

Domino's Pizza

Domino's Pizza History

- Brothers Tom and James Monaghan bought the Ypsilanti, Michigan pizza restaurant for \$500, "Humble beginnings as a single pizza restaurant" named DomiNick's **1960**
- Tom Monaghan, now sole owner, renames the restaurant Domino's Pizza, Inc in **1965**
- Opened franchise pizza restaurants, one in **1967** and another in **1968**
- 200th Domino's Store is launched in **1978**
- 1000th Domino's Store, Winnipeg, Canada and Queensland, Australia in **1983**
- 1st Store in UK and Japan **1985**
- 5,000th store in **1989**
- Signs 1,000th franchise **1990**
- Domino's Pizza International launches 1000th store **1995**
- Website launched in, reaches sales of \$2.8 billion **1996**
- Domino's named chain of the year by Pizza Today magazine **2003**
- Ranked in top ten of great franchise opportunities in Entrepreneur's mag **2007**
- 50 Years 9,000 restaurants **2010**
- First store in Lagos, Nigeria **2012**
- Source: (About Us- Our History)

Domino's Says..

- Domino's Pizza today has become the recognized world leader in pizza delivery.
- High quality ingredients and a constantly updating improving menu
- Pioneered idea of efficient delivery
- Domino's pioneered patented insulating pizza bags to keep hot and crisp
- Domino's created the sturdy, corrugated pizza box which keeps moisture from weakening the box and cheese from sticking to the top
- Invented 3-D car top sign
- Launched online pizza ordering in 2007
- Revolutionized online delivery with Pizza Builder and Tracker tools in 2008
- Added coupons and promos to the website
- Order online, or on your smartphone 2011 iPhone App and 2012 Android App
- Source: (Domino's Home)

Domino's "Oh Yes We Did"

- In 2009 two Domino's employees filmed themselves handling the food in Domino's in an unsanitary way and posted it online as a prank
- Within a few days the video had gone viral, with Domino's consumers around the world were

questioning their loyalty to Domino's

-This scandal was detrimental for Domino's, research from YouGov showed that Domino's perception of Domino's' quality among consumers had gone from positive to negative in just a few days (Video Prank)

-Then, in late 2009 a consumer taste survey had Domino's coming in dead last tied with Chuck E. Cheese (Case Study)

-In early 2010, Domino's created a campaign to reinvent the brand

-The campaign called "Oh Yes We Did" used honest reactions from real consumers and critics to highlight their weaknesses, a tactic not normally used by companies

-Domino's engaged the consumers in social media with a documentary and money back guarantees

-The campaign was a huge success and showed the consumers that Domino's was not just a careless pizza chain with thousands of stores across the country, but a brand willing to change to satisfy consumers (Case Study)

-Sources: (Case Study) (Oh Yes We Did) (Video Prank)

Not Just a Pizza Restaurant Anymore

-Domino's started as a pizza restaurant but throughout the years have added items to their menu in order to peak interest in non pizza lovers

-2008, Oven baked sandwiches

-2009, Penne Pasta, Chocolate Lava Crunch Cakes

-2010, New pizza recipe, sauce, crust, and cheese

-2011, Wings and boneless chicken, and two new bread sides

-Expanded pizza menu with Artisan pizzas using *premium* ingredients

-Source: (Domino's Home)

Domino's Social Media

-As a huge global company Domino's uses social media to communicate with their consumers - Their most used social medium is Facebook followed by twitter

-Facebook, posts photos and deals from Domino's, also has posts (many complaints w/ photos) from customers <https://www.facebook.com/Domino's>

-Twitter, Corporate Domino's with similar posts to fb and then reply tweets, answering complaints <https://twitter.com/dominos>

-New: Tumblr (for the real pizza lovers) Domino's Delivery, <http://dominos.tumblr.com/>

Domino's Sales:

-In 2014 56% of Domino's revenue came from supply chain business (ingredients to restaurant

equipment) (Forget Pizza)

- The rest came from retail sales at 390 U.S. company-owned stores (19%), royalty fees paid by 4,600 franchise locations (12%) and international supply chain and restaurants (13%) (Forget Pizza)

-Digital ordering accounted for approximately 50 percent of Domino's sales in the U.S. at the end of 2014. (Domino's Prepares for Biggest Delivery Day)

-Domino's pizza chief information officer Kevin Vascone said that "Domino's is always looking for ways to continue innovating and using technology to benefit our customers" (Domino's Prepares for Biggest Delivery Day)

-On Feb 1, 2015 Domino's is expected to sell 11 million slices of pizza on Super Bowl Sunday, and now teaming up with Samsung, customers will be able to track their pizza order through their Samsung Smart TV (Domino's Prepares for Biggest Delivery Day)

Industry Outlook:

-The pizza industry is mature, with most cities already at the limit of restaurants that the population can support

-Growth in this industry is slow, and will result in some necessary changes to keep and raise revenue including more items to a menu

-This will give Fast Food Pizza Restaurants who have the ability and resources to expand their menu a greater advantage in the industry

-The ability to satisfy new consumer preferences will also be a big factor in the future for pizza restaurants success

-Source: (Industry Outlook)

Industry Trends:

-In a mature industry it is important to constantly follow market trends and distinguish your brand from others

-Pizza personalization is one trend growing quickly, customers want to be in control of their own food, and options to make a custom pizza, like Domino's Build Your Own, will be an important piece in continuing customer satisfaction

-Another trend in the pizza industry is the importance of the "tone" of pizza, this means that most people buying pizza want it to be a casual dining experience without the worry of being underdressed or worrying about bringing your children out to eat

-While Domino's restaurants are not known for having a sit down atmosphere their well developed delivery status serves as a strong point for informality, the consumer's ability to choose their location and set the dining "tone" themselves

-Source:(Pizza Restaurants-Trend Application)

Consumer Data (By Generation)

- The pizza industry has a large spread over consumers because of the abundance of options to buy pizza: full service restaurants, pizza chains (delivery and take-out), independent local restaurants and frozen etc
 - A survey of 2,000 internet users ages 18+ showed that 84% of older millennials (ages 27-37) had bought pizza from a Fast Food restaurant, like Domino's, in the past month.
 - The survey also showed that the older millennials also displayed the largest usage of pizza overall (94%)
 - The younger millennials and iGeneration (ages 18-26) produced similar results, with 83% having bought from a Fast Food pizza restaurant and 93% having bought pizza from one of the many options
 - Results for older generations was lower, with the swing generation's (69+) monthly usage for Fast Food Pizza Restaurants at 30%, Baby boomer's usage at 49% and Generation X at 67% (Fast Food Pizza Restaurants)
- Source: (Pizza Restaurants-Consumer Data)

Reviews (Synopsis)

Epicurious

- Epicurious conducted a taste test for the four big pizza restaurants, Domino's, Papa John's, Pizza Hut, and Little Caesar's
 - The results? Domino's won, it impressed the judges with the quality crust
 - Following Domino's was Pizza Hut, then Little Caesar's and in last place was Papa John's
- Source: (Which Tastes Best?)

Consumer Blog

- A previously Domino's hater tries Domino's new pizza and loves it
 - "I'm a foodie, and I love Domino's"
 - This article recognizes the bravery of Domino's "Oh Yes We Did" campaign, and as a consumer says it was worth it.
- Source: (Domino's Pizza, You've Converted This Foodie)

Domino's Customer Delight, Survey:

- A survey conducted by consultancy group Brand Keys in 2012 showed that Domino's created the most consumer delight
- This came more than a year after Domino's successful Oh Yes We Did campaign, which strengthened their brand loyalty
- The article also discusses consumer expectations, which have been accelerating, consumers look to bigger brands like Domino's and Pizza Hut, with such a large customer base they are expected to make the changes necessary to keep their loyal customers
- Additionally the article mentions "meaningful differentiation", companies who lack

distinguishing factors will be most affected by economic and behavioral changes

Source (Survey: Domino's Creates the Most Customer Delight)

Summary

-Domino's is well established in the pizza industry and has set itself up for continuous success with menu expansion and easy order techniques online

-Domino's brand is recognized as quality after a successful campaign to reinvent themselves

-Although Domino's has a well known brand they still have issues, for example, many complaints on their facebook and twitter point to bad delivery times and bad service

-Continuous complaints like this can be destructive for a company like Domino's who touts good service and impressive delivery times as their founding principles,

-Improving delivery measures and performing customer surveys are good ways to measure customer satisfaction and adjust to complaints

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