



LIME 5 SEASON

CASE STUDY

ISB • FAST FOOD • DOMINOS

DOMINOS CASE STUDY

DOMINO'S BRAND BRIEF

The Pizza Category in India:

Organised Pizza business in India is 12 years old. It started when Domino's and Pizza Hut, the two biggest Pizza chains with origins in US entered India and set up stores. Before that the only pizzas that Indians were used to were from a very few Italian restaurants and chains like Nirula's. Pizzas were also served in 5 star hotels and were considered a very premium food back then. Over the last decade, the category has been evolving and today is available widely but it still is in a rapid growth phase with presence limited to top 35 cities. The category consumers are the young Indians in the age group of 18 to 35 yrs from SEC A and B.

Pizza as a food has been gaining acceptance. It competes with other cuisines like North Indian, South Indian, and Chinese and to some extent burgers & snacks as an option for Non-home cooked food. While Indian consumers do not perceive Pizzas as an ideal meal option and speak of it in quasi meal/quasi snack terms, it is consumed purely as a meal with more than 65% of the consumption happening in the lunch and dinner occasions. Hence Pizza can be classified as a meal replacement food. It has a premium and special association as well and for most consumers, it's a special treat. Pizzas get slotted somewhere in between full meal and snacks. It still is seen as an occasional consumption option, which is high on novelty and indulgence.

What's Domino's:

Domino's started its first store in India in 1995. Today, with 576 stores across 123 cities in India (as of 31st March 2013), Domino's is the market leader in the organized Pizza category with 67% market share and also the largest International QSR chain in the country. Domino's has a focus on home delivery and has 70%+ share of the pizza home delivery segment. Almost 50% of our business comes from home delivery and 50% from take away/dine in. The home delivery focus manifest in the way the company thinks, looks and operates. All the systems and processes, store formats and layout are geared up to provide a best delivery experience to the customer. What it also means that we have only a very functional casual dine-in offering for the customer. The environment is a self service, hygienic, air-conditioned environment with cheerful but not decorative interiors, often with seating for 15 to 40 customers. Our stores are self-service without any cutlery and customers eat out of Pizza boxes and with their hands.

Consumer Segments:

Very broadly speaking, the target audience for Domino's is the SEC A, 18-35 urban consumers. College going students, young working adults and young married couples with or without children are our core TG. Typically with a modern outlook to life and exposed to a busy and time stretched lifestyle. Children are a large consumption group for us, but we do not target them as an audience.

The Pizza category is still at a very nascent stage in India and strong consumer segments with very differing behaviour do not seem to emerge especially when segmenting variables like demographic and psychographic ones are applied. However, when the segmenting variable is the behaviour towards the category (i.e low frequency vs high frequency consumer), we saw very sharp differences in our consumers. Pizza consumers can be categorized in to frequent consumers (the Pizza passionates; orders more than 4 times a year, upto 15 times a year) and infrequent consumers (Pizza consumers; orders once or two times a year). We have an equal mix of the two set of customers and roughly 50% of our revenue comes from each group. These two type of customers have different set of motivations of buying into the category.

Domino's Brand Journey:

Domino's brand story started with our focus on creating Pizza as a food category. We worked extensively towards connecting with consumers and educating them about Pizzas, in the language that they understood. We coined a unique phrase - 'Hungry Kya'. The idea was to tell the audiences that whenever you are hungry then just try our delicious Pizzas. This campaign became an instant hit and our pizzas drew a big audience. We also customized our Pizzas to suit the Indian taste buds. We developed Pizzas with Indian toppings to improve familiarity and to ease consumers into the category.

DOMINOS CASE STUDY

Once, customers started having Pizzas, the challenge was to differentiate ourselves from Pizza Hut by establishing our global expertise in home delivery. This was a challenge because Home Delivery as a concept was non-existent and we have to bring in the behavior change in the customers. That is when we brought a revolutionary concept of “30-minutes delivery” and we also gave a rider, if we didn’t deliver in 30 minutes, they will get the pizza free. This campaign seriously defined and shaped the Domino’s brand. We used Bollywood actor Paresh Rawal in the Ad. After the campaign, Domino’s strengthened its position as the pizza delivery experts. It also defined the brand imagery and personality in consumers’ mind. Domino’s became a loved brand and many people got into trying the category. This promise till today is our USP and no one else has been able to match it.

In the following years, the campaigns were more product / promotion centric. The 30 mins or free delivery promise became one element of the Ads. The brand positioning continued to be ‘Hungry Kya?’. The focus was to position the brand as the makers of great tasting pizzas. This was done through the launch of many new indulging Pizza products with communication revolving around new and tasty products & craving for the Domino’s pizza. The delivery occasion was retained as a context of all the communication. Some of the successful launches were 3 Cheese Pizza, Double Burst Pizza, Double Cheese Crunch Pizza, Cheese Burst Pizza, Calzone, Stuffed Crunch Pizza.

However, we were still seen as an expensive brand and it continued to be an opportunity for further growth. In 2006, we cracked this code as well with the launch of Fun Meal range of pizzas starting at 45/- price point. In 2008, we launched the Pizza Mania range of Pizzas starting at Rs 35/-, and since then we have become a mass player in the category straddling the entire spectrum of price points and consumer requirements. The Pizza Mania launch made us a very accessible brand and we had a lot of new customers coming into our stores who had never tried pizzas before in their lives.

In 2008 after having established the functional pillars of the brand namely ‘Taste through delicious pizzas’, ‘Accessibility through affordable Pizza Mania’ and ‘Convenience through Home Delivery’, it was time for us to establish an emotional connect with our consumers. We did that through our new positioning roll out– ‘Khushiyon ki home delivery’. This positioning highlighted Domino’s role in consumers’ life, thereby bringing alive the Domino’s effect of happiness. The entire new brand space brought Domino’s closer to customers and put us in a new growth orbit.

Our current phase of growth is where we launched our new positioning “Yeh Hai Rishton Ka Time”. It marked the evolution of the brand Domino’s to the next phase in its journey in India. It took the brand forward from the earlier positioning of ‘Khushiyon ki home Delivery’ on the same emotional vector. We learnt from some of our consumer insights generation work that Domino’s pizza consumption time is not just about hot, fresh and cheesy pizzas, but it is also a moment when people come together out of their today’s regimented & busy lives and spend time with each other. The casual format of Domino’s Pizza where people share slices from the same box acts as a catalyst to get people together and in the process makes the bonds that people share warmer, livelier and effervescent. In essence Domino’s time is time for relationships and bonding.

Barriers and Challenges:

The current challenge in our Business is clearly to drive the frequency of our infrequent existing consumers and acquire new consumers; which in essence means gaining more share of occasions of out-of-home food consumption in one’s life.

Questions:

- How do we remain relevant in our positioning ‘Yeh Hai Rishton ka time’ & further impregnate it in consumer minds across 120+ cities in India where we are present and new cities we are moving into?
- How do we drive the frequency of our existing consumers and gain more share of eating out / out-of-home food occasions?
- How do we drive penetration in our existing store catchments by acquiring new consumers who have never eaten pizzas before?
- While Domino’s is perceived more as a delivery brand, how do we become more relevant and fortify our Dine-In (in store consumption) business in India?

DOMINOS CASE STUDY



Mentor:

Ms. Sylvia Dutta

Manager - Corporate Communications - Jubilant FoodWorks Limited

sylvia_dutta@jublfood.com