



PESTEL Analysis of Greggs plc Report

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Table of Contents

1.Introduction.....	3
2.Situational Analysis: PESTLE Model.....	3
2.1.Political Factors	3
2.2.Economic Factors.....	4
2.3.Social Factors..... ...4	
2.4.Technological Factors.....	4
2.5.Legal Factors..... ...5	
2.6.Environmental Factors.....	5
3.Critical Analysis and Evaluation.....	5
4.Conclusion	6
5.Reference List	7

1.Introduction

Greggs plc is one of the most recognised bakery and food-on-the-go brands in the UK, known for affordable and freshly prepared products such as pastries, sandwiches, coffee, and vegan alternatives. Established in Newcastle upon Tyne in 1939, it now runs over 2,000 locations across the country (Greggs, 2024). The company has also embraced online ordering and delivery, adapting to changing customer habits.

This report will analyse Greggs using the PESTLE framework, which examines political, economic, social, technological, legal, and environmental factors influencing the company. Understanding these influences helps Greggs identify challenges and opportunities, make better business and marketing decisions, stay competitive, and continue to grow in the fast-moving UK food retail industry (Statista, 2024).

2. Situational Analysis: PESTLE Model

2.1 Political Factors

Government rules and policies in the UK have a big impact on how Greggs operates. The stable political environment makes it easier for the company to plan; however recent changes have brought challenges for example food safety regulations, employment laws, and the national minimum wage affect business costs, as higher wages increase staffing expenses for the thousands of employees across Greggs' stores (The Guardian,2025). To deal with these political factors, Greggs needs to keep a close eye on regulations, maintain a flexible supply chain, control costs, and make sure its products are always available. At the same time, the company must continue promoting affordable, healthier food that meets both government requirements and customer expectations.

2.2 Economic Factors

Economic factors that influence Greggs include the cost-of-living crisis and rising inflation in United Kingdom, which have changed the way how consumers spend their money (Office for National Statistics, 2024). Also, higher energy and ingredient costs also put pressure on Greggs' profits. To adapt at this challenges the company has expanded its "click and collect" and delivery services through partnerships with Just Eat, catering to convenience-focused customers (Greggs Annual Report, 2023). This strategy helps to balance the reduction in high-street stores. Changes in global ingredient prices can increase expenses, but Greggs reduces this risk by maintaining strong supplier relationships and bulk purchasing, which helps keep prices stable for customers.

2.3 Social Factors

Social factors that influence Greggs are changing consumer lifestyles, such as the growing demand for convenience, healthier eating, and sustainable products. For example, the rise of plant-based diets and greater health awareness has influence Greggs to add vegan and low-calorie options to its menu (Intel, 2023). Ethical consumerism is also rising, with more customers valuing brands that act responsibly. Greggs has a programme calls "Greggs Pledge", which reduces food waste and supports local communities, helps build brand loyalty and enhances the company's reputation for social responsibility (Greggs, 2023).

2.4 Technological Factors

Technological factors play an important role in Greggs' operations and marketing. The company uses mobile apps, digital loyalty schemes, and delivery platforms to improve the customer experience. The Greggs App allows customers to pre-order and collect orders quickly, showing how digital technology is transforming food retail (Marketing Week, 2023). Automation in the supply chain and AI-based demand forecasting help Greggs run more efficiently and reduce waste. Also, social media platforms like Instagram and X are keys for marketing, letting Greggs maintain a humorous and relatable brand voice for younger customers.

2.5 Legal Factors

Legal factors affect how Greggs operates and shape its marketing decisions. VAT rules for hot food can influence pricing strategies, which in turn affect marketing messages and promotional offers (GOV.UK, 2022). Employment laws on minimum wage and working conditions also affect costs, therefore Greggs invests in staff wellbeing and ethical labour practices. By following legal requirements, Greggs can highlight transparency, reliability, and corporate responsibility in its marketing campaigns, building customer loyalty and reinforcing its brand image.

2.6 Environmental factors

Environmental factors are becoming more important for Greggs. The company faces pressure to reduce its carbon footprint, packaging waste, and food waste, and in response of this, the company launched the Greggs Pledge (2021–2025), aiming for net-zero emissions by 2040 and 100% recyclable packaging (Greggs, 2023). These initiatives enhance brand reputation and allow Greggs to promote its commitment to ethical and sustainable practices in marketing campaigns. However, the higher costs of sustainable sourcing and packaging innovation can affect profitability, therefore Greggs must balance environmental responsibility with cost efficiency.

3. Critical Analysis and Evaluation

The PESTLE analysis shows that Greggs faces several outside pressures that affect its business decisions. Politically, rules like higher minimum wages, food safety laws, and post-Brexit import issues mean Greggs must keep its supply chain flexible and stay compliant (Greggs plc, 2025a). Economically, rising inflation and the cost-of-living crisis have made customers more careful with their spending. To respond, Greggs keeps its prices affordable, offers value meals, and uses delivery services like Deliveroo and Uber Eats (Greggs plc, 2025b). These pricing and delivery strategies support Greggs marketing positioning as an affordable, convenient food choice for busy customers.

Social trends, like people becoming more health-conscious, choosing plant-based diets, and caring about ethical practices, have pushed Greggs to update its menu and launch initiatives such as the Greggs Pledge. This programme supports sustainability and community projects, including Breakfast Clubs (Greggs plc, 2025c). On the technology side, Greggs uses mobile apps, AI for predicting demand, and social media to improve efficiency and make the customer experience better, showing how important digital tools are for the business (Greggs

plc, 2025b). Social media engagement allows Greggs to run promotions, target younger audiences, and strengthen brand loyalty through interactive campaigns.

Following food, employment, and tax laws, as well as environmental goals like net-zero emissions and recyclable packaging, also affects how Greggs runs its operations and marketing (Greggs plc, 2025c). The company needs to balance being sustainable with keeping costs under control so it stays profitable while maintaining a strong, ethical brand image. Overall, these outside factors mean Greggs must stay flexible, responsive, and innovative, making sure its operations, marketing, and product decisions meet both legal requirements and changing customer expectations.

5.Conclusion

In conclusion, Greggs has shown that it can adapt well to changes in its environment. The company faces many challenges, like higher costs, new laws, and changing customer habits, but it stays successful by keeping prices fair, improving its technology, and focusing on sustainability. Greggs also builds strong relationships with customers through its affordable and ethical approach. To keep growing, the company should continue investing in digital tools and eco-friendly practices while adjusting its marketing to match what customers want and expect.

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