

## “Aunt Bessie’s Recipe for Growth”

### John Hendy

Good morning everybody and thank you for the introduction. I am Commercial Director of Tryton Foods and my responsibilities are for all the sales and marketing activities which extends to licensing, co-packing and manufacturing of the brand. I will mention pies, but rather than the ‘Pieman Cometh’, perhaps you should look at this as ‘The Yorkshire Pudding Man Cometh’ because we are really going to talk about the ‘Aunt Bessie’s’ brand. I am just going to introduce a few things about the background to the brand. We want to talk today about a recipe for growth because it has been a phenomenal success story. By way of introduction I would like to introduce some of the background of what Aunt Bessie’s is about, because you are not all Mums looking after families. So just to say the brand is currently over thirty products in the range. We are famous for our Yorkshire puddings and roast potatoes, but we also have extended into meat pies, chicken pie, beef pie, also cottage pie, and other midweek meal solutions. Also more recently into new traditional desserts and pancakes. So there are thirty products or so in the whole range.

What I’m going to talk to you about is the recipe and the six most important ingredients which has been the result of what we have seen today. In 1995 we had a relatively small business in Yorkshire pudding on the Tryton Inns brand. That was converted to Aunt Bessie’s so we started with a brand of around £20 million. We saw about 50% growth over those four years. We then doubled the growth between 1999-2002 by introducing new products such as roast potatoes and leveraging into other roast products such as stuffing balls and finally in the last four years we have again doubled and hope to double in 2003 – 2006 in terms of our sales, and these sales are by the way are all at RSP and currently our RSP sales are around £133 million. We have a brand here today which is at £133million retail sales price, its growing at 17% pa in a market in frozen which is at best static, in the last twelve weeks we have seen the market decline about 6%. We have got the two highest selling SKU’s within the frozen food market in retail, that’s our Yorkshire puddings and roast potatoes. Penetration is now over half the households in the UK and we have got something which is a unique and emotional functional brand strength which I hope to talk to you more about in the next few minutes. Our brand is found on over 500 million plates a year, so this is now one of the top fifty brands in the UK.

Consumer Affinity - you will see a clip taken from a documentary 'Poor Girl – Rich Girl' which features examples of a documentary showing our products. This is a general documentary and is appearing in lots of programmes, getting a lot of editorial and people are talking about it. We also have one of the leading restaurateurs in the world, Heston Bloom, and he feeds his family Aunt Bessie's Yorkshire pudding. Not only that but we have some mad people from Rotherham who have setup an Aunt Bessie's Scooter Club and website.

History and the link with today in terms of baking because the recipe was really started 150 years ago. Obviously we are a family business, a fifth generation family business. We were founded by William Jackson who was in baking and retail who set up the business over 150 years ago and we actually blossomed and flourished in terms of Tryton Foods out of the bakery business. I think that's very important, it is not just a 10 year phenomena we are seeing, there is a lot of history behind it. The birth of Aunt Bessie's itself oddly enough came from a completely different source. We actually started believe it or not, in Butlin's in the catering industry. We had in the mid 1970's a need for the catering market to supply a Yorkshire pudding. And the story goes that one of the technical managers from Butlin's actually wanted a Yorkshire pudding that he could produce very very quickly for 12,000. I mean 12,000 people sat down at 12.30 and at 2.00 another 12,000 people sat down so this was about having to produce Yorkshire puddings quickly and on time. So we were really getting our baking expertise and using this on Yorkshire puddings. We developed ready made Yorkshire puddings after first of all batters, and then ready made. The interesting thing is the catering market led to sales within the retailers and we had two retailers that started getting hold of the product. Iceland first of all in the old days of Malcolm Walker where they picked up the product and started selling it in big bulk bags, and Sainsburys rang us and said, "can we have some puddings as well, we have seen them in Iceland". The story goes that literally we weren't aware really that Iceland were selling them because they were buying them through catering outlets so we saw an opportunity in terms of getting a consumer pack and branding it, so that's how it was branded, but it was branded Tryton Inns at the time. Then some clever guys came along and thought well, that's fine but how do we get a brand name in all of this, we really want a brand, we want to differentiate ourselves. So Grandma Buffy was around, it was a foodservice brand and at the time we thought long and hard if that was right - it wasn't right. We went into research with Interbrands, a brand development agency and they looked at alternative names including the

Chairman's wife, everybody, and just brainstorming a few ideas. But to be honest the one brand that did come through was Aunt Bessie's. It was David Brewis who was the marketing director at the time who came up with this brand, and the story goes, Patrick was there, and said, can this guy be trusted, is he mad - because our business at that time was a bit obscure. However, they went with it, and the feeling was because research and consumers told us it was right, then that was the brand we were going to use and from then on we never looked back. We launched the product, but then, the fire. Everything burnt beyond recognition which gave us an opportunity, and there is little doubt about what came after that and I think has a lot to do with the fact that we are a family business. We could make decisions very quickly and although I wasn't around I heard some of the stories how we were building within days. We had people working around the clock, and we were producing Yorkshire puddings within weeks, and whilst we did source from Country Style and other businesses we did manage to get back up and running very quickly. This is the building we have today. We are the largest Yorkshire pudding plant in the world producing over 250 million Yorkshire puddings per annum and we now as a business, Tryton Foods, employ about 500 people. Last year we won "Food Manufacturer of the Year for Frozen Foods".

We have invested further in factories, we now have 130,000 sq feet on that particular site with two plants, one for Yorkshire puddings and next to it a meat pie facility.

We will now have a look at innovation because from a product point of view this is clearly where we've scored and it's absolutely crucial to have products which actually stand for what the brand is about. In terms of product propositions we have always gone to develop products which were home made and that's from a consumer's preference point of view. Product development around the roast dinner we've always pursued. In most cases when you talk to consumers they will often say these Yorkshire puddings are better than my own, so its not really just about convenience, its about the fact they believe genuinely they can have better Yorkshire puddings when they get them from Aunt Bessie's. The other big marketing activity we collared in the early years was product specific marketing support, so TV, - and I am not going into a lot of detail here, but we do have a model which is very much about manufacturing where we've got innovation and technological know how that we can use to a competitive advantage, but in some cases its never possible for us to do that. So in areas like vegetables for example we will either license or buy in so we have a model which

basically has got half the brands which are licensed and half which are manufactured. Our business turnover is around £50 million, so half of business is outside in terms of co pack and license. We've always invested in factories, in fact we've been ahead of the game in some cases where we bought a plant not knowing how we were going to fill it, so we are still looking at how we will fill that and we've always believed in having a constant innovation stream. So every 2 or 3 years we will launch a big product or a big launch into the market place and there's got to be a commitment to that, otherwise we would not be able to drive the brand forward.

So the first five years are very much about roasting innovation, going around the roast plate, we've got Yorkshire puddings, stuffing balls, roast potatoes, its very much about entrepreneurial momentum just driving the sales and our other TV advertising. What you will see in a moment are a selection of some of the adds that we ran. Every time we came up with a new product we came up with a new add and whilst there's not a lot linked into the brand it did the job at the time, and it was very clear at an early stage as well there was more to what I referred to earlier as the functional, emotional resonance in the brand. So these are some of the descriptions we would get when we sat down with consumers - that Aunt Bessie's as a brand is very dependable, no nonsense, genuine, warm and loving. So there's a lot of functional bits which are delivered by Yorkshire pudding but there's a lot of richness within the emotion in terms of how it really is a helping hand to Mum. For me this is where it's key. We have spent a lot of time understanding this connection between branding and consumers, its the relationship that really matters and I think as well part of our success has been down to our culture. Because Aunt Bessie's is part of our business and culture and ethos, we actually share that connection of the brand with the consumer, with our customers and suppliers and agencies. I'm not saying Tesco love us but they probably don't hate us as much as some of the other major food groups around. Suppliers as well are similar, we have a relationship which is based on culture that we try and make sure we have continuity, so very much everything we do we ask ourselves "would Aunt Bessie's be proud of this".

So what about a bit of spice in terms of marketing because one of the fundamentals is, how has Aunt Bessie's managed to grow when everybody is going for trend snacking in frozen foods and other food markets. Everybody's into the next new big cuisine and its very odd that over the last ten years we have had a success story which is really against the flow of

many of the trends in the market place. An article from the Guardian summed it up. This is the Oxo family remember, but in this article review it states in a survey carried out that 20% of families are now eating once a week together, and you suddenly think well why roast, surely that's when they are getting together on Sunday or midweek and why is Aunt Bessie's making sense and why its growing. I believe it's down to a number of trends and underlying trends, because we've got a bit of a conflict in some of the trends in consumers today. Fragmented families is absolutely right but paranoid parents as well. Parents are becoming very concerned about how to look after their family and how much time they are spending feeding them and what sort of food they are feeding them. Wholesome food that we provide is very much high on the agenda. Collapsing time we all know that that's happening and there has been a drive in the last twenty years for ever more convenient foods, but I think there's now a realization in the last few years, you can't have it all, Mums can go out to work, fine, but there's got to be this balance in life and I think there is an acceptance we are not all Nicola Horlicks, where we are going out to do everything. Are we superwoman - we are not, so I think there's an appreciation that family comes far more importantly in our agenda nowadays than work has ever done and search for new experiences is fine. During the week we'll go out for Chinese or Indian, we'll have these ethnic dishes but actually we're a little bit worried and we like that comfort food every so often, so if that's subconsciously having soup, or fish and chips and some of the British traditional foods, that is quite important, because we are reassured and we go back to something that we liked at home and it is nice just to spend one or two days having some traditional food.

On the other hand we've got premiumisation, all these fancy crisps and new sectors and new categories that come about, but at the end of the day frozen food presents great value and its one of the best ways of being able to get good quality foods into the home, so I think there's an acceptance as well that at the end of the day value plays an important part. So I believe it is really linked to Mums for the family and how they look after their family which really drives the Aunt Bessie's brand.

I won't go into this model but basically it just looks at different needs when talking about food, so sociability in the top right is often about pizza for getting together, discernment is more about the finest range from Tesco and having really premium products. Bottom right is really where we are in terms of comfort and nurturance, because traditional British food very much takes up this particular spot. So there's a move because whilst new age

food is very big, I believe there is generally a trend which is moving towards more traditional foods and many of our competitors are operating a slightly different positioning in terms of offer on the control side and less so about comfort and nurturance and Aunt Bessie's is really about that area.

So we've done a lot of work over the last three years understanding what the brand stands for and trying to tease out where the brand is and what's it all about and there's no doubt that at Aunt Bessie's we talk about the brand rather than just the character. It's something about Aunt Bessie's special know how, and this need for comfort so helping me provide for my loved ones, they are talking about the family. But the types of food, is about home made food, and finally in terms of recreating the past there is something there which we all relate to in terms of great favourite traditional recipes, and they are probably those which we used to have when we would go around to our Grandmas, our Aunts or when we were at home because of our mothers.

So putting all that together has enabled us to produce some new advertising but no good unless you understand your segmentation, market segmentation is key, so get the essence and then work out who you are talking to. We are talking to Mums - Mums are where our market is, its primary target is housewives 25 – 35, with slightly younger children, those that really care. Our secondary target we have really is slightly older housewives and older children and an affinity with frozen foods and they represent well over half of the British population in terms of household purchasing and we are very clear in terms of our markets and targets of hitting them. We have produced in the last twelve months a piece of creative with Elita Adams which has run over the last year and I will show you the 30 second adv now.

We also have a pancake advertisement. Sadly if some of you think you have seasonal businesses you should try selling pancakes because you've only got one day. Absolute nightmare.

We are supported with a lot of press where we tie up with a lot of potato products and vegetable products and our secondary products which we have within women's press.

Let's talk a little about trading because all these connections with consumers is very well but what is it that makes us a little bit different in terms of our trading performance and relationship – Customers. If you look at product groups, Yorkshire puddings is still our largest if you add our ready to bake Yorkshires and baked Yorkshires which is the top, about £45 million of sales at retail value. We are No 1 within that market. Roast potatoes has about 45% share so we are No 1 in that market. Wherever we've been in the market place for five years or more we are No 1 within our particular sector as defined by these sectors admittedly. One of the fantastic success stories for us in the last three years has been oven chips. Actually in two and a half years has achieved £15million worth of sales, and we did have a debate when we launched the product as to how home made can chips be, but clearly it has captured the imagination because we have an 18% share of £133 million of those particular categories.

I'll just show you an example of our licensed business where we've actually made a difference and where we have created and built markets. First of all is mashed potatoes where in the last three years we have tripled the sales to £6.7 million just by providing a quality mash potato in a frozen form. There was very little around before, just a little bit of private label. Probably one of our best products that consumers write in about and love is this honey glazed parsnip. Again we doubled this market to £9 million just because when we launched the product there were no glazed parsnips around, so we have added value and created value and it will be pushing £10 million in the next few months.

Aunt Bessie's have got to deal with all the major multiples and we are no different in terms of strategy. We do cover off, we do distribute through major multiples, even discounters, and convenience. But one thing that perhaps makes it different from the market if you are in ambient baking, in frozen it really is about getting promotional slots, not necessarily driving for deep cut promotion but actually getting feature and what we are trying to do with Aunt Bessie's is drive good promotions that actually are meal solutions so we do offer a complete roast meal solution and we try to do this

wherever possible. You can see substantial sales increases but it's about complimenting our on the run day in day out activity with promotional lines and making sure all the retailers support these. Compliance in store I can tell you is quite a challenge.

Aunt Bessie does go away from these shores, we are in ten different countries but we do really do keep to the ex pat communities, we are not really going in to building new markets so it's very much an export market. Our two growth markets at the moment are in Ireland where we have got our own campaign about to start in a couple of weeks and funny enough, Australia where we are building sales.

**Critical issues in food.** We were caught up with three products in the Sudan scare and I'm sure other people have been. We obviously now have got a very defined nutritional policy which is to meet Government guidelines. I will say we are not a healthy brand so we are never going to have salt free or fat free products but we will be responsible so our fat levels are within Government guidelines and we obviously have to bear in mind that they have got to be better than where you would be with home made. So we actually are quite stringent and have set up a long term plan for reducing our amounts of salt and fats in products.

**What about the future?** We have always had a vision which describes ourselves as building a brand to be proud of and this relates back to what William Jackson set up his business to be proud of and we now have a brand to be proud of and we are helping families rediscover the pleasures of great tasting traditional foods. That's the scope of our aim and because we are focused on Aunt Bessie's in terms of the culture then it becomes easier to live that and deliver it. We also have seen that we compete in the £735 million sector, we are £133 million so we are only 17% of that market. There is a big opportunity for us. This is only the crust, and we still have the filling to go! Our opportunity is still quite staggering in terms of the available growth potential.

In terms of future challenges we will continue to look at innovative NPD. There are lots of ideas, we are not short of ideas at Aunt Bessie's, it's about being able to get all your resources together and deliver them. But we have got to manage the growth and momentum and that's really about continually updating the brand. Making sure that just because you've got to understand the essence that needs to be contemporary so every year we revisit our advertising to make sure that that's saying the right things and all our PR activities. We have to manage licensees and co-packers extremely well. We got more into processes over the last 2 to 3 years which is actually being far more deliberate in our strategy and managing and motivating, making sure we have the right compositions for the retailer category is absolutely key.

Underpinning all this is developing a culture and a strategy that actually remains focused on the Aunt Bessie's values and all the work we do with our HR departments is actually about these values and we have defined values, that are consistent with what Aunt Bessie's would stand for and that everything we do Aunt Bessie's would be proud of.

And where does this all take us. In terms of leveraging I don't know where we will get to, but there is every potential we can double this brand again and get to £250 million. The year before last I was talking about reaching £100 million which is a milestone and we are now £133 million and getting to £150 million. I think we've managed to get through the roast core and into traditional meals. We do have some big growth ambitions in how we achieve those, very much about getting the right products, the right initiatives supported in the future and a lot of work is going on now as to how we can get that growth for the future. I can't give too much detail on that.

I believe that a lot about manufacturing capability is in the history of what we have been about, we have been in baking 150 years, a lot of that Tryton

was spurned from the bakery, a new brand, a new name came out that captured the imagination of everybody but it was dysfunctional, and an emotional message that really is part of the brand and that's where its strength comes from.

**Core products** – most food businesses I know have grown up on a product of some sort and I think the Yorkshire pudding, the roast potato actually have been at the heart of everything that we do. Commitment to marketing, advertising, yes, but it's also in everything that you do whether its packaging, PR, sponsorship and all these areas of communication are critical. You've got to believe in your brand, you've got to support your brand and commercial responsiveness, I think every more so now and getting closer to retailers is important. I think where we have been able to drive extra sales is our flexibility and also developing this new category in accompaniment. Finally having defined roles we have developed through the rest of the business.

Before leaving you, I will just show you one of the new launches that have just gone out in the last couple of weeks in Asda, and Tesco this week. We have just launched two gravies, it's the first form of frozen gravy that we have seen on the market. There have been others in the dim and distant past, but its very much what Aunt Betty's would do. It's the one element of the roast meal that we have not done until now. It's about homemade gravy and having it available any day of the week.

So in our big story the main course is pretty much complete but we certainly feel at Tryton that dessert is yet to come and there is certainly a big future.

*Question: Paul Heygate, Bugbrooke*

*In the majority of your adverts it always shows the wife in the kitchen because normally it is the other sex that actually needs all this help....*

Answer: Well it is a fact that it is the female population who are largely responsible for buying our goods and I would challenge that, in our case it's mainly mums who need the helping hand in the household. They have to do everything else as well as prepare lots of meals and in terms of the recipe you would be surprised at the amount of cooking skills that have been lost by mums in this world, and when we can produce something as good as homemade it is as good as you can get. But you are right when we talk about housewives whatever, it should be male and female, it's just about the principle of supplying good homemade food. It's not just about females.