

In this activity, you will analyse Greggs PLC using SWOT and PESTEL frameworks. You will assess its strengths, weaknesses, opportunities, and threats, while also considering external factors shaping its strategy. Your task is to apply the information in the case study to identify key challenges and growth opportunities. By doing so, you will practise critical thinking and real-world business analysis.

Case Study: Strategic Analysis of Greggs PLC

Case Background

Greggs PLC was founded in 1939 in Newcastle upon Tyne and has grown to become the UK's largest bakery chain—surpassing the number of outlets of McDonald's and Subway—with around 2,649 shops as of 28 June 2025, including both company-managed and franchised locations

Sources: *northernfinancialreview.com*

In the first half of 2025, Greggs reported total sales of approximately £1.027 billion—a year-on-year increase of 6.9–7.0%—but pre-tax profits fell by 14.3% to £63.5 million, reflecting operating profit down 7.1% to around £70.4 million

Sources: *northernfinancialreview.com, Directors Talk Interviews, OOH Magazine*

Despite challenging conditions—such as extreme weather with heavy snow in January and a heatwave in June that depressed footfall—Greggs continued to open new stores (87 opened, 56 closed, net +31), and ended H1 2025 with a total estate of 2,649 shops

Sources: *northernfinancialreview.com, Retail Gazette, The Guardian, The Sun*

The CEO, Roisin Currie, has repeatedly insisted that the UK has not yet reached “peak Greggs” and emphasised the potential still to expand toward over 3,000 shops over the coming years

Sources: *Financial Times, The Sun*

Greggs has successfully redefined its brand from a traditional bakery to a modern “food-to-go” operator, leveraging innovation in menu, speed, value, and channels. The 2019 launch of its vegan sausage roll became a cultural phenomenon—boosting brand awareness and mainstream acceptance of plant-based options, generating queues, and helping drive a surge in sales and profit. Greggs reportedly rewarded its 25,000 staff with a £7 million bonus following the success of that rollout

Sources: *Vegconomist, Yahoo Finance UK, Market Report Analytics*

Subsequent menu innovations include pizza, chicken goujons, iced drinks, and evening trade sales (now representing around 9% of sales revenue)

Sources: *Market Report Analytics, Storyblok*

In 2025, Greggs revived another popular vegan item—the “Vegan Lattice (Steak-Free)” previously known as the steak bake—in response to consumer demand and social media pressure; its return sparked fresh publicity

Sources: *Vegconomist, Vegan Food & Living*

Digital transformation has been central to Greggs' strategy: app-based ordering and loyalty schemes, Click+Collect, and delivery via third-party platforms now account for a rising share of transactions. In H1 2025, the Greggs App was scanned in 25.7% of transactions in company-managed stores—up from 18.3% in H1 2024—and app users shop more frequently on average

Source: *Storyblok*

Evening trade, iced drink ranges, and promotions like breakfast bundles and Bento deals demonstrate further diversification

Sources: *Storyblok, Retail Gazette*

Strategically, Greggs is investing heavily in its logistics and sustainability infrastructure: a new frozen manufacturing and logistics facility in Derby is slated to come online in late 2026, and a National Distribution Centre in Kettering to support growth is expected by the first half of 2027

Sources: *Storyblok, Bakery Info*

The company also opened its first Eco Drive-Thru in Winchester—featuring solar panels, rainwater harvesting, and heat recovery systems—to test sustainable practices for future shops

Sources: *Bakery Info, Greggs*

Further, Greggs' sustainability commitments are formalised in "The Greggs Pledge", launched in 2021. This framework covers ten commitments across healthier products, community support (e.g. breakfast clubs feeding thousands of children), reducing food waste and redistribution, sourcing renewable energy, ethical packaging, and carbon reduction targets aligned with the Science Based Targets initiative

Source: *Greggs*

Greggs continues to operate in a complex environment. Political factors include post-Brexit regulatory shifts affecting ingredient sourcing and trade tariffs; UK government initiatives around obesity and mandatory calorie labelling; and labour legislation such as minimum wage increases, which all weigh on staff and product costs

Source: *Greggs*

Economic conditions remain difficult: food price inflation, rising energy costs, packaging and wage increases have driven product price inflation (Greggs' sausage roll up 53% since 2016), while weak consumer confidence has constrained discretionary spending—even as Greggs' value positioning helps preserve volume

Sources: *corporate.greggs.co.uk, Directors Talk Interviews*

Social trends favour convenience, value, health, and ethical consumption. Greggs has responded with expanded vegan offerings, calorie labelling, healthier product lines (about 30% of range classified as 'Healthier Choice'), plus affordable snack bundles—all aligning with shifting preferences

Sources: *Greggs, Retail Gazette*

However, competitors from supermarkets, independent cafés and meal-delivery platforms intensify the battle for market share.

Technological enablement is a strategic enabler: mobile ordering, loyalty platforms, digital supply chain automation, and online partnerships assist with both operational efficiency and consumer experience

Sources: *Storyblok, Directors Talk Interviews*

Ongoing investments in logistics automation and new distribution centres illustrate Greggs' technological upgrading at scale

Sources: *Storyblok, Bakery Info*

Legal factors encompass stringent food safety regulations, employment law, calorie labelling standards, IP protection in its branded merchandising, and compliance issues

tied to drive-thru licences or late-night opening permissions

Source: *Bakery Info*

Environmental pressures are also strong: Greggs has set a net-zero carbon target by 2030, reduced per-turnover emissions, improved packaging recyclability, expanded surplus food redistribution via its Outlet shops, and rolled out Eco-Shop features across stores

Sources: *Greggs, Bakery Info*

Task: *Complete a SWOT analysis and a PESTEL analysis using the information provided.*