

Australian pizza wars (pp 687-689)



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Australian Pizza Wars BY YOU YOUR ACADEMIC ORGANISATION HERE HERE
HERE Because the pizza market in Australia is so littered with pricing competition, the CEO of Pizza Hut Australia should steer the business toward more sales promotions and innovative marketing in order to draw more consumer interest. Pricing is a competitive tool which has been used by many of Pizza Hut's strongest competitors, however these competitors such as Pizza Haven and Eagle Boys only own 11% and 12% of the total pizza market respectively, as identified by the case study. This shows that these competitors are not necessarily finding sales success through pricing as they are unable to take market share from Pizza Hut through these actions. A reputable pizza marketing magazine suggests that pizza companies should begin using promotions which describe dollars off rather than percentages when using marketing promotion (clippermagazine.com, 2009). This is an aspect of consumer behaviour where they feel dollars off promotions are more incentive to buy products than through direct mailings which offer percentages off the pizza product. Currently, Pizza Hut offers reduced priced pizzas, using marketing promotion to encourage volume ordering to offset the costs of marketing, as identified by the case study. This is an ongoing pricing strategy, however Pizza Hut maintains the opportunity to use unique graphics, logos, and other consumer-oriented images to create direct mailing (or even Internet coupon offerings) which appeals to the psychographic aspects of buyer behaviour. Kurtz (2007) identifies that consumers are strongly driven toward promotional materials, in direct mailing form, which utilise well-known corporate logos and can be entertaining at the same time. This would give Pizza Hut the opportunity to use pricing as only a portion of the marketing strategy but use innovative sales promotions, based on

consumer behaviour and graphics presentation, to make their business stand out over competition.

It would be unrealistic to believe that pricing is no long relevant for sales promotions, just the method by which Pizza Hut appeals to the buying audience should be altered. This could also give Pizza Hut the opportunity to sign up many different customers, through unique promotions which offer contests or similar incentives, giving Pizza Hut several niche markets to sell product. Because consumers in Australia are beginning to explore healthy eating options, these direct mailing, innovative graphic marketing tools can highlight new menu options for the healthier eating client.

The case study did not provide evidence that Pizza Hut's largest competitors are exploring new healthy eating options and then further promoting these menu changes in order to build more consumer interest and draw the healthy-conscious consumer. Therefore, such new sales promotions and direct mailing marketing could give Pizza Hut the edge in sales success and outperform competitive actions, which seem to be focused around pricing primarily.

The SMS marketing activity described by the case study does not indicate that Pizza Hut is finding significant success, only that a new medium for promoting and advertising the product is available. Pizza Hut should continue using these new technologies to draw more consumer interest and make the process of ordering pizzas more convenient. The current system is special offers sent by SMS, however ordering online through these technology mediums could also revolutionise the method by which pizza customers find connection with Pizza Hut as a progressive and modern organisation. This is something that is not evident with competitor actions in the new Internet-

based marketing strategies.

The case study provided limited information regarding how competition has been utilising Internet-based tools to find higher sales success. Therefore, there is no definitive business model which can be offered to Pizza Hut guaranteeing this will find success. However, orders which come in online are usually 25% larger than phone orders (pmq. com, 2009). This could be very lucrative for Pizza Hut if online ordering, and the promotion of this new, innovative method is expressed through direct marketing or even television promotion.

References

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