

Marketing Plan and Research Report of GREGGS

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Abstract: The COVID-19 pandemic has significantly impacted the global economy, with the food sector particularly affected due to the necessity to maintain operations amidst health and safety challenges. This research report examines the operational dilemmas faced by Greggs, a prominent British bakery chain, in the wake of the pandemic. Utilizing PESTLE analysis, the study explores the political, economic, social, technological, legal, and environmental factors influencing Greggs' strategic decision-making and operations. Key findings indicate that Brexit and health regulations have introduced uncertainties and risks, while technological advancements offer opportunities for improved customer experience and operational efficiency. The study employs the SMART model to outline Greggs' goal of expanding its retail presence while maintaining food quality and safety. Market research methodologies, including questionnaires, interviews, and focus groups, reveal consumer preferences and the impact of COVID-19 on Greggs' accessibility and sales. The report concludes with a marketing mix summary, emphasizing the need for digital transformation and innovative strategies to adapt to the new consumer landscape shaped by the pandemic.

Keywords: COVID-19 Impact, Food Sector, PESTLE Analysis, Market Research, Marketing Mix.

1. Introduction

The COVID-19 pandemic has severely hit the global health and world economy. With most companies shutting down completely due to government restrictions, the food sector in the entire supply chain must keep operational for consumption by countries. In such a challenging time, maintaining high food safety and consumer confidence is of paramount importance, while maintaining the health and safety of workers is also crucial. However, since the coronavirus spread worldwide and workplaces closed, millions of employees lost some or all of their income. [1] Even though they are still working, many workers have to accept a shorter time and/or different wage reductions.

According to the research result, Greggs, as a prominent British bakery chain also faces the dilemma of the operation of Greggs was heavily affected by COVID-19, and many stores were forced to stop, resulting in severe damage to their profits. [2] This research is going to identify whether Covid 19 has seriously affected the operation of Greggs. Trying to find out why this situation exists by analysing its current strategy and generate possible solutions to solve how Greggs could minimize the negative effect on employees and the business itself, as well as address the deep-rooted labour organisational fragilities and structural inequalities of Greggs that the pandemic has exposed.

£m	H119	H219	FY19	H120
Revenue	546.3	621.6	1,167.9	300.6
Growth y-o-y	14.7%	12.4%	13.5%	(45.0%)
Like-for-like growth y-o-y*	10.5%	8.1%	9.2%	(49.0%)
Gross profit	356.6	399.1	755.7	178.4
Gross margin	65.3%	64.2%	64.7%	59.3%
Operating profit/(loss) before exceptionals	43.9	69.8	120.7	(61.5)

Figure 1: Financial summary of Greggs. (Appendix 1)

2. Environment analysis & Marketing strategy

PESTLE analysis is utilized to discuss the external environment of Greggs that impacts on its strategy-making and operation. PESTEL analysis offers valuable insights into the operational challenges that Greggs in the food industry seems to face, and therefore related companies may also face.

From the political and legal side, political factors have a crucial impact on the long-term profitability and sustainability of Greggs. Greggs is a British bakery with over 1,700 stores in the UK. Due to the relatively stable laws and regulations in the long time, it does not have to keep changing. However, with the recent withdrawal of the United Kingdom from the European Union, changes in the political system have brought certain risks to Greggs, and an understanding of the overall competitive landscape will prevent managers and investors from engaging in any risky venture capital. Greggs predicts that due to rising costs, fewer stores will be opened this year than previously expected. [3] Political instability has caused managers to stop their expansion. Besides, political factors affecting Greggs include health and safety regulations for employees, Greggs therefore must pay special attention to safe operations to avoid unnecessary harm to customers or employees. [4] At the same time, the company must also abide by food safety and hygiene regulations of the government to ensure that there is no cross-contamination, pathogens or food poisoning happens. In the current COVID crisis, Gregg puts safety in the first place so that he can continue to provide basic food delivery services.

This also involves another important factor about legal. In countries with food safety legislation such as the United Kingdom, the temperature that meat products need to reach is regulated, and there is also legislation on holding food and how long food does not need to be held.[5]

In terms of economics, the Brexit of the United Kingdom will lead to uncertainty in domestic financial market fluctuations. [6] In addition, Greggs can predict the company's overall economic situation in the future through indicators such as consumer spending and retail growth. However, due to the COVID-19 pandemic, consumers' spending power has also shown a not optimistic trend.

From a social perspective, the emergence of e-commerce and social media has stimulated online shopping behavior. Young consumers are more inclined to shop online, so it is necessary to consider generational differences to get a better understanding of the current shopping behavior. Greggs should consider the increasing popularity of mobile phones and social networking sites when making strategies and formulating marketing. Greggs should also try to understand the consumption motives of consumption behavior and current social trends. Consumers' leisure interests should also be studied, with more emphasis on enhancing customer experience.

In terms of technology, Greggs was affected by the development of computer technology, which brought new advertising methods to the company. Additionally, their check out way is also improved, which enables the bank card to just be tapped against the terminal and the payment will be made. This

improvement on technology can effectively reduce queuing during peak periods and increase customer satisfaction.

Greggs is also committed to making itself more environmentally friendly through reduction, recycling, and reuse. The company also donates some unsold food to charity.

The SMART model is a useful tool to make an organization's goal achievable. It can also make the organization's work change from passive to active. The implementation of management by objectives can make employees work more efficiently. At the same time, the subsequent performance appraisal of the company can also be based on the established goals. Greggs' specific goal is to develop more than 2500 retail stores nationwide, while having an independent supply chain. Thus, every customer can enjoy high-quality fresh food. To achieve this purpose, Greggs needs more employees to support the development of the organization. At the end of 2019, there are already 2050 Greggs retail stores in the UK. [7]

3. Marketing research

Market research is one of the ways to communicate with the appropriate target audience. It can improve profits by understanding and improving customer experience, so as to understand whether an organization can better adapt to the market after changing its business model. Qualitative research with a constructivist method is statistics driven and it is objective to the research results. Qualitative data will be collected through questionnaire, interviews and focus groups. The sample population of the questionnaire are people from Northeast of England with age range from over 18 years old. The most efficient way to gather opinions for the purpose of leveraging on-going reflection in a secondary setting was specified as through using questionnaires. [8] Questionnaire surveys are cost-effective and can obtain critical opinions or feedback from the target audience. The sample population of the questionnaires was drawn from one hundred people from different fields. The survey was conducted for people over the age of 18, and the results also showed that most of the respondents chose Greggs as their top choice. However, due to the impact of COVID-19, Greggs' stores are closed in some areas, making it difficult for consumers to shop in Greggs.

Based on the results of questionnaires, random sampling would be used to recruit participants from people who participated in the research with size of 20. For the interview, extract key questions from the questionnaire in advance as the main questions to prepare the overall structure. Most of the problems were related to the reasons that participants felt affected their purchase of products of Greggs recently, their expectations of products of Greggs and their suggestions of how Greggs could improve its operation. More detailed open-ended questions were asked when they emerged during the interview.

The results of the questionnaire and interview can be generated by semi-structured techniques. More useful data and analysis of the data can also be generated simultaneously through the technical analysis.[9]

Focus groups were then formed with 6 people, three of them were from the questionnaires and 3 of them were not from the questionnaires. The focus groups were recorded with written consent for each participant of the focus group required before commencing and transcribed after the completion of each. By combining statements of participants with open-ended questions, we found that most participants indicated that Greggs' brand is attractive to them, and the recognition of the product is relatively high. However, the impact of the Covid 19 epidemic has made it difficult for customers to access the brand, and it has also affected their consumption to a certain extent.

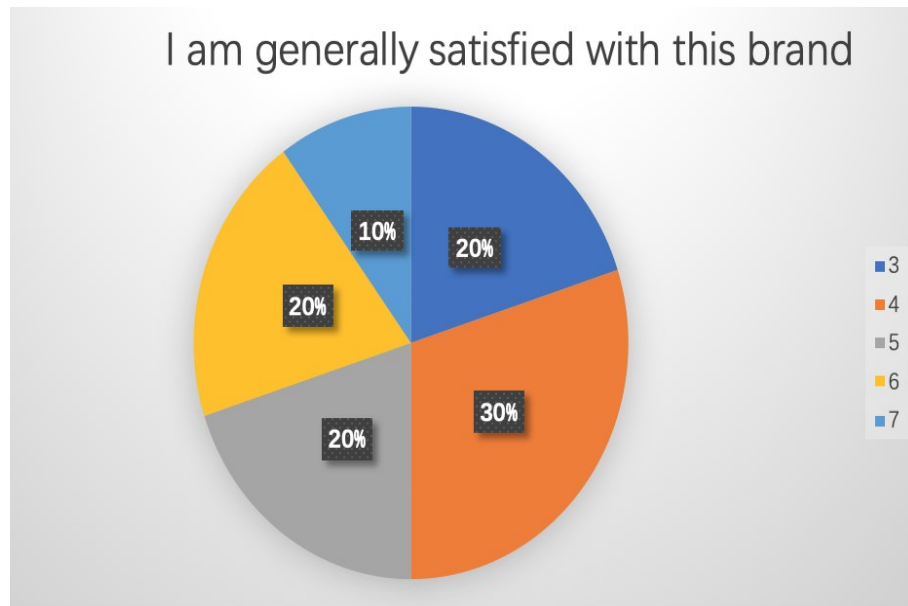


Figure 2: Satisfaction with the brand

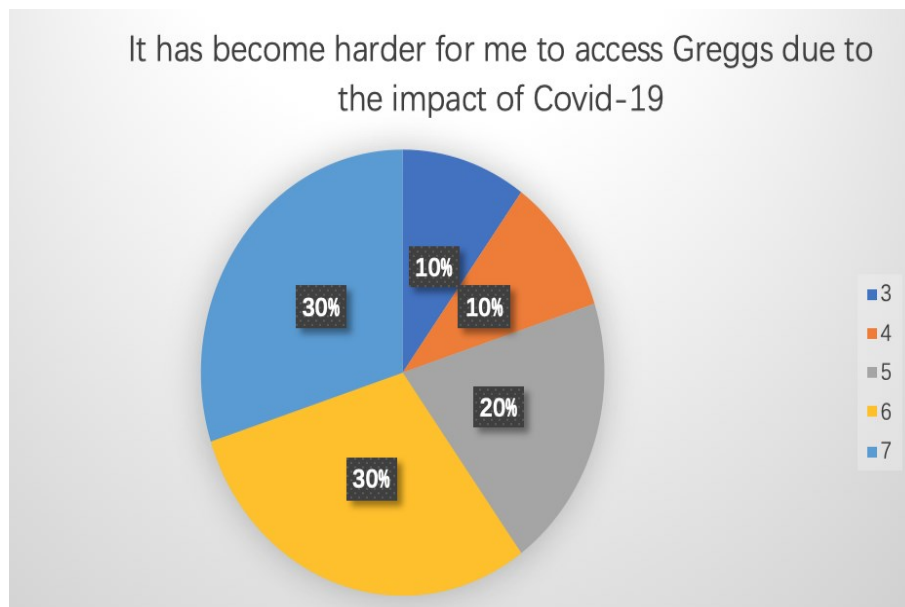


Figure 3: Impact of COVID-19

By using preliminary information from questionnaires and focus groups to revise questions and address essential concepts whilst using the critical incident technique, the COVID-19 might be the major reason, which led to the decrease of revenue of Greggs. Based on this information, secondary data can be used to conduct further research. By collecting data from literature and online resources, comparing the data of operating differences of Greggs before and after the COVID-19 epidemic. [10]

And then the t-test was adopted to analyse the collected quantitative data. The null hypothesis was supposed to be the current sales with the impact of COVID-19 and the other hypothesis is the normal sales as before. Using the 95% as the confidence interval. According to Greggs, 2020 Interim Results final, Greggs' revenue in the first half of 2019 was 546.3 million pounds, while total sales in the first half of 2020 were 300.6 million pounds. Based on the concept of t- test, the annual sales of Greggs is

affected by COVID-19 significantly. Therefore, the enterprise needs to generate possible solutions to address how Greggs could minimize the negative effect caused by COVID-19.

4. Marketing mix summary table

Table 1: Marketing mix summary of Greggs

Price	<p>For certain products, try to use optional product pricing strategies, where prices are provided for the base product, and separate prices for the attached accessories. Introduce discounts and allowances to lower prices in a short period of time to attract customers and gain market share</p> <p>It charges higher prices for products sold online. This is because the delivery cost is already included in the product price.</p> <p>Use psychological pricing for product pricing, for example, set the price of a product worth £10 to £9</p>
Place	<p>During the COVID 19 epidemic, stores were opened on social media and other websites, and their products were sold on these platforms along with social media posts. Integrate online stores and social media pages to provide users with convenient navigation.</p> <p>During the epidemic, particular attention should be paid to improving online websites to make them more user-friendly and easy to use.</p> <p>Make sure to sell products to large retailers through personal sales. These large retailers have grown in recent years and have attracted a large number of customers. This will ensure an increase in its sales.</p>
Promotions	<p>Initiate advertising campaigns and send customer product-related news on all websites and other platforms. This helps to increase the brand awareness in the minds of customers.</p> <p>Perform various digital marketing techniques to improve online traffic on their website. Including banner ads, search engine optimization and creating its blog</p>

Table 1: (continued).

Product	<p>Introduce product portfolio and expand new product lines to meet customer needs.</p> <p>Greggs should also improve its product packaging and express delivery methods to make it safer during the COVID 19 epidemic, making it more convenient for transportation and use.</p>
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5. Detailed strategy of promotion:

With the spread of the coronavirus, the operations of Greggs have been severely affected. To deal with the impact of the COVID 19 epidemic, the promotion process of Greggs needs to be transformed. In this scenario, social distancing may affect our way of eating in the next few years, therefore, digital transformation should be accelerated.

Greggs has responded to the restrictions raised by COVID-19 as much as possible, adjusted its business model to only take-out and roadside pick-up services, as well as strengthened disinfection and cleaning work to ensure customer safety. Although these changes may help restaurants survive in the short term, they may not make the sales situation of Greggs back to normal.

To address this issue, the marketing team of Greggs should consider future prospects and how to adapt to climate change.

The food industry relies on interacting with people to create unforgettable experiences. [11]The shortening of the actual distance in COVID 19 period does not mean that the restaurant needs to stop interacting with customers. Social media and online messaging channels can help with creating an experience even beyond in-house dining. This is due to the reason that listening to customers on modern channels can be an important source of innovation and inspiration for Greggs. Utilizing digital conversation streams can help Greggs discover unparalleled customer insights, leading to new ideas and opportunities.

In addition, the analysis of online conversations shows that compared with the same period last year, the willingness to purchase self-owned products has declined, which was replaced by conversations about basic products. For companies in the food industry, this means focusing on "long-term competition" is more important than ever. Rather than short-term promotions and sales, the key performance indicators of the media should shift to a strong focus on brand awareness and community building. In order to think ahead, Greggs need to ensure that they can target interested audiences when they open the door again.

Furthermore, Greggs need to closely link customer service with marketing. They can directly communicate with consumers through Twitter, online chat, etc., besides, establishing a one-to-one relationship with consumers for food services in the COVID-19 phase. At the same time, interaction with the customer service team can help Greggs' digital marketers obtain a large amount of data to better understand what is important to customers.

There is no doubt that the food industry is one of the worst-hit industries in the COVID-19 pandemic. However, despite the challenges, this may also be the time to accelerate digital innovation across the food industry. By using online social channels to listen to customers' real thoughts and build meaningful relationships with them, Greggs is able to maintain or even strengthen customer engagement in this new environment.

6. Conclusion

According to the literature, the conclusion is that qualitative and quantitative research methods are used to determine the impact of the COVID 19 epidemic on Greggs, which may help Greggs to develop cooperation and establish a positive corporate culture. [11]Through in-depth analysis of the feedback collected by questionnaires, interviews, focus group, etc. Greggs can discover the impact of COVID 19 on the company and make appropriate strategies to improve the problem.

Before conducting the market research, it is important to effectively solve the ethical considerations in the research. Compliance with ethics is very essential, since it promotes research purposes and minimizes errors, promoting the value, which is essential to collaborative work, and ensures that all participants are accountable for results. Besides, in order to meet the ethical requirements for collecting basic research, all participants need to sign a consent. As Randy stated, that this means that a person consciously, voluntarily and intelligently expresses consent in an obvious and obvious way. [12]There are some terms involved in the consent, such as respect for anonymity and confidentiality, agreement of audio-recorded and transcribed of interview and focus group. Ensure that the entire research is conducted under the premise of respecting the researcher's value system and ethics

In the whole research process, qualitative research methods help Greggs improve the understanding of the process. At the same time, it helps to gather more in-depth views from the feedback of participants and try to explain the meaning from these responses to help the company understand the problem more clearly. In addition, compared with set questions, semi-structured and open-ended questions leave room for customers to generate various answers and discussions, while targeted questions are sexual questions that are more aimed at narrow answers. Participants can flexibly express their opinions and opinions in the most convenient way. [13]Also, through the opportunity of in-depth interviews and exchanges in focus groups, information can be highly reliable.

However, in the process, qualitative research methods also have certain limitations. In the analysis process, interviews are time-consuming.[14]Since the interviewees will hear the opinions of others, they will be easily influenced by each other. By comparing answers, authoritative bias may appear during the inquiry process, and customers are vulnerable to the opinions of other more radical respondents. Therefore, the results cannot be generalized. In addition to the methods already based on the analysis of PESTEL and market mix, Greggs also needs to combine its own situation and unique background in practice to solve this problem.

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Appendices

Appendix 1: Greggs Summary financial accounts(2020)
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