

Tyrrells chips marketing case study



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This paper is a marketing report, that carries a practical case study that focuses on indicating marketing decisions for a current product line— the ‘ Tyrrells Chips’. In order to gather meaningful outputs for ‘ Tyrrells Chips’, 5 targets have been concerned as the researcher has done assessments and indications for 5 specific tasks.

In fact, in order to conduct a trustworthy indications and strategic marketing plans for ‘ Tyrrells Chips’, both theoretical evidences as well as practical evaluations have been taken into account.

Besides, the researcher is also willing to generate better understanding and gather enhancements in capacities in terms of solving real marketing problems through completing this report. As well as, this paper is also examined the prior study which the researcher has undertaken of the current module of marketing management.

Section II Main body

2. 1 Background of ‘ Tyrrells Chips’

‘ Tyrrells Chips’, is a representative product line in UK potato crisp markets. This product line has currently gained an improving market esteems for its unique sales proposition (USP).

‘ Tyrrells Chips’ is one major product line that represented by Tyrrells court farm, one unique farm which placed in Herefordshire countryside that grows excellent potatoes and vegetables. The owner, Mr Will Chase, has established this farm to produce ‘ Tyrrells Chips’ in early 2000s, when this man has travelled around in the world to learn advance experiences in terms

of the process and techniques in how to grow outstanding potatoes and making potato crisp products.

Since good experiences and knowledge that Will Chase have generated, thereafter, Will Chase has established 'Tyrrells Chips', a product line of potato crisp product that has many USP (unique selling propositions). Since this 'Tyrrells Chips' has made by the excellent potatoes which have been grown in Tyrrells court farm with the experiences of Will Chase, the material of this crisp product has a competitive advantage and unique sales proposition. As well as, the 'Tyrrells Chips' is made by largely cut potatoes to remain the taste of potato, it is another key USP for 'Tyrrells Chips' and, it is the reasons for Will Chase call it 'Tyrrells Chips', not Tyrells potato crisps. Moreover, since 'Tyrrells Chips' has concerned on healthy factors and ethical issues, the premium 'Tyrrells Chips', has successfully gained market esteems as a low fat and healthy products. Moreover, a local Herefordshire farm and organic farm potatoes, are the other USPs which 'Tyrrells Chips' has.

Since 'Tyrrells Chips' has such a good number of USPs, it has successfully developed good and effective relationships with many customers and, it has been represented by many high class retailers such as Selfridges, Harrows and Waitrose. Moreover, it has increased its market share in premium potato crisps market from 2002 (21%) to 29% in 2009. As well as, more and more female and older customers have turned to become 'Tyrrells Chips' s customers and certain brand loyalty has been developed.

Nevertheless, 'Tyrrells Chips' is facing great challenges currently. One side, this product line has faced the pressures which have been caused by the status of current reduction of the total demands in potato crisp product market, as well as, another external challenge is, the customer demands are trending to change. The other side, 'Tyrrells Chips' has faced the challenges of conducting effective strategic marketing decisions for guiding the further developments, since the firm is currently standing at the cross of the roads.

Thus, five specific tasks have been made, and, the researcher has conducted the indications and answers for those 5 tasks, in developing an effective and appropriate marketing plan for 'Tyrrells Chips', to ensure this product line is able to gather good further developments in the market place.

2. 2 Task 1

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

Regarding the background of 'Tyrrells Chips' which the researcher has explored, in particular, with respects of the USPs which 'Tyrrells Chips' has and the prior marketing practices which 'Tyrrells Chips' has implemented, some advices will be given for 'Tyrrells Chips' in developing and grow the customer bases in higher social groups.

Firstly, some marketing theories are relevant for providing effective advices for 'Tyrrells Chips' in gaining such improvements: the STP strategies, the consumer buying behaviours as well as the marketing mix decisions. In fact,

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change marketing practice regarding the guidelines gathered from using those marketing tools, can be effective and suitable for ‘ Tyrrells Chips’.

2. 2. 1 STP strategies and further marketing shifts for ‘ Tyrrells Chips’

According to Kotler et al (2009), STP is the base for marketing, which by adopting STP (segmentation, targeting and positioning), the organizations can offer more suitable services and products to different market groups.

Firstly, the researcher is going to assess the segmentation decisions for ‘ Tyrrells Chips’ regarding its aims of grow customer bases of high social customer groups. There are many standards which ‘ Tyrrells Chips’ can use to divide its total market into different groups. In this case, since the task requires to gather more customers from high social class customers, thus, the social class, should be set as the standard for ‘ Tyrrells Chips’ to classify its customers. That means, ‘ Tyrrells Chips’ should divide its total market into segments as: low social class customers, medium social class customer groups and high social class customer bases.

In turn, since ‘ Tyrrells Chips’ is willing to gather significant improvements in customer bases of high social class customer groups, therefore, ‘ Tyrrells Chips’ should target those high social class customers as the target customer segments. That means, the high income class families, the wealthy individual persons will be focused as ‘ Tyrrells Chips’ s target markets.

Moreover, in order to grow the customer base from high social class customer groups, a suitable positioning strategy, should be developed and implemented by ‘ Tyrrells Chips’. Generally speaking, as Baker (2001) points

out, in order to effectively conduct the positioning strategies to provide the expected products and services to gain customer satisfactions from ‘ Tyrrells Chips’s target market segment — high social class customer groups, ‘ Tyrrells Chips’ has to know the perceptions of those customers, and more crucially, ‘ Tyrrells Chips’ has to know about what can encourage those high social class customers to purchase ‘ Tyrrells Chips’ or other potato crisp products. Those indications and findings can be gathered by approaching an assessment in terms of consumer buying behaviours.

2. 2. 2 Consumer Behaviours for ‘ Tyrrells Chips’

As Dibb et al (2003) make it clear that, consumer behaviour, is an ongoing procedure that starts at customer identifies a requirement until the customer has completed his / her transaction and making the prior purchasing evaluation. As well as, as Donaldson et al (2007) claim that, consumer buying behaviour, is affected by many issues and factors such as personal issues, situational issues and social group impacts. For ‘ Tyrrells Chips’, in order to encourage those high social class customer groups to purchase its products, the consumer buying behaviour of those high social class customers, have to be concerned.

Firstly, ‘ Tyrrells Chips’ has to focus on those personal or individual factors which will influence the customer buying performance for those high social class customers. As the researcher has concerned, several customer buying behaviour personal factors, are crucial for ‘ Tyrrells Chips’ to impulse those high social class customers to purchase ‘ Tyrrells Chips’.

Perceptions

Since high social class customer groups, are used to have perceptions of good product quality with good packages, premium prices, good materials and healthy contents. Therefore, 'Tyrrells Chips' should firstly concern on its product packages. Better design of the product package, will gain customer esteems from those high social class customer groups, which means, more art contents and good and unique outlooks of 'Tyrrells Chips', are crucial to encourage customer buying activities since those high social class customer groups have such perceptions in terms of the designs of the product package. In turn, a premium price can be charged for bring those high social class customers more confidences about the product quality, since those high social class customers are not very price sensitive for food products.

As well as, 'Tyrrells Chips' has to ensure the best quality potatoes are used to make 'Tyrrells Chips'. This is regarding at the customer perceptions of good materials of food from those high social class customer groups.

In turn, since the high social class customer groups have an enormous perception on healthy issues of the potato crisp products, therefore, 'Tyrrells Chips' has to ensure that, it always uses organic potatoes which are more healthier than other potatoes and, less contents of unhealthy materials have been used in producing 'Tyrrells Chips'. In particular, 'Tyrrells Chips' has to ensure that its products will contents less fats.

Attitudes

As Baker (2001) explains that, group and personal attitudes for a product are also key factors that affect the customer buying behaviours. For 'Tyrrells Chips', apparently, many personal attitudes will have impacts on buying

decisions for those high social class customers. In fact, generally speaking, the high social class customer groups are always seeking receiving products from the high ended market sector, which the quality is premium and good brand image is crucial. Thus, for ' Tyrrells Chips', in order to gather more customer bases from those high social class customer groups, this product should firstly concentrate on providing the best quality of products. As well as, ' Tyrrells Chips' has to concern on developing positive and luxury brand image to suit the demands of the attitudes of those high social class customers.

Lifestyle

Commonly speaking, for those customers who are belonged to high social class, their lifestyles are used to appeal their willingness of relax, luxury and fashion. In order to gather more customer bases from this customer group, ' Tyrrells Chips' has to focus on several marketing practices and concerns. Firstly, better taste to gain relaxation has to be concerned by ' Tyrrells Chips', in order to make high social class customers liking ' Tyrrells Chips' since they are able to receive total relax while eating ' Tyrrells Chips'. On the other hand, since the green food has become a current fashion among high social class customer groups, more vegetable crisp products should be developed or, ' Tyrrells Chips' should put more vegetables or other healthy contents in their crisp products.

Thereafter, as Kolter et al (2009) state, the situational factors, are also crucial to affect the individual buying behaviours. For ' Tyrrells Chips', there are many situational factors which the researcher has recognized they are

crucial for 'Tyrrells Chips' to encourage the high social class customers to buy 'Tyrrells Chips'.

In particular, the selling environment is crucial to encourage those high social class customers to purchase from 'Tyrrells Chips'. In fact, in order to motivate the customer buying behaviours, 'Tyrrells Chips' has to ensure that, all the places where are selling 'Tyrrells Chips', have good physical shopping evidences as well as comfortable shopping environment. That means, good retailers should be selected as key distributors for selling 'Tyrrells Chips' to their urgent expected customers who are belonging in high social class.

In turn, as Kolter et al (2009) indicate that, the group and social factors, are also crucial for affecting customer buying behaviours. In fact, for 'Tyrrells Chips', as the researcher has realized that, group behaviours and reference group factors, are crucial for this product line in gaining more customer bases from those high social class customer groups.

Primarily, the group behaviour will lead to the high social class customer groups to select similar retailers to buy food products and, they might choose the same brands of products. Therefore, for 'Tyrrells Chips', the product line should continuously develop its distribution networks with those high end food retailers which those high social class customers are trended to visit, such as the food hall of House of Fraser, Selfridges, Harvey Nichols, M & S and Waitrose.

On the other hand, since the reference groups are crucial for the high social class customer groups, 'Tyrrells Chips' has to also concern on the demands

with the reference groups of those high social class customers. For instance, since those high social class customers are always concerning on their families especially their children, therefore, the child package and teenage relevant crisp products should be appropriately developed.

Regarding the prior explorations and indications, the researcher has identified the key concerns which 'Tyrrells Chips' must take into account to gain more customer bases from high social class customers, thereafter, some additional comments should also be given towards guiding 'Tyrrells Chips' in developing appropriate marketing mix decisions.

2. 2. 3 Extra comments on Marketing mix for 'Tyrrells Chips'

As Baker (2001) makes it clear that, the marketing mix include 5 major factors (5 Ps), price, product, people, promotion and place.

Product

Two comments have been conducted by the researcher for 'Tyrrells Chips' in order to gain more customer bases from its target customer groups who are belonged to high social class.

Firstly, 'Tyrrells Chips' should concern on the key expected quality those customers are willing to receive, the organic and healthy product, good packaging and good tastes.

Thereafter, 'Tyrrells Chips' must developed more range of products to suit the specific needs of those high social class customers. Apparently, since 'Tyrrells Chips' is not only targeting on high social class customer groups,

thus, some specific product lines or sub brands should be developed for ' Tyrrells Chips' which are more suitable for the high social class customer groups. On the other hand, regarding the considerations of the needs of those customer groups regarding their reference groups, some more product lines should be developed, such as the small vegetable or potato crisp products for kids (small package and more carton funs).

Price

' Tyrrells Chips' will implement different price strategy for the high social class customer groups. Generally speaking, since the quality of the sub product lines are premium, the premium prices can be charged for those unique and specially designed products.

Promotion

For ' Tyrrells Chips', in order to gather more customer bases from the high social class customers, relevant promotions should be developed. In particular, ' Tyrrells Chips' should choose suitable medias to deliver the right messages to the high social class customers.

Place

' Tyrrells Chips' must continuously concern on developing the relationships with those high end retailers and food distributors which the high social class customers are trended to visit.

People

Since those high social class customers may seek to gather further information about the products sometimes, 'Tyrrells Chips' should concern on developing people's capability towards its customer service operators.

The researcher has conducted systematic and comprehensive answers for this task, it appeals that, once 'Tyrrells Chips' has done well with all the key fields which the researcher has assessed, a good improvements for 'Tyrrells Chips' in generating more customer bases from high social class customers, can be expected.

2. 3 Task Two

What Specific sales strategy and structure might you advice 'Tyrrells Chips' to employ eventually, to further develop long terms customer relationships and equally long term value with its customers? Why would you recommend this?

As the researcher has realized, several sales strategy and structure are effective for developing long term customer relationships.

2. 3. 1 Sales intermediaries and distributors

Since 'Tyrrells Chips', is not a large manufacturer, thus, this product should always concern on selling its products by distributors such as retailers. In fact, in order to gain long term relationships with customers, 'Tyrrells Chips' has to focus on two aspects: the business customers and individual customers.

In order to gather good B to B relationships, 'Tyrrells Chips' has to concern on price promotions and giving good commissions for those retailers and

distributors. As well as both parties are benefited, the long term relationships can be expected.

As well as, for generating good long terms customer relationships within individual customers, ' Tyrrells Chips' has to concern on choosing the good and suitable retailers and distributors to sell its products. Since those good retailers have good customer services, the long term individual customer relationships can be gathered by ' Tyrrells Chips'.

2. 3. 2 Direct sales strategy and structure

For ' Tyrrells Chips', another sales strategy of the direct sales can be also adopted. Since ' Tyrrells Chips' is providing good quality of products and, there are so many USPs (Unique selling propositions) for ' Tyrrells Chips', the direct sales is doable.

In fact, ' Tyrrells Chips' can gather long term developments of approaching direct sales for developing first in touch and direct communications with ending customers. By providing them the expected quality of products and services, the good customer relationships are likely to be gathered by ' Tyrrells Chips'.

Apparently, telephone selling and online selling are effective sales approaches for ' Tyrrells Chips' while it is adopting the direct sales.

2. 3. 3. Customer concerned pricing strategy and sales promotions

Moreover, in order to gather better customer relationships in long term, ‘ Tyrrells Chips’, should also concern on its pricing strategy as well as the sales promotions.

In order to develop long term customer relationships, ‘ Tyrrells Chips’ should develop its prices regarding the customer expectations. That means, the price must be reasonable and can represent the quality of the products and, the price must be acceptable for target customer groups.

In the other hand, in order to gather developments of customer relationships, the sales promotions are also crucial. ‘ Tyrrells Chips’ should firstly concern on the marketing communications such as advertising and PR (public relations), to gather customer esteems by developing its brand image and brand awareness, and thereafter develop long term customer relationships. As well as, ‘ Tyrrells Chips’ should also focus on providing effective and suitable price promotions for gain developments of customer relationships. For instance, the multiple buying discounts should be given to gather customer loyalties and long term customer relationships.

Regarding the previous assessments and indications, the researcher has provided ‘ Tyrrells Chips’ some effective comments in developing long term customer relationships. In the next task, a critical evaluation is going to be conducted for ‘ Tyrrells Chips’ in analyzing its market environment.

2. 4 Task Three

Critically evaluate the success to date of ‘ Tyrrells Chips’ in a declining potato crisp market

In order to critically assess the success of ‘ Tyrrells Chips’, a SWOT analysis and Five force competitive analysis tools are going to be adopted.

2. 4. 1 SWOT analysis for ‘ Tyrrells Chips’

Apparently, the USPs (unique selling propositions) are the major strengths for ‘ Tyrrells Chips’ in gathering a successful marketing position in potato crisp market place. Its USPs in terms of organic farm, outstanding potato materials and advance technique in making potato crisps, its good product and brand image and ethical product strategies, have led ‘ Tyrrells Chips’ many competitive advantages to gain success.

Nevertheless, critically speaking, there are many weaknesses for ‘ Tyrrells Chips’. In particular, since the costs (unit costs) of making ‘ Tyrrells Chips’ is higher than most of the competitors, thus, the price weakness will lead to many negative influences for ‘ Tyrrells Chips’ to gain further market success.

On the other hand, the increasing demands of receiving green and healthy potato crisp products have led ‘ Tyrrells Chips’ significant opportunities, while the developments of similar products from ‘ Tyrrells Chips’s key competitors, has become a major threats for ‘ Tyrrells Chips’ in generating further business developments.

2. 4. 2 Five forces analysis

At the time of global economic recessions, the potato and vegetable crisp product market, has facing the declining as many other industries. However, 'Tyrrells Chips' has gained business success under this declining for reasons, by adopting Porter (1986) five forces tool, the researcher can conduct a clear indication for this status.

Firstly, although the enter barriers and leaving barriers of this industry is not very high, however, the brand awareness and brand image which 'Tyrrells Chips' has developed, will lead to many new entrants significant challenges to gain competitive advantage, especially in healthy crisp product sector.

As well as, regarding the quality and USPs are the keys for competitors in gathering success in potato crisp market, since 'Tyrrells Chips' has its USP in terms of its suppliers (the organic and advance potato suppliers which only support the products of 'Tyrrells Chips'), therefore, 'Tyrrells Chips' has significant supplier advantages, which has led to its market success.

In turn, since the customer powers are very high in crispy product market, therefore, the good USPs and brand images that 'Tyrrells Chips' has, can also cause the business success for this product line in the market place.

Thereafter, since 'Tyrrells Chips' has so many USPs which can satisfy customers unique demands, the threats of substitutes is not a significant challenge for 'Tyrrells Chips', therefore, this product can still gain success while the total market is declining.

At last, by assessing the industrial competitions, it appears that, different sectors of crispy product market have different status of competitions. In fact, the crisp products which are targeting towards low medium market segments, are facing significant competitive pressures since the competitions are much vehement. Yet, since 'Tyrrells Chips' is belonged to high end market segments which only few competitors, the competitive pressures are not that significant. Besides, although the total demands in potato crispy products have been declined, however, the demands from high ended customer groups are not significantly reduced, therefore, 'Tyrrells Chips' can gain its business success.

Therefore, regarding the researcher's indications, it appears that, 'Tyrrells Chips' can still gain success at the time of total crispy product market has declined are: it has many USPs, it has many competitive advantages and many opportunities, as well as, it has targeted on high ended customer groups.

2.5 Task four

Tyrrells small sales forces is known to be focused upon 'building personal relationships.' What is relationship marketing? Why is it such an important feature of 'Tyrrells Chips' sales process?

As Egan (2004) points out, relationship marketing is a concept that emphasizes the importance of keeping customers as opposed to getting customers. As well as, indicated by Ben et al (1993), '.... relationship marketing develops on-going relationships with customers by focusing on

maintaining links between marketing, quality and customer service', it is crucial for all organizations.

Regarding the prior explorations of the literature evidences, it appeals that, relationship marketing is crucial for ' Tyrrells Chips', since remaining the existing customers is an effective (cheaper) approach to gain business developments as well as gaining profits. On the other hand, since the number of ' Tyrrells Chips's target customers (high ended customers and some special customer groups such as young females) are not very large, the product line has to concern on developing relationship marketing to remain and further enhance the business relationships, to gather business developments. Moreover, the relationship marketing is also crucial to develop customer loyalty and customer life time values, therefore, in order to gather further business developments, the relationship marketing, is one enormous concern which ' Tyrrells Chips' has to take into account.

2. 6 Task 5

You are to attend a meeting with Will Chase of ' Tyrrells 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 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.

2. 6. 1 Marketing communication tools

Advertising and messages

As the researcher has concerned, the fashion magazines and internet medias, are new advertising medias which ' Tyrrells Chips' has to concern in the future.

The message which will deliver to customers through fashion magazine should be: ' Tyrrells Chips' is the best good taste potato crispy products which bring you fresh and healthy experiences.

By adopting fashion magazine to deliver such messages, many benefits will be generated by ' Tyrrells Chips'. Firstly, ' Tyrrells Chips' can encourage many existing customers (target audiences) to purchase more ' Tyrrells Chips' products since they are affected by the message. In turn, some more new small market segments can be developed by approaching this marketing communication practice. For instance, many fashion lifestyle females will be motivated to buy ' Tyrrells Chips' since they have been affected by the receiving message.

In turn, the internet media, should be one new vehicle that will benefit ' Tyrrells Chips'. The messages which ' Tyrrells Chips' should deliver to audiences through internet media should be: ' Tyrrells Chips' is a taste of new lives, it brings you fast efforts in relaxation and last long efforts on your healthy. By approaching such marketing communication activities, ' Tyrrells Chips' can be benefits for gathering more customer recognitions and esteems since the internet has the broadest coverage and, many active messages can be delivered. Moreover, there are also many benefits for ' Tyrrells Chips' to implement marketing campaign through internet, such as, it is effective to gather customer relationship developments, since ' Tyrrells

Chips' can communicate with customers online to gather comments and feedbacks, and thereafter make adjustments of its products and services.

2. 6. 2 Public relations and messages

PR practices are also effective tools for ' Tyrrells Chips'. The key PR messages which ' Tyrrells Chips' should deliver is: ' Tyrrells Chips' is an organization that focuses on social responsibilities, publics and business ethics. Some approaches can be adopted such as celebrities and sponsorships. By implementing those PR programs, ' Tyrrells Chips' can gain more eyeballs from relevant publics, and gain significant enhancements in terms of its brand image.

As the researcher has indicated, certain messages should be delivered by ' Tyrrells Chips' through advertising and PR projects, as well as, those marketing communication tools are adopted for their significant efforts and enormous benefits for ' Tyrrells Chips' in developing new customers as well as enhancing customer relationships within its existing customers.

Section III Final Words

This paper has effectively conducted a marketing report comprehensively and with depth. Regarding the indications the researcher has made for the designed five tasks, it appeals that, ' Tyrrells Chips' is able to gather further business developments, once it has focused on the key issues which the researcher has explored and the approaches which the researcher has indicated.