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Instigating Change and Managing Growth: Keogh's Progression from local family business to international player

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Case study on Master level

Reference No. ECASA_2021_7 EN

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Abstract

This case is about the progression of a family business from small local holding to a diversified local and international player. The Keoghs family farm has been in existence for over 200 years in the same location just north of Dublin City, Ireland. Huge changes in the market and consumers behaviour have forced the family into major changes to reinvent the business. The case focuses on the drivers of these decisions and the process management had to go through to implement change.

Keywords

Strategic change, Changing external environment, Changing Internal Company Environment, International Business Strategy

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1. Introduction to the Case

Keoghs are a family business based in North County Dublin. The family have been farming there for about 200 years. The earliest record is of a land record in 1832 recording the presence of the Keogh family farming that land. In the beginning farming of that nature in Ireland was subsistence farming, but in this particular location in North County Dublin the market gardening industry developed. This was for a few reasons such as the proximity to the population in Dublin City Centre and the climate and soil type in this area of the east coast supports the growth of fruit and vegetables. Some of the highest yields in the world can come from this area in Ireland. The climate is especially well suited to potatoes growth with low amounts of rainfall and the temperate does go about 24 degrees where the growth of potatoes would shut down. The area is also rich in people and expertise in cultivating, growing and selling crops over generations.

2. Company History

The Development of Keoghs

A terrible weather event drove some of the change in Keoghs. In 1957 and 1958 Ireland suffered two of the wettest years on record leading to the failure of crops on the farm two years in a row. Peter Keogh, Tom's grandfather was forced to migrate to Australia to find work and send money home to keep the farm afloat. At that time Peter had six children and would eventually have a family of ten. The journey to Australia took close to two months by boat and he went to work in Adelaide where he made a crucial discovery, the tomato. Peter returned to Ireland and set one of the first glasshouse operations to produce what was an exotic fruit in Ireland at the time. This was the beginning of the development of the industry in Ireland and the Keoghs family had some great years through the 60s and 70s producing a wide variety of vegetables into the Dublin market. This all began to change in the late 70s. Glass houses were very reliant on external sources of fuel to heat them and the oil crisis of the 1970s was the

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beginning of the problems. The cost of producing food in this was started to escalate significantly. In addition to that international markets started to produce tomatoes in far greater scale particularly in the UK and in Spain where tomato production really developed and imports flooded the Irish market. At this stage the farm passed to the next generation, Tom's Dad and Uncle.

The farm continued to produce fruit and vegetables through the 1980s and early 1990s but international pressures were really being felt. Increasing imports made it extremely difficult to achieve value for the produce from the local farms. The traditional method of bringing fresh produce directly into the markets in Dublin City centre was coming under increasing pressure as producers in the UK, France and Spain flooded Ireland with any produce which could not be sold elsewhere. For the first time the Keoghs trucks were returning back to the farm with products which could not be sold at the markets. The one product which did have a more consistent market and a reputation for high quality was the potato so the decision was made to invest. In the early 1990s Keoghs invested in a cold store for potatoes which turned the production from a very seasonal crop to an all year round cycle changing the whole market. The next step was to move to washing the potatoes bringing a new product to the marketplace, the "Washed Potato". Keoghs were part of this change and really gained a reputation for high quality potato product, but the industry was changing. Traditionally potatoes were sold at wholesale markets and then purchased by individual retailers. This began to change with the disappearance of the wholesalers and the consolidation of retail. Corner shops began to disappear, large Irish supermarkets gained ground and large international players like Tesco entered the market. The industry suddenly became dominated by a small number of very large players with huge purchasing power. At that stage Keoghs were not dealing directly with retailers and were still committed to the traditional sales channels. This approach was no longer producing the benefits it had previously. At this stage the farm passed to Tom and his generation of the family.

3. Changing Markets

Keoghs into the 2000s

As Tom's generation took over the running of the farm the signs were not good. The traditional methods of selling their produce were no longer working and the changes in eating habits were starting to impact the business. Ireland was going through huge changes as an economic boom

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was bringing new found prosperity to Ireland. While this was great news from many sectors as consumers spent their new found disposable income, this change was not positive for the sale of the potato. Ireland went through a huge shift in food consumption habits and the sale of the traditional potato dropped over 50% between 2002 and 2012. This was a double blow from Keoghs, not only did their sales channel disappear in the form of the wholesale markets but the actual end customer also decline enormously. As consumers became more affluent and the diet of the Irish consumer moved to products like pasta, rice, pizza the markets for Keoghs produce eroded. Tom and his generation suddenly had to face the possibility that the family farm could no longer survive in its current approach. What had worked previously would no longer meet the needs of a changing Ireland but what could they do when their routes to market were no longer open and their core product on their farm was falling so badly out of favour?

It was a real turning point for us in Keoghs. What were we going to do? But we knew what the issue were and we were always trying to innovate, but we were very inexperienced at that point. We didn't know how to do research, we didn't know what a focus group was but we had a good feeling for what could work.

The team in Keoghs began to look at the issues around the sale of potatoes and one of the biggest seemed to be lack of convenience. Tom and his team looked into innovating around how the potatoes was cooked. In 2006 they began working on an innovative way to cook potatoes reducing the cooking time and increasing the convenience. The first product they produced was called the “Easy Cook Potato”, the first of its kind anywhere in the world.



Fig. 1

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Tom developed a relationship with a packaging company in Belgium which developed an easy steam plastic bag for cooking the vegetables. Having seen the product at a trade show Tom inquired as to whether the company had ever used the product on potatoes. Discovering that they hadn't the two companies began working together and after 6 months the new cook in a bag potato product was ready to go, the first of its kind in the world but to get the product sole Keoghs would need to start dealing directly with retailers.

Tom decided to start talking directly to a large Irish retailer and a deal was done to sell the product on the shelves in the retailer's brand. There was huge excitement at the launch of the Easy Cook product but to huge disappointment it was a total flop. The product failed to get the attention from consumers. Around the same time the company were being audited by the Irish Food Agency Bord Bia. This agency are tasked with ensuring food standards and supporting Irish producers. During the audit the Easy cook product came up for discussion and the possibility of doing some research around the product was raised. Bord Bia suggested putting the Easy Cook product into focus groups with potential customers.

When preparing for the focus groups Tom and his team had an idea. The family farm had always had a registered brand which they sold their potatoes under "Peter Keogh and Sons". During the focus groups they decided to put both the retailer branded product in for discussion, and also a version of the product carrying the Keoghs brand. This decision was to prove extremely important in the development of the company. The focus group feedback was extremely positive in terms of the product, but consumers had very little regard for the retailer branded version. Instead the findings were absolutely conclusive that the Keoghs branded product really grabbed the attention of consumers.

Before we went through the process we didn't even know what a focus group was. But the end of the process with Bord Bia we had a complete light bulb moment for where the company could go. We were doing everything to produce the best quality product for the retailer, but for a customer to say they would purchase a Keoghs branded product instead, well that was a massive, massive change of thought.

Tom Keogh

It was this discovery that led to the idea of branding fresh produce and for Keoghs this, meant branding the family business. Tom engaged with a number of different agencies and in the end they settled on one company that had a different idea to all the others. The idea was simple, having spent a day with the family on the farm the agency were clear. They pitched the concept

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that the family were living the story, living the brand, every day in how they worked on the farm, the brand had to be about telling that story.

The family went with that idea and built a Brand called “Keogh’s-Grown with Love in Ireland” because they strongly believed it stood for what they did every day. The company then launched a range of easy cook potatoes with the Keoghs brand. It was a huge success. Over a period of three years the Keoghs potatoes were outselling any other retailer by two to one. The success of the brand for Keoghs developed the idea of “Providence” as a branding approach. Providence meant by engaging with the brand you were able to meet with the growers of the produce and Keoghs were the first to do it.

Tom remembers the difficulty in getting used to the idea and for the family farm to suddenly be front and center with the brand. Every bag of Keogh’s produce now carried a picture of the family at work on the farm.



Fig. 2 ...

The easy cook product was a huge success and sales of the product grew by approximately +30% year on year for five years, but the wider picture was a lot less positive. Overall the sales of potatoes continued to decline and the market continued to be challenging.

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4. Launching a New Business

Crisps

As Tom developed the brand for Keogh's he began to look at other options to address the decline in the Keogh's core business. The emergence of a very new product in the UK had come to Tom's attention some time previously. Crisps are a potato based product but nowhere in the world was there a company that produced fresh potatoes and manufactured crisps together. Tom had always been interested in finding out why, and the emergence of a new product in the UK had grabbed his attention, the Premium Crisp.

In 2006 well companies like Kettle, Burts and Tyrrels began to successfully establish a new crisp segment for premium bags of crisps. Tom assessed these developments but there was one major problem. Nobody in Keogh's knew anything about manufacturing crisps, everything in Keoghs was focused on producing fresh produce, cooking was a totally different process.

Over the next four years Tom spent considerable time discussing the idea of crisps production both within the family and externally, but it was a difficult journey. There was a major dearth of information available. He remembers...

We were having conversations but we couldn't find out any information, there wasn't any access to knowledge about this industry, we couldn't buy a machine. We were just hitting a brick wall. I had to step off a tractor and try to find out how to make crisps, but finding the information was so difficult. And we didn't want to make any crisps, we wanted to make the best crisps on the planet, how were we were going to do it? I had to travel to find out.

Tom spent the next few years travelling around Europe, the Nordic countries, New Zealand and the spent a lot of time in the biggest market in the world for crisps, the US. He worked in crisp factories himself trying to learn the trade and get a hands on experience of how the process worked. Potato crisps were invented in the US so it was vital to tap into the generations of knowledge in some of the companies out there. The market is also very mature so the knowledge in the industry is very different to other similar markets around the world. The ideas started to come together but Tom was being faced with further challenges.

In 2008 Ireland saw the collapse of what was termed the Tiger Economy. As the worldwide financial crisis hit, Ireland was particularly affected due to an over exposure to property and The ECASA project (2019-1-DE01-KA203-005037) is financed by Union funds (ERASMUS+). But the content of this document only reflects the views of the authors, and the European Commission cannot be held responsible for any use which may be made of the information contained therein.

significant levels of personal debt in the country. This had an enormous effects on consumer spending and on businesses operating in Ireland. For Keoghs cash flow was extremely tight and getting support from under pressure banks for developing a whole new side to the business was proving very challenging. A lot of Tom's time was being taken up with learning new manufacturing processes which was proving extremely challenging. Flavouring processes had to be learned for the first time and the machines for cooking and processing the crisps had to be built from scratch in the US. Despite the pessimistic economic outlook and the financial pressures Tom decided to persevere. The question of the brand was crucial. Originally Tom did envisage the Crisps being a Keogh's branded product. In fact, most industry experts were advising against this...

The view in the market around the world, was that potato growers were seen as something very old fashioned and this didn't fit well with a crisp brand. The more research we did, the more we felt this was wrong.

The Launch

The crisp product was launched in 2011, at a terrible time economically for Ireland. There was huge unemployment and immigration had once again become a significant factor for people in Ireland trying to find work. Consumer confidence was at a terrible low as Ireland went through an economic bailout from the so called Trioka of the IMF, the European commission and the European Central Bank. Tom remembers so many people of his age and in his industry being unemployed and having to leave the country. It seemed like the worst possible economic storm for Keoghs new venture.

Before the launch of the product Keoghs once again engaged in focus group research through Bord Bia. Having worked so hard to develop the premium crisps brand Tom and his team were optimistic about the feedback from the consumers but the findings stopped them in their tracks. In turned out that when compared to their competitors consumers didn't really differentiate with the new brand in terms of its premium features but something else make Keoghs different. The overwhelming findings from the research were focused not on the product, but on the family. Consumers at that time saw a home grown small medium sized (SME) enterprise launching a new product and looking to build a new business and consumers at a time of recession wanted to support it. These findings gave Tom the boost they needed and the crisp brand was launched in 2011.

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A decision was made to invest in communication and focus on delivering the message behind this new startup business. At the time the business pages in Ireland were looking for a good news stories after years of gloom and Keoghs were determined become one of this stories. The marketing focused on Keoghs providence to the farms in Ireland and the local employment the company were providing. The product officially launched in November 2011.

Quickly things started to happen. Media outlets were visiting the farm to do pieces on the company, we had television appearances and that Christmas the company had some very surprising news. A buyer from Dean and DeLuca in the US, a premium food retailer was home for Christmas and contacted the company to supply crisps to them. By early January Keoghs crisps were on the shelves, unheard of for an Irish food retailer at that time.

National Potato Day



Without having a large marketing budget Keoghs had to be creative. In 2012 they launched Ireland's first ever national potato day to be held by Keoghs. The company booked out of one Dublin's old Georgian squares and created huge traction for the brand across the media not just nationally, but internationally. Media analysts later reckoned Keoghs had created €1.8 million worth of coverage from this event. This launched the Keoghs crisps brand into the market, but challenges were in store.

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Largo food, formerly an Irish company and now German owned had 75% of the market. Walkers in the UK had 15% of the market. It was extremely competitive market of very well established competitors. For Keoghs to establish a presence it was going to be an uphill battle but Keoghs had an interesting outlook.

We believed that people don't like to see dominance in a market, people like to see competition. We just saw opportunity, and as a small player we believed that if we sold two boxes instead of one we doubled our sales, so we took that attitude and built it up from there.

Keoghs performance was recognised by industry bodies with startup business of the year awards, entrepreneurs of the year nominations and marketer of the year.

Managing Growth

As the company began to grow in numbers the pressure increased on Tom. At that time he decided to return to college to look at how to build his senior leadership team and manage growth opportunities into the future. A financial controller was hired along with, head of operations, head of sales and crucially a head of HR. There is also now a head of exports based in Barcelona.

Managing Cash Flow

Keoghs makes have a mantra to make money on every product they sell. As farmers they place a huge emphasis on valuing the work they carry out and not selling products below that value. This is a position that not all farmers across the food industry have been able to maintain. They have never had to get a bank loan and have managed all of their growth from retained earnings. There are major plans for growth in the future and the set goal is to finance those changes internally but will this be possible?

5. International Markets

Managing International Relationships

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Keoghs started to export two months after the product was established in Ireland. 10 to 15% of sales have been coming from international sales since the beginning but initially the approach to exporting was reactive exporting...

We would win a great taste award from some international body and suddenly get a phone call from China which we would then look into. This was the type of reactive approach to exporting we engaged in to start with. This had to change...

As the team developed Keoghs started to take a more strategic approach to exports beginning with analysing the structure of international markets for the crisps product before then launching. This more structured approach has meant that international sales are now 20% of turnover and for the first time in 2019 growth in international turnover grew more than national turnover.

To grow from here Keoghs need to invest. The opportunity in markets like the US is huge but the challenge is around scale, distribution and marketing. They have had to say no to opportunities in countries like Germany where the scale of what was required was beyond their current production capacity. They are also being faced with large competitors that are equity owned where the goal of these firms is to raise short term valuations rather than longer term sales. This creates a challenge in the market where margins become tight for producers due to larger players generating short term turnover targets. A competitor like Tyrrells have been sold 4 times in recent history and were selling products at very low margins making too difficult for a small family owned firm like Keoghs to compete. Tyrrells are now part of the German owned Intersnack Group based in Germany.

This changed with the announcement in February 2021 of a deal with the Waitrose chain.

The International Brand

What Keoghs have discovered is that in many International Markets there is a positive association with Irish food brands, but there isn't a view of Ireland as a premium culinary location. In fact a lot of food is seen as bland and there is a huge focus on dairy products. This is a challenge for a product that has been marketed as a premium food choice. What Keoghs have looked to focus on is Ireland being seen as a green sustainable location. Currently they are located in 20 countries around the world including the UK, US, China, Singapore, Saudi Arabia and a list of other locations. There have been some very high profile alliances.

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Keogh's are well established as a premium crisp product in the Middle East. A key element to this expansion was when they secured a major contract with Emirates, the largest international airline in the world, which will see an estimated one million bags being served onboard annually. The premium Irish brand will be available to First Class passengers only and was selected by the Emirates Group following a blind tasting of 15 different brands, of which Keogh's came out top. The Irish-made crisps are be served onboard Emirates flights as part of the airline's First Class Hot Sandwiches and Snacks service and as an accompaniment to drinks.

A second alliance was secured in early 2021 when Keoghs became a partner of premium UK retailer Waitrose. With Brexit uncertainty on the horizon Keoghs had chosen to avoid the UK where up until 2021 they had no sales in the UK. Tom had been reluctant to engage with the UK due to the uncertainty but the company believed that negotiations around Brexit were starting to improve and the alignment with Waitrose was too good to ignore.

Most recently Keoghs secured a deal in the US with Costco which saw a brand of Keoghs crisps being sold for St. Patrick's Day across all of the Costco stores on the West Coast of the United States.



Managing the Pandemic

Sales of Keogh's Crisps 'share bag' have increased by a third during the pandemic. Managing director Tom Keogh said that during some months over the past year, sales of the 125g bag have increased by 70 per cent year on year. "During the pandemic a lot of people have spent more time consuming luxury foods at home and we would be the biggest player in the premium

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sharing crisp market,” he said. In contrast, sales of the company’s smaller ‘impulse’ crisp bag, in service stations and coffee shops “has completely disappeared”. Such sales have been down 90 per cent, but with the recent reopening of society, sales of ‘impulse’ bags are returning “and we see that recovering and we saw the first green shoots of that come in May”, Tom Keogh said. Underscoring the increased demand for the farm family owned company’s crisps during the pandemic, Tom Keogh said the company’s production capacity has faced serious tests where some weeks volumes increased by 150 per cent “and we were able to deliver”. He said the business has “performed very well” over the past year, but declined to say what the overall revenue increase has been.

Employee numbers have increased by 30 per cent during the pandemic, from 65 to 85. Mr Keogh said that the company hopes to reach 100 employees over the next year and that such a goal is possible “if growth continues the way it is going”. He said Keogh’s is the largest Irish owned player in the crisp market here with about 10 per cent market share. Mr. Keogh made his remarks when commenting on new abridged accounts showing that Keogh’s Crisps Ltd recorded pre-Covid profits of €99,491 in the 15 months to the end of March 2020. At the end of March 2020, the company was sitting on accumulated profits of €1.23 million.

Irish Times July, 2021

Tom is unequivocal about why the launch of the Keoghs Crisps brand worked..

Everything we said was true. When anyone visited our farm what we said about our business and our approach to quality was true. That isn’t always the case in the food business but it was crucial to us.

But as Tom surveys the future there are new challenges.

6. The Future?

International growth is the future for Keoghs long term. Can they build up volume without losing what has made them successful to this point? As Tom looks at the future there is a dilemma. The purpose of Keoghs has changed. The crisp business was established to aid a struggling family business in a declining marketplace. The goal was to provide financial security and in reality we did that in about 4 to 5 years. Now the agenda is a different one, can Keoghs balance the potential for international growth with the unique family association with the land that make it work in the first place?

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Appendix

The Irish Crisp Market

Ireland has one of the highest per capita snack consumptions in Europe, with 71% of Irish consumers eating crisps and snacks at least once per week and 20% doing so daily, according to Board Bia research.

Global Data (2018) report that the Irish savory snacks sector is expected to grow from €399.4 million (US\$450.5 million) in 2017 to €465.5 million (US\$546.7 million) by 2022, at a Compound annual growth rate (CAGR) of 3.1%. In volume terms, the sector is expected to grow from 29.3 million kg in 2017 to 32.5 million kg by 2022, registering a CAGR of 2.1%.

Between 2011 and 2015, Mintel (2016) report that there was a 257% increase in new product launches claiming to be high in protein, while a 124% increase was seen in snack food product launches that claimed to have low, no or reduced sugar. A key outcome is that people are looking for healthier versions of the snacks they love.

Largo foods were established in 1983. It is home of the most recognised snacking foods in Ireland, including well-known brands such as Tayto, Hunky Dory's, Hula Hoops and King crisps. Hunky Dory's rank second for Ireland's most popular crisp. Together, these brands represent nearly 50% of the Irish snack market.

Tayto was founded in 1954 by Joe "Spud" Murphy in 1954. Joe is credited for creating the first cheese and onion flavoured crisp. Tayto is a major competitor for Keogh's as they continuously voted as Ireland's favourite crisps. Tayto own 22.6% of the Irish market alone. Tayto is so loved by Irish consumers that they even have an amusement park dedicated to Tayto that brings in over 720,000 visitors a year and earned €7 million worth of profits before interest depreciation tax in 2018. Tayto has a range of premium crisps called Bistro which are in direct competition to Keoghs.

ODonnells

In 2007, farmer and founder Ed O'Donnell created O'Donnell's crisps as he saw there was a niche in the market for hand cooked crisps and began to make them on his potato farm. O'Donnell's received a contract with Musgraves in 2010. The brand has 5 flavours and no MSG or artificial colours in their ingredients. The brand is gluten free, similar to Keoghs, and was launched in 2010. Other similarities include their packaging and authentic nature. Their target market is the same as Keoghs.

Kettle Crisps

Kettle chips is a British luxury crisp company that was created in 1988 by Cameron Healy. The brand specialises in premium hand cooked crisps with no artificial flavourings created with naturally sourced products and is sold in Ireland alongside Keoghs. Other competitors include Tyrrells crisps and Walkers Sensations which both experience market share in the premium crisps industry.

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The Snacks Industry

Europe

Savoury snacks are enjoyed by consumers of all ages across Europe being consumed at various eating occasions. In France for example they are enjoyed as an aperitif whilst in Germany they are often eaten on social occasions with family and friends. In the UK, snacks are more often eaten on-the-go as a quick energy boost or a treat during the day.

In 2018, the retail value of the savoury snacks market in Europe amounted to around €17 billion with represent nearly 1.5% of the European food and beverages market.

The largest market for savoury snacks in Europe is in the UK which is estimated to be worth around €5 billion. Whilst the UK is one of the largest purchasers (per capita) of potato chips / crisps, savoury snacks and snack nuts, it is certainly not the largest. Consumers in the Netherlands, Norway and Spain for instance purchase more chips / crisps, savoury snacks and snack nuts (per capita) than UK consumers.

Consumption of savoury snacks across Europe varies from country to country but on average around 4kg are purchased per year per capita.

INDUSTRY QUICK FACTS

- 17 billion sales in 2018
- 1.85 million tonnes sold
- 4kg average per capita consumption in Europe

European Snacks Association www.esasnacks.eu

Worldwide

The crisps market is growing substantially and is projected to capture a healthy CAGR and achieve million-dollar growth over the forecast period 2017-2023. The growth can be attributed to growth in the savoury snacks market which is favouring the growth of the crisps market. Additionally, the introduction of newer flavours owing to increased demand for innovative varieties has resulted in a plethora of tastes and novel additions to the crisps market. The growth of emerging markets is also expected to propel the demand for the crisps industry. The key players operating in the market include PepsiCo, Inc. (U.S.), Diamond Foods, Inc. (U.S.), Lorenz Bahlsen Snack-World Group (Germany), Herr Foods Inc. (U.S.), and Intersnack Group (Germany).

Consumer Snacking Habits - Ireland - 2021

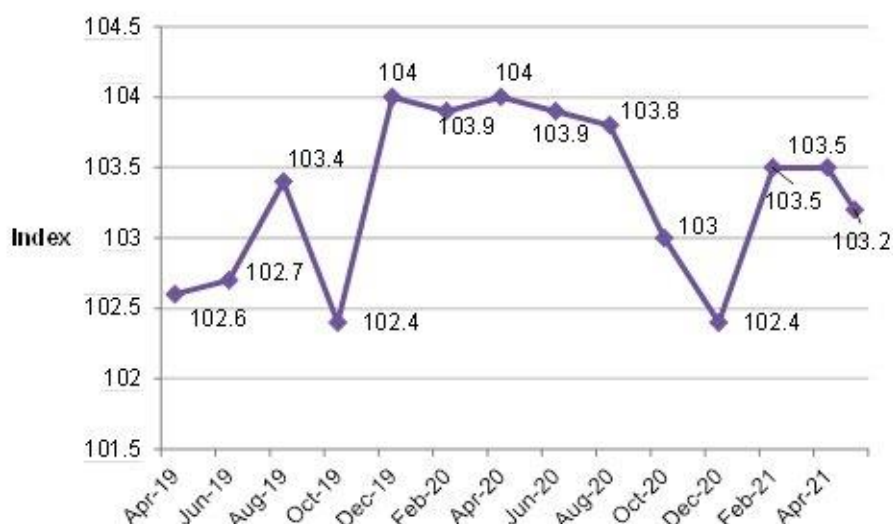
Market Drivers

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UK/NI prices begin to rise

The UK's (including NI) CPI has begun to rise; the graph shows growth between April 2019 to October 2020 before the index drops in December 2020.

FIG. 15 Consumer price indices of food, NI, April 2019-April 2021



Source: ONS/Mintel

After December 2020 it began to rise in 2021, meaning prices across different food categories are rising across the UK and NI. With restrictions making deliveries slower (due to consumers panic-buying) and Brexit seeing delays across supply chains may have led to an increase in price with a deficit in supply, pushing up food prices across food categories, eg prices in the yogurt category has increased by 10.4%.

FIG. 16 Consumer price index, by sub-category, UK/NI, April 2019-May 2021

	Apr-19	May-19	Sep-19	Jan-20	Apr-20	Sep-20	Jan-21	Apr-21	May-21	Apr-19-May-21 % change
Other bakery products (eg cakes, muffins)	107.2	105.8	105.1	104.9	108.5	105.5	110.2	110.1	109.6	+2.2
Yogurt	96.9	106	107	101.1	101.9	97.1	97.9	107.1	107	+10.4
Cheese and curd	99.3	97	97.7	99.2	97.1	94.9	94.8	95	96.6	-2.7
Fruit	105.7	104.3	107.4	110.7	108	107.1	109.2	109.1	109.8	+3.9
Dried fruit and nuts	102.5	100.9	105.8	108	106.6	106.9	107.5	107.6	107.9	+5.3
Crisps	110.3	108.2	108	111.8	106.6	108.4	113.6	117.6	116.5	+5.6
Chocolate	99.9	101.7	101.8	105.7	101.7	102.6	104.1	102.4	102.4	+2.5
Fruit and vegetable juices	102.8	101	102.6	104.9	100.8	103.4	105.2	101.5	102.8	0

Source: ONS/Mintel

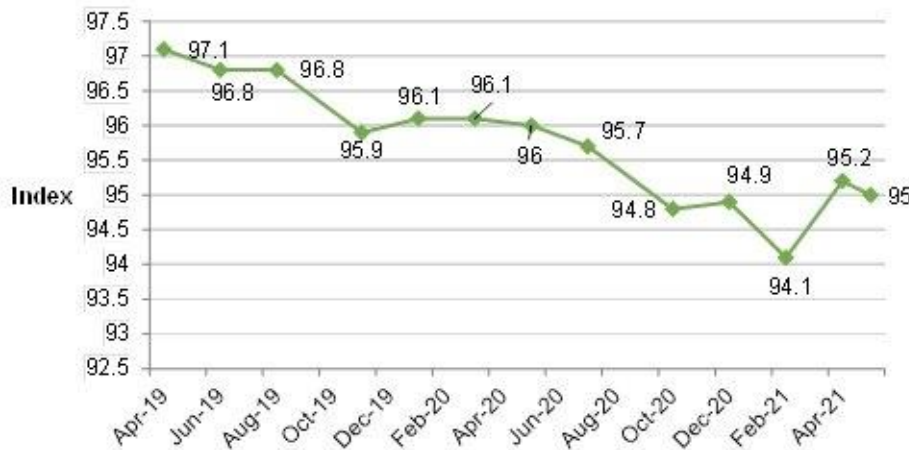
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Indulgent snack products such as chocolate (2.5%) and crisps (5.6%) have increased in price between April 2019 and 2021. Continued global shortages of ingredients/raw materials are likely having an impact on the consumer prices of many goods.

Rol food prices are declining

The data below demonstrates how the CPI has been declining between April 2019 and February 2021, with a slight increase in April 2021.

FIG. 17 Consumer price indices of food, Rol, April 2019-April 2021



Source: CSO/Mintel

The decrease of the CPI indicates that prices of food in Rol will fall, which means good news for consumers as they can buy groceries at a cheaper price. However, we can see that from February 2021 to April 2021 there was rise, pointing to consumers facing higher costs when buying snacks and general groceries.

There are also a number of snacking categories that will benefit from the drop in prices, for example, the cheese and curd category has decreased by 7.2%.

FIG. 18 Consumer price index, by sub-category, Rol, April 2019-May 2021

	Apr-19	May-19	Sep-19	Jan-20	Apr-20	Sep-20	Jan-21	Apr-21	May-21	Apr 19- May 21 % change
Other bakery products (eg cakes, muffins)	95.3	95.7	95.5	94.4	94.2	94.1	93.5	94.3	95.1	-0.2
Yogurt	100.6	100.4	98.1	99.4	103.1	99.2	101.4	103.7	104	+3.4
Cheese and curd	92.2	92.1	88.1	88.6	86.4	84.9	85.7	84.5	85.6	-7.2
Fruit	99.1	99.3	97.7	98.7	97.8	97.8	95.6	97	98	-1.1
Dried fruit and nuts	97.2	99	95.4	97.1	92.6	94.4	93.7	93.6	94.7	-2.6
Crisps	96.2	96.8	96	95.8	96.9	94.3	93.3	99	97.8	+1.7

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Chocolate	96	93.8	95.3	99	91.8	87.2	87.5	90.2	89.6	-6.7
Fruit and vegetable juices	94.5	94.7	93.7	93.4	94.8	90	91	94.2	93.5	-1.1

Source: CSO/Mintel

Rol consumers who are seeking healthier snack options will benefit as categories such as dried fruit and nuts (-2.6%) and fruit (-1.1%) have decreased in price. This could be positive for the healthy eating category as according to Mintel's *Evening Meal Preferences – Ireland, 2019 Report*, 59% of NI and 52% of Rol consumers agreed that eating a healthy diet is more expensive. This drop in prices may give consumers who are trying to find healthier snacking options the encouragement to try a healthier version, rather than a snack such as crisps, which has risen by 2.9%.

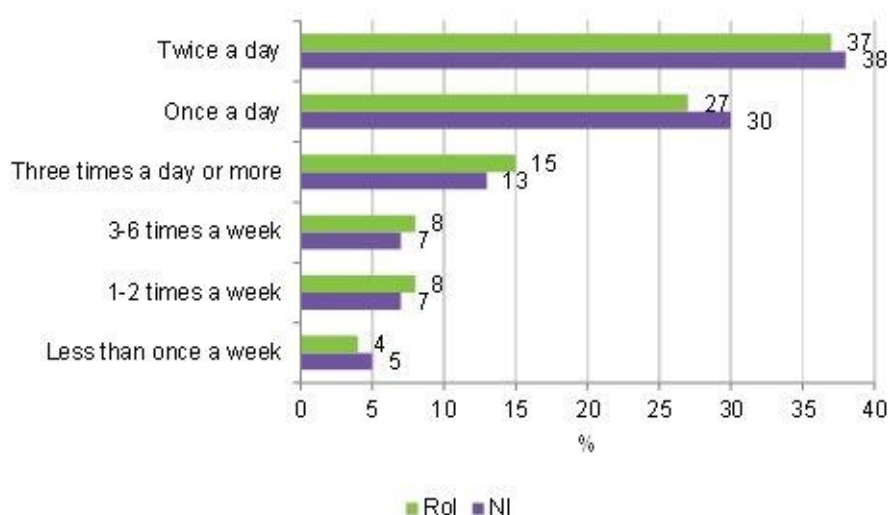
There has, however, been a decrease in the price of more indulgent food categories such as chocolate, which has decreased by 6%. Consumers have relied on this type of snack as a comfort food during COVID-19 to deal with the stress of isolation and anxiety about health and the future.

Key analysis: The future of healthy snacking could all be reliant on tax. Mintel's Report, Healthy Eating – Salt, Sugar and Fat – Ireland, 2020 states that 46% of NI and 48% of Rol consumers want a tax on unhealthy foods. There are also findings to suggest a tax on sugary drinks has helped consumers purchase healthier options instead (see Mintel's Carbonated Soft Drinks – Ireland, 2021). If unhealthy snacks came with a tax, it may give consumers that vital push towards healthier snacking habits.

Eight in 10 lol consumers snack at least once a day

Irish consumers continue to rely on snacking products as 81% of NI and 79% of Rol consumers snack at least once a day, with 38% of NI and 37% of Rol consumers snacking twice a day.

FIG. 19 Frequency consumers snack between meals on average, NI and Rol, 2021



Source: Dynata/Mintel, January 2021

Even though snacking between meals is a common occurrence among Irish consumers, 65% The ECASA project (2019-1-DE01-KA203-005037) is financed by Union funds (ERASMUS+). But the content of this document only reflects the views of the authors, and the European Commission cannot be held responsible for any use which may be made of the information contained therein.



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of NI and 63% of ROI consumers agree that COVID-19 has seen them snack more often. The reason consumers may have snacked more could be for comfort reasons, or even as a form of escapism; according to betterfood.co.uk, consumers have been snacking more in the wake of COVID-19, with the high level of uncertainty and restriction of movement making consumers seek an escape through snacking.

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Teaching Note

(a) Synopsis and type of the case

This case is about the progression of a family business from small local holding to a diversified local and international player. The Keoghs family farm has been in existence for over 200 years in the same location just north of Dublin City, Ireland. Huge changes in the market and consumers behaviour have forced the family into major changes to reinvent the business. The case focuses on the drivers of these decisions and the process management had to go through to implement change.

[Type] This case is background and situation case.

(b) Teaching objectives, target groups and target courses

[Objectives] Through this case student should learn to

- Appreciate the opportunities and threats to that occur as a traditional business evolves over time.
- Assess the strategies employed to deal with those changes and identify the capabilities required
- Evaluate the future opportunities as the company looks to grow internationally.

[Target group] The case is written for postgraduate students.

[Target courses] The case is especially intended for courses in Strategy, Entrepreneurship, Marketing and MBAs

(c) Teaching approach/area and strategy/organisation

[Approach/area] The case is intended to focus on the issue of strategic change and especially concentrates on the following topics:

- a. Changing external environment
 - a. Macro forces
 - b. Consumer habits
 - c. Industry Dynamics
 - d. Competition
- b. Changing Internal Company Environment
 - a. Strategic Renewal
 - b. Entrepreneurship
 - c. Family Business Dynamics
 - d. Marketing
 - e. Developing capabilities for new business venture
- c. International Business Strategy
 - a. Stages on Internationalisation
 - b. Building Scale
 - c. Establishing a Brand
 - d. Managing International Risk

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This element of the case is still being developed and will be completed after the reviewer comments are returned.

[Strategy/organization] of the case study has been organised as follows [A TYPICAL STRUCTURE MAY BE THE FOLLOWING]:

1. **Case Briefing:** ...[INSTRUCTION, INCLUDING TIME/DURATION]
2. **Case Coaching:** ... [INSTRUCTION, INCLUDING TIME/DURATION]
3. **Upload of analysis results:** ... [TIME/DURATION]
4. **Case Presentation:** [INSTRUCTION, INCLUDING TIME/DURATION]

(d) Evaluation/Grading

[Evaluation criteria] Evaluation shall take place based on the following criteria:

a. ...

[Grading/weights criteria] Evaluation shall take place based on the following criteria [A TYPICAL SCHEME MAY BE THE FOLLOWING]:

MAXIMUM NUMBER OF POINTS ACHIEVABLE, thereof for	100
• Case research: max. ?? points	v
• Case presentation: max. ?? points	w
• Class participation: max. ?? points	y
• ...	y
FINAL GRADUATION: $w + x + y =$	Z

(e) Analysis and solution outline

A detailed case analysis and solution outline ...