



Community Success Stories

The Stone Kitchen

Bancroft, ON

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INTRODUCTION

This community success story case study is part of the Monieson Centre's Knowledge Impact in Society (KIS) Project, a three-year endeavour to connect academic knowledge with economic development needs in Eastern Ontario. This case study highlights best practices from a real business in Eastern Ontario. The KIS Project is funded by the Social Sciences and Humanities Research Council of Canada. For more information, visit www.easternontarioknowledge.ca.

The Stone Kitchen is a jam and gift shop located in Bancroft, Ontario, creating homemade products from recipes created by Maureen Huber over 30 years ago. Recently, The Stone Kitchen was taken over by John and Kathy Pires who have preserved the founders' recipes but have decided to expand the business. This case study evaluates the key factors that have made The Stone Kitchen successful, as well as outlines possible strategies for future growth and sustainability.

INDUSTRY OVERVIEW

The fruit and vegetable canning, pickling and drying industry is served by micro, small, medium and large-scale producers. The J.M. Smucker Company is an example of a large-size competitor within the industry who dominates the market with mass-produced products, while The Stone Kitchen is a locally-run, micro-sized business. The company competes within the specialty preserves segment of the industry along with other micro- and small-scale producers, focusing on homemade quality and the unique nature of its products.

As of December 2008, there were 27 micro jam manufacturers (employing fewer than five employees) established in Ontario with operations comparable in size to The Stone Kitchen's. Within Bancroft and across southern Ontario, one of The Stone Kitchen's most important competitors is Jessie's Jams. This competitor offers products made using the same Huber recipes The Stone Kitchen uses. Jessie's Jams also offers similar products in similar locations: both companies sell their jams across southern Ontario. While the Stone Kitchen does compete with larger established brands such as Grieves Jam and Smuckers, this is to a lesser extent than with micro jam manufacturers. The scope of The Stone Kitchen is much smaller than these large companies and its focus is on quaint, homemade products.

COMPANY OVERVIEW

The Stone Kitchen's core product line consists of 33 flavours of jams; these jams are made in-house and sold in 245 ml Mason jars, a glass product evocative of traditional home canning. The jams are divided into two product lines: Huber Jams and Stone Kitchen Jams. While both jams are made using traditional Huber recipes, the Stone Kitchen Jams are differentiated as a higher end, gourmet product. The Stone Kitchen recently unveiled ten of its most popular jam flavours in 64 ml miniature sizes as a brand extension of the current product line. The company also sells gourmet foods and gifts in its retail location, but this study will focus on the company's line of jams.

The Stone Kitchen has positioned its jam as a high quality product akin to old-fashioned homemade jam, and the company targets a wide variety of customers with its products. Bancroft is a popular cottage destination which makes tourists and seasonal visitors a major market segment. The products are also targeted towards those consumers looking for nutritious, locally-made products. The miniature jams are popular with customers because they make excellent gifts. Their size makes them ideal for gift baskets and wedding favours, and customers enjoy buying many miniature jams to experience all 10 flavours. Some flavours are even excelling because of their novelty value, such as the Toe Jam and Middle Age Spread flavours. These are proving especially popular as inexpensive, humorous, gag gifts for special occasions.

KEY SUCCESS FACTORS

Variety

The Stone Kitchen currently produces 33 flavours of jam, and has a diverse product line that caters to many different customer needs. In addition to traditional jam flavours marketed under the Huber line, such as strawberry and blueberry, The Stone Kitchen offers a number of creative flavours according to the seasonal availability of ingredients. The company's Stone Kitchen line of jams, such as its lime and ginger flavour, can be used in cooking and for creating sauces to be served with meat. Although not all flavours are available in miniature sizes, the variety between the Huber line and The Stone Kitchen line offers a wide spectrum of selection for customers that is very attractive.

High Quality

The Stone Kitchen incorporates quality controls before, during, and after its jam production process. All ingredients are purchased either from local farmers or from the local No Frills grocery store. As well, these ingredients are hand chosen so that only quality ingredients are used. Each jar of jam contains no preservatives or added sugars, and is also made using real fruit. During production, the whole fruit is used to enhance the jam's flavour and to create a rich taste. The Stone Kitchen does not use fruit from concentrate or fruit puree in its jams, which enhances the quality of the end product. The production area is clean and safe, carefully organized into work stations. Each week the company regulates production to maximize the amount of jam produced while maintaining and controlling quality. In particular, jam temperature is taken often and requires careful attention. When production is finished, the jams are stored safely away from direct sunlight to ensure that shelf life, freshness, and taste are not negatively affected. The high quality nature of The Stone Kitchen's products makes them very desirable to customers both for personal use, and as special gifts.

Brand Image

The Stone Kitchen has leveraged its quaint and homey image to create a strong brand. The company has continued to highlight the interesting history behind its jam recipes which adds a sense of heritage and uniqueness to the brand. This image is vital to enhance the company's targeting strategy because it is relevant to tourists looking for unique Canadian-made products, and consumers looking for special, high-quality gifts.

OPPORTUNITIES FOR CONTINUED SUCCESS

Creating Brand Extensions

The novelty gift market represents an attractive opportunity of growth for The Stone Kitchen. Currently, the company has experienced a surge in customer interest for its Toe Jam and Middle Aged Spread flavours of jam. The Stone Kitchen can leverage this popularity by expanding its line to include numerous other novelty jams and promoting them as gift items. This will enhance the variety of the line and create new sources of revenue for the company. There is also an opportunity for growth in the wedding market. The Stone Kitchen has already been providing its miniature jams to couples looking for wedding favours. It should capitalize on this opportunity by focusing some of its marketing efforts on actually promoting its jams for use as wedding favours, or creating a line specifically for weddings. This will help to build customer loyalty and develop the company's brand. The Stone Kitchen's unique products and flavours will encourage repeat purchases as couples build their families, and the favours will reach the family and friends of couples that The Stone Kitchen may not normally have accessed. This will help increase brand awareness and loyalty, creating a sustainable demand for the company's products.

Creating Strategic Partnerships

The Stone Kitchen can expand its reach and attract new customers by creating strategic partnerships with relevant companies. Bed and Breakfasts and restaurants provide unique growth opportunities for The Stone Kitchen. By offering its jams to both these venues, The Stone Kitchen can reach a larger market and increase the demand for its jams. Offering its jams at Bed and Breakfasts will compliment the company's quaint brand image as well as appeal to the similar target market to which Bed and Breakfasts cater. Restaurants would benefit from the novel flavours of jams that The Stone Kitchen offers by using them as ingredients or putting them out for buffets.

Expanding Distribution Networks

The Stone Kitchen can grow its business by expanding its distribution network to include more than one distributor. This will help spread the company's risk and create sustainable operations. It will also allow The Stone Kitchen to expand its reach to include major cities that are currently not served by their single distributor, such as Toronto and Ottawa. The company's customer base can be expanded and revenue will increase.

CONCLUSION

It is evident that The Stone Kitchen has built a sustainable competitive advantage by leveraging its core competencies of variety, high quality and brand image. With growth potential present, The Stone Kitchen can capitalize on this opportunity by creating brand extensions, strategic partnerships and expanding distribution networks.