

2. Burton's Biscuits – A recipe for success

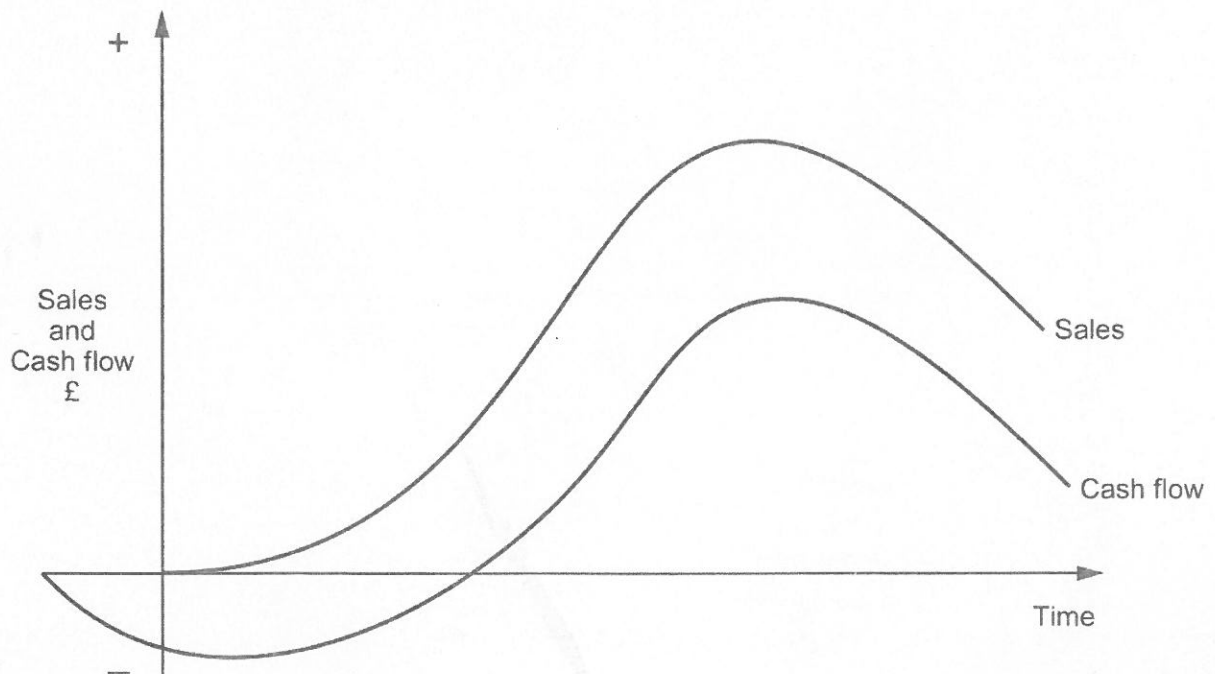


Burton's Biscuits employs over 2200 people across five major sites in the UK. Two of its most popular brands, Wagon Wheels and Jammie Dodgers, have both been on sale for well over 50 years and are both in the maturity stage of their product life cycles. This is a long time for any product to survive and most start to decline long before that.

Figure 1: Extracts from www.burtonsbiscuits.com.

- *Jammie Dodgers are the biggest kid's biscuit brand in the UK (and are actually enjoyed by loads of adults too!)*
- *In 2013 we re-launched the Jammie Dodgers brand with a new look and new flavours – Banana & Toffee and Jam & Custard.*
- *We made an exciting return to TV in 2011 as part of a £4.5 million campaign that re-captured the spirit of the brand and engaged with Jammie Dodger lovers of all ages. Our TV ad was such a hit that it won The Grocer 'Best Biscuit Advert of 2011' award.*

Figure 2: A Classic Product Life Cycle Illustrating Sales Revenue and Cash Flow.



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 With reference to Burton's Biscuits, explain what is meant by an 'extension' strategy. [4]
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 With reference to Figure 2, explain how cash flow changes through the various stages of the product life cycle. [8]
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 Evaluate the view that, for products with such a long product life cycle, such as Jammie Dodgers and Wagon Wheels, expensive advertising campaigns are a waste of money. [8]