40pm 21/4/2010

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How does key account management work?

High-involvement relationships with key customers offer major opportunities to grow business and move forward in the market, and to save costs for both sides. They also require innovation, major investment, and high running costs. Your capacity for high-cost, intimate relationships is limited, so the first, crucial decisions focus on the selection and prioritization of key accounts.

The competitive differentiation derived from Key Account Management has been the subject of extensive research by Cranfield School of Management and can be summarized as follows:

- Understand each customer and anticipate his or her needs
- Appraise their potential
- Appreciate sources of risk, cost and profit
- Develop appropriate strategies for each customer
- Develop better implementation processes
- Monitor actions and improve results

The resulting matrix below can be used to assign differing management strategies.

Integrated

Independent

Co-operative

Basic

Account

Attractiveness

Relative Customer satisfaction

High

Low

High

Low

Cranefield University

School of the Management 1996

Reference: <http://www.themarketingprocessco.com/key%20account%20management/kam.htm> 4: 35pm 2/05/2010

Key Account Selection Matrix

The Key Account Selection Matrix (KASM) provides a solid methodology for analyzing, identifying and prioritizing key accounts using account portfolio management. It is an invaluable tool in Key Account Management, which guides the user through a step-by-step process, enabling the user:

To select the population of key accounts to be categorized.

To measure their relative attractiveness.

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To evaluate your relative business strengths in each of these key accounts.

To diagnose the nature and value of your key account relationships and make a realistic appraisal of their potential.

To prioritize and decide the appropriate ‘ top-level’ strategies for each selected account.

Reference: http://www.themarketingprocessco.com/software/key%20account%20management/key_account_selection.htm 4: 36pm
2/05/2010

Task 3

Critically evaluate the success to date of “ Tyrrell’s chips” in a declining potato crisp market.

The success of Tyrell’s Chips has arisen from its passion for quality, simplicity and its commitment to the customers that have enhanced its customer network.

The reasons for the success to date of Tyrell’s chips in a declining potato crisp market are as follows:

Thick slices

The Tyrell’s chips are cut in thick slices. Potato chips are thick slices of potato that are cooked without removing the starch. This improves the taste of the potato, and reduces the fat content of the chips. This attracts and convinces the public to buy it because it is hard to find the low fat potato

flavored chips, which are almost similar to homemade chips, but Tyrell's has made it for the public.

Low fat product

The Tyrell's chips are a low fat product; the product being low fat has lead to success because it concerns over obesity and educational programs encouraging lower fat diets. In the frying process the chips consumed very less oil because it was cut very thicker slices. The lower fat product has lead to an increase in sales of Tyrell's chip in a declining potato crisps market because everyone especially the youth are very much concerned with their body figure.

Control of seeds

Another reason for the success of Tyrell's chips in a declining potato market is control of seeds, they have a very good control on the potato seeds which on one side it has become a competitive advantage for them towards other potato crisps/ chips manufacturers. They have been growing their own potatoes and turning them into delicious chips at Tyrrell's Court Farm in Herefordshire since 2002. They are born out of a passion for quality and simplicity. The control of seed to chips makes the chips delicious and unique.

Good customer relationship

Mr. Will Chase and his team have a very good customer relationship, which has been an important pillar in reaching the success. Customers are the main pillar of business, without customers there is no business it is said like this because if he won't be a good relationship with customer than who will

buy his products? If there is no one to buy them then there nothing like success and failure its zero meaning the business has not yet started.

Maintenance of taste

One of the other reasons for the success of Tyrell's chips in a declining potato crisp market is the maintaining of the taste, the Tyrell's chips have maintained the taste and quality of the product even after so many years. That quality maintenance for all his working period makes him a proper businessman and given a rise in sales which has lead to the success of Tyrrell's chips in a declining potato crisps market.

Type of packet

Also the type of packet, which is used in packing the Tyrell's chips, is one of the other reasons for the success of Tyrrell's chips, as it is said that first impression is the last impression. One can be impressed by the package of the product. The same strategy has Mr. Will Chase used by making a very simple packet with an ancient picture on it. This packet is one of the flavors manufactured by Tyrrell's chips (i. e. sweet chili and red pepper).

Fig. 1

Type of service

The type of service provided by the Tyrrell's chips is another reason for the success of Tyrrell's chips in declining potato crisp market, all the customers whether rich or poor expects respect and good response from the salesman and that is what Mr. Will Chase and his team does. On one side it has become a reason for the success and competitive advantage in comparison to other crisp products.

Task 4

Tyrrell's small sales force is known to be focused upon "building personal relationships". What is relationship marketing? Why is it such an important feature of Tyrrell's chips sales process?

Relationship marketing was first defined as a form of marketing developed from direct response marketing campaigns which emphasizes customer retention and satisfaction, rather than dominant focus on sales promotional messages.

As a practice, Relationship Marketing differs from other forms of marketing in that it recognizes the long term value of customer relationships and extends communication beyond intrusive advertising and sales promotional messages

With growth of the internet and mobile platforms, relationship Marketing has continued to evolve and move forward as technology opens more collaborative and social communication channels. This includes tools for managing relationships with customers that go beyond simple demographic and customer service data, Relationship Marketing extends to include inbound marketing efforts (a combination of search optimization and strategic content, PR, Social Media and Application Development Relationship Marketing was first defined as a form of marketing developed from direct response marketing campaigns which emphasizes customer retention and satisfaction, rather than a dominant focus on sales transations.

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Relationship Marketing refers to a long-term and mutually beneficial arrangement where both the buyer and seller have an interest in providing a more satisfying exchange. This approach attempts to transcend the simple purchase-exchange process with a customer to make more meaningful and richer contact by providing a more holistic, personalized purchase, and uses the experience to create stronger ties

Reference: http://en.wikipedia.org/wiki/Relationship_marketing 11: 42pm
17/4/2010

Customer Relation Management (CRM)

Customer relationship management (CRM) is the most important concept of modern marketing. CRM has been defined narrowly as a customer data management activity. By this definition it involves managing detailed information about individual customers and carefully managing customers in order to maximize customer loyalty.

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More recently, however, customer relationship management has taken on a broader meaning. In this broader sense, Customer Relationship Management is the overall process of building and maintaining profitable customer relationship by delivering superior customer value and satisfaction. It deals with all aspects of acquiring, keeping and growing customers.

Customer satisfaction refers to the extent to which a product's perceived performance matches buyer expectations.

Reference: Principles of Marketing 11th Edition, by: Philip Kotler and Gary Armstrong. Chapter1 page number 13.

Customer relationships can be achieved by:

Finding out about the customers, purchasing habit, opinions and preferences.

Increase sales

Best quality

Heavy advertisement

Changing the way you operate to improve customer service and marketing.

For small businesses, customer relationship management includes:

- Customer Relationship Management processes that help identify and target their best customers, generate quality sales leads, and plan and implement marketing campaigns with clear goals and objectives;

- Customer Relationship Management processes that help form individualized relationships with customers (to improve customer satisfaction) and provide the highest level of customer service to the most profitable customers;
- Customer Relationship Management processes that provide employees with the information they need to know their customers' wants and needs, and build relationships between the company and its customers.

Reference: <http://sbinfocanada.about.com/cs/marketing/g/crm.htm> 9:59pm 11/3/2010.

The importance of customer relationship management (CRM) in a company is as follows:

One of the main importances of customer relationship management (CRM) in a company is that it helps to manage detailed information about individual customers and carefully manage customers touch points in order to maximize customer loyalty.

Secondly CRM also helps in integrating data of the customer which would also help in updating data about the customers.

CRM provides selling organizations with the platform to obtain a competitive advantage by embracing customer needs and building value driven long term relationships.

Reference: <http://74.125.77.132/search?q=cache:dWuXiMiogCk:cw.routledge.com/textbooks/0415300444/resources/slides/Chapter15>.

<https://assignbuster.com/analysis-of-tyrells-potatio-chips-business/>

ppt+importance+of+relationship+marketing+crm&cd= 8&hl= en&ct= clnk&gl= tz 3: 57pm 21/4/2010

Another importance of customer relationship management (CRM) is that it is used in understanding the customers in a better way, where by the companies can provide higher levels of customer service and develop deeper customer relationships.

One of the other importances of customer relationship management (CRM) is that it helps to cut costs, and use customer data to cross-sell and up-sell the products to the customers.

Customer relationship management (CRM) also helps in conducting promotions and qualifies potential sales leads. CRM can help in conducting promotions because, by that good management of the customers we are aware of what type of customers need which type of product. That is how it helps in conducting promotions.

CRM helps a business to recognise the value of its customers and to capitalise on improved customer relations. The better you understand your customers, the more responsive you can be to their needs.

Reference: <http://www.businesslink.gov.uk/bdotg/action/detail?itemId=1075422931&type=RESOURCES> 11: 13pm 21/4/2010

Customer relationship management (CRM) helps companies to understand behaviour of their customers, and modify their marketing operations to service the customers in the best way as possible.

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Task 5

You are to attend a meeting with Will Chase of “ Tyrrell’s chips” to discuss new ways of communicating to its customers. Produce a briefing document, addressing new marketing communications tools that could be used, and are not currently, and the media for delivering the messages to the target customers. Please justify your recommendations, in terms of the benefits each of them would offer, over and above, their current approach to marketing communication.

Communication is the process of transferring (conveying) message or idea from a sender to the receiver through the channel.

Fig. 2

Reference: [http://www. maximumadvantage. com/images/the-communication-process. jpg](http://www.maximumadvantage.com/images/the-communication-process.jpg) 12: 46pm 2/05/2010

Marketing communications then are those messages that deal with buyer seller relationships. The Tyrrell’s chips company’s marketers should understand how the communication process works so as to design an effective promotional strategy. The message must accomplish three tasks in order to be effective:

It must gain the customer’s attention towards the chips

It must be understood by both the customers and the Tyrrell’s chips marketers.

It must stimulate the customer's needs and suggest an appropriate method of satisfying them.

The communication process includes:

Sender (Tyrrell's company): the conveyer of the message

Message: the information or request that is being sent to the customer

Encoding: the message must be translated into understandable language.

The language which the customers of Tyrrell's chips can understand.

Media: the company must use a suitable medium of communicating the message about the chips.

Decoding: the process by which the customer interprets and understands the message.

Receiver (customers): the person receiving the message

Response: reaction of the customers towards the chips.

Feedback: the actions/feelings/opinions of the customers that are communicated to the marketer.

The marketing communication tools, which would help the Tyrrell's company to sell its chips more and more, are:

Word of mouth

Television

Radio

Billboards

Posters

Personal contact

Leaflets

Word of mouth

The word of mouth can be used as a media of delivering messages to the target customers of the Tyrrell's chips.

The advantages of word of mouth are:

The main advantage is that it is from the people whom the company trusts

It's not costly.

It can reach everywhere i. e. wherever the Tyrrell's chips fan's goes there will be a talk about Tyrrell's chips.

Television

I advice that Tyrrell's company should use television as their one of the main channel of communication with the customers because in this globalized world there is no one single person who doesn't watch television. All targeted age groups from age 5yrs and above, everyone watches television.