

King Pie struggles to retain market share

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Less than 10 years ago, King Pie was one of the more popular fast food outlets in SA...



Photographer: Jeremy Glyn

Image source: [BDive](#)

Established in 1993, it had a presence in every major shopping centre, both in the low and top ends of the market.

But now, the Bidvest-owned company is no longer the main player as other competitors such as supermarkets, petrol stations and convenience stores have taken slices of the market.

By 2008, the company had reached the pinnacle of popularity, with 330 outlets including in countries such as Malaysia, Canada, Swaziland, Namibia, and Mozambique.

"The pie sector is very competitive," said Vunani Securities food producers and agriculture analyst Anthony Clark.

"A couple of years ago, this category of fast food blew up. It can be low-cost and high volume. Most of the pies that are sold now are frozen.

"Consumers also see it as an affordable piece of nutrition. It is easily accessible, and as such, everybody sells them. No longer can King Pie hold a 'monopoly'. The mass market has taken over," Mr Clark said.

King Pie marketing manager Natalie Ruwers said the firm had begun to take competition from other fast food outlets seriously about three years ago.

"I wouldn't say we are competing with other pie producers. We are competing in the quick service market, so our competitors are the likes of KFC ... we all want the same market, which is mainly the lower-income bracket."

Although King Pie considers itself a major player in the quick service market, in 2013, it was no longer lucrative to operate only in this space. Since then, the company has moved into the retail market, selling its product in bulk to supermarkets.

The 280-odd outlets that remain are now situated mainly in lower-income areas.

Top-end retailers, such as Woolworths, have also recognised the appeal of pies, with the pastry being stocked in all outlets. Woolworths is tight-lipped about where it sources its pies, but said it takes "responsibility" for the products it sells.

"As a private label retailer, Woolworths procures products from a number of suppliers who manufacture products on our behalf. Woolworths has sold pies for many years.

"In response to consumer demand, we offer our customers a very wide range and variety of pies, such as individual serving and family serving; ready to eat from hot food counters; ready to heat refrigerated pies; and ready to bake from the freezer," the group said.

Clark said that although pies were consumed by high-end consumers, they had always been popular with people with limited means.

A King Pie original pie cost R2.50 in 1993. An original pie now costs R14.90.

"With the consumer currently squeezed, I wouldn't be surprised to see that pie sales are doing very well right now.

"With the price of food going up, taxi fares rising ... something has got to give; and if a consumer is used to going to KFC, perhaps now they will reconsider for a pie still under R20.

"How much has the price of pie changed over the last five years? Probably very little," Clark said.

Source: Business Day

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