

Sip report on b2b customer preference on pizza

Business



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I enjoyed doing this project as it gave me a great experience and more exposure to the MARKETING WORLD. I came across different people having different kinds of experiences and enjoyed listening to them and getting the questionnaires filled by them. At the same time there were some constraints too, that I had to face. This mainly included the time constraint and the non-cooperation of people. Still I found it very interesting and am thankful to my respected College Mentor Sir Kshtragna and my office Mentor Ms Smita Nivedita Das who gave me the opportunity and moral support to conduct this research. INDEX MARKETING RESEARCH3 LETTER OF TRANSMITTAL4

EXECUTIVE SUMMARY7 Introduction8 Accolades9 Organizational Structure of PAPA JOHN'S10 Franchise Terms11 Situational Analysis: 12 Reason for such rapid growth of Fast Food industry in India: 12 Industry Analysis: 13 SWOT Analysis: 14 Product life cycle: 16 MARKET SHARE: 17 Marketing Strategies17 Porter's Five Forces: 20 PROBLEM DEFINITION21Sample and Research design: 22 INFORMATION NEEDS22 Tools and Methods of Data Collection: 23 Data Processing and Analysis: 23 ANALYSIS & INTERPRETATION23 Factor Analysis26 Major Findings: 33 RECCOMENDATIONS/ OBSERVATIONS36 Price: 38 Suggestions based on the scrutiny of the store: 39 Conclusion40 PAPA JOHN'S QUESTIONNAIRE41 Bibliography44 EXECUTIVE SUMMARY The research report includes research about Papa John's to analyze the most important element for its profitability.

In this research I conducted a customer analysis in which we asked the customers their preferences for going to any fast food restaurant. We also asked them about what attracts them to a pizza store. And also their menu preferences in pizzas and how would they like their pizzas to be (like:

customized or non customized, With extra cheese or with normal cheese etc). This helped us making a broad perception about the future sales and profitability of Papa John's and what Papa John's needs to do to Build its image and retain the customers. Introduction Papa John's Pizza is one of the top three pizza restaurants in the United States. Papa John's is based out of Kentucky.

There are almost 3, 000 Papa John's in the United States, more than 200 in the United Kingdom, and 24 located in INDIA. Papa John's founder, Mr. John Schnatter worked at Rocky's Sub Pub while attending high school in Indiana. Schnatter then attended Ball State University while working as a delivery boy for Greek's Pizzeria. After graduating, Schnatter started to work for his father who owned Mick's Lounge- a bar in Jeffersonville. Mick's Lounge began serving pizza in 1984, and was soon converted into the very first Papa John's.

In India Papa John's first store was opened at Noida in the year 2006. The franchisee is owned by OM pizzas in the north India and by the JIP fashions and restaurants India Pvt Ltd. in West and South India . Papa John's credits its rapid growth to excellent customer service, high-quality products and a simple menu. Any pizza that does not get an eight on a scale of 1-10 is thrown away or given to employees. There were only a few options in crust styles and other foods available, which simplified inventory and allowed for better focus on quality.

Recently, Papa John's has begun to market new menu items which are advertised constantly. These recent additions include pan pizza and thin-crust styles, each with a new type of sauce or taste. In order to simplify

operations on-site and to allow for better product consistency within the chain, many steps in preparation are produced off-site. These steps include dough preparation and the mixing of spices in the sauce. Papa John's collects most of its revenue through carryout and delivery orders, but the majority of locations have seating arrangements available. Papa John's allows customers to place orders online throughout the United States.

This online service assigns the customers to the closest location to process the order. Papa John's was the first major pizza chain that included dipping sauce with every pizza as well as pepperoncini- a traditional Italian garnish. Papa John's made a deal with Six Flags to sell its pizza in the theme parks exclusively in 2006. Accolades * For nine consecutive years (1999 – 2008), Papa John's has been rated number one in customer satisfaction among all national pizza chains in the American Customer Satisfaction Index (ACSI) released by the National Quality Research Center at the University of Michigan Business School. Top rated national pizza delivery and take-out chain in Restaurants ; Institutions' Consumers Choice in Chains Survey seven out of the last nine years (1998 – 2000, 2002 and 2004 2006).

* Pizzamarketplace. com 2006 Pizza Chain of the Year * Voted ' Best Pizza' in more than 50 U. S. markets over the last several years, including in Los Angeles, Washington D. C. , Atlanta, Dallas, Indianapolis, Orlando, Knoxville and Phoenix.

* Highest rated national pizza delivery and take-out chain in RealPeopleRatings. com, an online quarterly rating site. Tied for first as the highest rated national pizza chain in the 2007 Zagat/Today Show Fast Food

Survey. * Silver winner of the 2006 Brandweek Customer Loyalty Award in the pizza category. * Named Delivery Operator of the Year among pizza chains in the United Kingdom by the Pizza and Pasta Association (2005 – 2006). Organizational Structure of PAPA JOHN'S The structure of a Papa John's restaurant is typical of that seen in many fast food outlets, with a salaried store manager presiding over day-to-day operations, and several salaried or hourly assistant managers and shift managers presiding over in-store and delivery team members.

Above the store management is an area supervisor who is generally supervised by a franchisee or; in corporate stores, a director of operations reports to an operational vice president. Franchisee Area Supervisor Store Manager Asst. Manager Shift Manager Delivery Team Members Franchise Terms Franchise stores owners pay a royalty fee 5% of net sales to Papa John's International, and up to 7% of net sales on advertising efforts. Corporate operations look over franchisees to ensure brand consistency. Situational Analysis: In 2006 global fast food market grew by 4.

8% and reached a volume of 102. bn and a volume of 80. 3 bn transactions. In India alone the fast food industry is growing by 40% a year. " The Rs 300-crore Indian Pizza market is growing rapidly due to change in the eating habits of people and is likely to touch Rs 1, 000 crore in next four years", said Suden Singh, Business Head of JIP Fashion and Restaurant India Pvt Ltd, a franchisee of Papa John's in India, Reason for such rapid growth of Fast Food industry in India: Gender Roles: gender roles are now changing. Females have started working outside.

So, they have no time for their home and cooking food. Fast food is an easy way out because these can be prepared easily. Customer Sophistication and Confidence: consumers are becoming more sophisticated now. They do not want to prepare food and spend their time and energy in house hold works. They are building their confidence more on ' ready to eat and easy to serve' kind of foods Paucity of Time: people have no time for cooking. Because of emergence of working women and also number of other entertainment items.

Most of the time either people work or want to enjoy with their family.

Double Income Group: emergence of double income group leads to increase in disposable income. Now people have more disposable income so they can spend easily in fast food and other activities. Working Women: working women have no time for cooking, and if they have then also they don't want to cook. Because they want to come out of the traditionally defined gender roles.

They do not want to confine themselves to household work and upbringing of children's. Large population: India being a second largest country in terms of population possesses large potential market for all the products/services.

This results into entry of large number of fast food players in the country.

Relaxation in rules and regulations: with the economic liberalization of 1991, most of the tariff and non tariff barriers from the Indian boundaries are either removed or minimized. This helped significantly the MNC's to enter in the country.

Menu diversification: increase in consumption of pizzas, burgers and other type of fast foods. Industry Analysis: Six major segments make up the fast food segment of the food service industry. Sandwich chains, like McDonald's and Wendy's are the number one segment, followed by dinner houses, such as Applebee's and Red Lobster. Pizza chains are ranked third.

Out of all the pizza chains, Pizza Hut has the largest market share, 46%, followed by Domino's with 21.7%. International sales have become more and more important to the fast food industry.. As profitable as the fast food industry is, there has always been one problem that many fast food companies cannot seem to overcome. Because of large aging population, greater awareness and interest in health issues have resulted.

Nutritional value of fast food is a huge problem. For many people, fast food automatically means low nutritional value. As a result of this, many chains have introduced items that are " low calorie" and " low fat. " Despite their efforts, many critics and consumers feel that their efforts were not satisfactory in providing a healthy meal. SWOT Analysis: Strength Papa John's has many different strengths. Name recognition is an obvious strength for Papa John's.

Papa John's has been around for a Short time but because of the accolades it earned, consumers know the name well. Another big strength and even a competitive advantage is the fact that they have a full service restaurant as well as delivery services. Most of Papa John's competitors do not have restaurants. Because of the restaurant, Papa John's can market to many different segments that other pizza chains cannot. For example, Papa John's

can market to families much easier than Domino's or Little Caesar's. Papa John's offers a sit-down, conversational type restaurant where families can take their children for birthday parties for example.

Papa John's broad selection of products also makes it easier for them to market to different market segments. Weakness: However, the fact that Papa John's does have a restaurant to run is also a weakness. Papa John's has higher overhead costs, due to the restaurant that other competitors don't have to deal with. Another result of higher overhead costs is higher prices Papa John's must charge. Obviously, Papa John's is not the low cost producer. They rely on their quality pizza and good service to account for their higher prices.

An indirect weakness that Papa John's has is that they entered the market very late . Almost when Dominos and pizza Hut already made a place in the consumers mind . Opportunities: Papa John's opportunities are almost endless. They can increase revenue with their new innovative pizzas, and increase brand loyalty with good customer service. Another opportunity that Papa John's has is their new ordering online system.

Anyone with Internet access can order whatever they wish and get it delivered to their house without even speaking to someone. This program has just been started, so we do not have any numbers to support whether or not it will be a success. Threats: Papa John's number one threats are from their competitors. Currently, their closest competitor is Domino's Pizza and Pizza Hut. Domino's main competitive advantage over Papa John's is their price.

It is generally lower. Also, Domino's was very profitable when they ran the promotional deal of delivering a pizza within 30 minutes. However, many lawsuits have been filed against Domino's in the past for reckless driving by their drivers, so Domino's withdrew the promotion. Pizza Hut is another one of Papa John's competitors, right ahead of Domino's in market share. Pizza Hut is famous for its vast variety of items on its menu and an excellent service they provide to their customers. A problem facing all of the pizza chains is that each of their individual competitive advantages are pretty much everyone's competitive advantages.

Most if not all the top pizza chains offer free delivery, and always have some sort of promotional deal offering large ! pizzas at reduced prices. Other competitors to take into consideration are frozen pizzas and make-it-yourself pizzas that are purchased in grocery stores. Some examples of these are Tombstone Pizzas, Boboli, and Di'Gornio pizzas. The frozen pizza category is said to be " recession proof. " The reason for the success of the category is due to the fact that as more consumers eat at home they turn to the convenience of frozen food.

Frozen pizza is considered " a delicious, reasonably priced meal option for families and one- and two-person households to enjoy at home. " Growing trends include: popularity of thin crust pizza, convenience, great taste, health and wellness, portability, price sensitivity and serving size options (especially popular are single-serve options.) Product life cycle: The diagram shows that the industry is on the growth phase while Papa John's in India is in the Introduction phase. MARKET SHARE: The market Share of papa John's is nearly 13%. Owing to its position on the product lifecycle, it's a very good

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share. And the presence of the papa John's is growing at a rate of 30% annually.

Number of outlets is growing at a rate of 50% annually. Marketing Strategies Tapan Vaidya, general manager of JIP Fashion, Indian franchisee of Papa John's, told in one of his interviews that a major rise in the income of people in India and growth in middle class to upper middle class people has been the key drivers in the rising demand of such fast foods in India. The growth in the economic status of the Indian people has stimulated the Louisville, Kentucky-based Pizza chain Papa John's to plan for such a big investment in the country. Product: We already know that Papa John's is a major player in the Pizza industry but the big question is what does the future hold for them. What is the next step or steps that they must take to get a head of the competition as well as just sustain their place in the market. The first strategy they should build on is their brand name, Papa Johns.

They might not be number one in what is a very large market place but number three is not bad. People know the name Papa John but it is still not as prevalent as Pizza Hut or Domino's. Granted it has not been the marketplace near as long and does not have the brand loyalty of the top two but keep in mind where they have come in a much shorter period. Most of the brand loyalty of the top two comes from habit of repeat business and remember that habits can be broken. To do so you have to put your brand out in the eye of the consumer to remind them that they have options.

It takes only one chance to start a new habit. By taking advantage of the brand status you do hold is how you grow your customer base. Now lets look

at some of the other key factors that have led to success at this point. Papa Johns is known for their excellent customer service and have really blown their competition in area. They need to remind their customers that they are the best at making pizza lovers happy.

The price point of a product tends to be the first thing noticed by the consumer but if they are not happy with what they get they being to think twice about their decision. In today's marketplace no matter what the product is when a company begins sacrificing at the customers expense people take notice quickly. This is when the buyer thinks they would be willing to give a little more in the price to be happy about their purchase. This is when Papa John steps in and reminds us all that they have been number one three years in a row in customer satisfaction. Promotion: Just after the opening of our fourth outlet in Mumbai, we kept an exciting inaugural offer, wherein the first 50 customers at the new outlet could avail of free pizza once a week for one full year.

We had more than 120 people in the first hour itself," JIP head said after opening the flagship store in the upmarket suburb of Powai, north central Mumbai. We use flyers to promote any new offers. We expect that 10% of the flyers distributed will convert into sales. We even advertise through Local newspapers like in the Koramangla Times and the HSR times . 6% of the revenue earned goes for advertising and promotion expenditure.

Distribution: The type of distribution channel used by Papa John's is the direct channel. The direct channel is successful when there is an extremely large market that is geographically dispersed. The direct channel is also

useful when there are a large number of buyers, but a small amount purchased by each. Papa John's uses three different methods of selling its products directly to the market. The first method of distribution used by Pizza Hut is delivery. Customers can call Papa John's ahead of time, place an order, and the order is delivered to the customer's home.

Another method of distribution is for customers to dine-in. Customers can go to the nearest Papa John's, place an order, and either leave with the order or eat at the restaurant. One of Papa John's largest competitive advantages is its restaurant style facility. Papa John's offers a clean place to sit down and enjoy the variety of pizzas, salads, and sandwiches in a fun, family atmosphere. The third method of distribution is online ordering. Customers can now go on the Internet and place an order.

This method is useful because it allows customers to view the entire menu, download any special coupons, and order without having to disclose any credit card numbers.. Porter's Five Forces: * THREATS OF NEW ENTRANTS: India is being seen as a promising economy and all major Fast Food brands are entering India making competition tougher for Papa John's. Domestic companies like Pizza Corner entered the market with Conizza , delivery van and are expanding to other segments and price points. Other than that Pizza Hut is continuously coming up with new items on its menu(30 new items "for what are you celebrating today"). Dominos also came up with a new pricing strategy.

Recently they came up with Rs. 39/- pizza which is a very successful campaign. Not only this, Papa John's also has a tough competition with

frozen pizzas. * SUBSTITUTES: In the Fast Food segment Papa John's faces tough competition not only from major Pizza brand like Pizza Hut and Domino's but also from Mc. Donald's and KFC which is also its competitor. Local Chaat shops also give it a competition. * BARGAINING POWER OF CUSTOMER: The consumer has enough choice to make a decision from. The consumer practices variety seeking buying behavior. He may switch from one brand to another only on the basis of availability or just for the sake of trying out another brand.

* Industry Competitors: In India Papa John's Faces a Tough Competition with Pizza Hut and Domino's. Domino's Made a Place in the people mind as a lower priced branded pizza whereas Pizza Hut positioned itself as the best dining experience. So, it would be difficult for Papa John's to make a place in the mind of Indians if it goes either for price competition or service or taste competition. PROBLEM DEFINITION Statement of the problem: " Quality is pivotal element for customer retention and growth" Background of the problem: Papa John's has always been successful in delivering the best fast-food in US and other overseas market. It has gained many customers throughout the world and has always been working on customer- retention.

This research is conducted as Papa John's wants to know the preferences of their target group which include Working People so that they can serve them in a satisfactory way and improve their overall performance. LITERATURE REVIEW: It was a pioneer research that we conducted and there was no secondary research data available. Sample and Research design: A descriptive research design was adopted to do the survey with the help of the questionnaire. The methodology of study is the interview method survey.

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The study is completely based on the primary data which is collected from facility manager or the hr manager of different companies in Bangalore and the sample size taken for study is 50 people. INFORMATION NEEDS * Data collection: There was no secondary data available in this context for Papa John's.

We collected primary data from people. * Scaling Technique: We used the non-comparitive scaling technique in our questionnaires. * Questionnaire Development: While developing the questionnaire, we focused mainly on questions that showed the preference of the fast-food customers with respect to food quality, price, ambience, services, etc. and could give us a clear impact of the most preferred element. * Pre- testing: In pre-testing we got the questionnaires filled by 10 people from within our population. There was no problem faced by the population and they found the questionnaire easy to understand and fill and we could also figure out the results from the answers.

Thus, we felt no need of any change in the questionnaire. * Sampling Techniques: The sampling technique used by us in this research is Judgmental Sampling. * Field Work: I was the one to get the questionnaires filled. I got them filled by the facility managers or the hr of the company in their office cabin. It took around 15 mins for each questionnaire to get filled. Tools and Methods of Data Collection: The interview is conducted for about 15 minutes with each person and collected the data.

The tool for the collection of data is a questionnaire. The questionnaire has 9 questions. Data Processing and Analysis: The data processing consists of

coding the data collected in the form of questionnaire. The data collected with the help of questionnaire is having the closed replies. The close ended replies are measured using scales. ANALYSIS ; INTERPRETATION Through this Question we tried to find out what population of the corporate people actually go out for fast food dinning.

And we found out that 53. 13% go multi-cuisine restaurant, 28. 13% go to hotels and the rest 18. 75% go to Fast food restaurant. We found that not many corporate are interested in having fast food which includes burger, pizzas, pastas etc. Next we wanted to know that even if they go out to have pizzas, which is their preferred brand.

Results show that 55% of the population like to go to Pizza Hut, 27. 5% to Dominos, 12. 5% to Pizza Corner and the rest 5% to Papa John's. This graph shows that either people are not aware of Papa John's presence In Bangalore or they are not happy with its service, taste or any other factor. Next we tried to find out what are those factors which are most important for the people to choose their pizza store. Through our survey we found that Taste and quality of food is what more than 90% of the people look for.

Brand, Service time and price are next most important factors that attract them. 37. % of the population also insist on having a menu with lots of items. Location, Service, Ambience, Music and Basic Amenities though take a second place in the peoples mind but cannot be looked with least interest because more than 50% of the population find these factors as somewhat important. We don't concentrate on add-ons and parking facilities because less than 20 % of the population find it most important.

Music has the same impact but as 40% of those interviewed find it somewhat important, we can actually improve on our music to make our customers satisfied. Factor Analysis Communalities | Initial| Extraction| Brand]| 1. 000| . 654| [Quality of food]| 1. 000| . 886| [Taste]| 1.

000| . 740| [Service]| 1. 000| . 618| [Ambience]| 1. 000| .

805| [Price]| 1. 000| . 747| [Service Time]| 1. 000| . 723| [Menu]| 1.

000| . 833| [Parking Facilities]| 1. 000| . 870| [Availibility of Add ons]| 1. 000| .

893| [Music]| 1. 000| . 668| [Basic amenities]| 1. 000| . 700| [Location]| 1. 000| .

694| Extraction Method: Principal Component Analysis. Total Variance Explained Component| Initial Eigenvalues| Extraction Sums of Squared Loadings| | Total| % of Variance| Cumulative %| Total| % of Variance| Cumulative %| 1| 3. 36| 28. 741| 28. 741| 3.

736| 28. 741| 28. 741| 2| 1. 973| 15. 175| 43.

916| 1. 973| 15. 175| 43. 916| 3| 1. 687| 12.

980| 56. 895| 1. 687| 12. 980| 56. 895| 4| 1.

324| 10. 188| 67. 083| 1. 324| 10. 188| 67.

083| 5| 1. 110| 8. 542| 75. 626| 1. 110| 8.

542| 75. 626| 6| . 690| 5. 304| 80. 930| | | 7| . 650| 4.

998| 85. 927| | | 8| . 480| 3. 692| 89. 619| | | 9| . 434| 3.

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335| 92. 954| | | 10| . 325| 2. 497| 95. 451| | | 11| .

257| 1. 976| 97. 427| | | 12| . 202| 1. 554| 98. 981| | | 13| .

132| 1. 019| 100. 000| | | Extraction Method: Principal Component Analysis.

Component Matrix(a) What Brings You To Your Pizza Destination? |

Component| | 1| 2| 3| 4| 5| [Brand]| . 506| . 326| .

315| . 322| . 298| [Quality of food]| . 188| . 882| . 223| -.

040| . 148| [Taste]| . 328| . 693| . 339| . 182| -.

069| [Service]| . 684| -. 066| . 253| -. 255| -.

132| [Ambience]| . 767| -. 253| . 077| -. 364| -. 114| [Price]| .

282| . 157| -. 734| . 216| . 241| [Service Time]| . 569| -.

330| . 395| -. 288| . 226| [Menu]| . 580| -. 111| -.

430| . 536| -. 112| [Parking Facilities]| . 375| -. 123| -. 173| -.

165| . 811| [Availibilty of Add ons]| . 162| -. 383| . 501| .

685| -. 21| [Music]| . 721| -. 325| -. 075| .

192| -. 019| [Basic amenities]| . 752| . 057| -. 058| -.

074| -. 351| [Location]| . 538| . 352| -. 429| -. 185| -.

249| Extraction Method: Principal Component Analysis. a 5 components

extracted. Based on the above analysis we can reduce down the number of factors from 13 to 5. The main components will be service which will include

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Brand and menu and the others are : Food taste , Price , availability of add-ons and the parking facility From the last graph we found Menu is most important for 37. 5% of the sample population and for the other 37.

% of the Sample population it is somewhat important. So, we tried to find out what is that they search in their menu ; is it more of non-veg item or more of veg items. There is not much difference but 55% of the sample population like the veg items and the rest 45% like to have non-veg items. It shows that restaurant manager cannot compromise on either category. IF YOU PREFER NON-VEG WHAT DO YOU WANT? Next we wanted to find what is that they want in non-veg.

And the findings were that 75% of the populations like to have chicken. Fish cannot be left behind as 20% of them interviewed preferred fish and the rest 5 % Mutton. Pork and beef were not their preferences in Pizzas. Cheese is one of the most important ingredients of pizza. We tried to find out whether they like to have more of cheese on their pizzas or in a normal quantity. The responses show that 72.

5% likes to have cheese rich food whereas rest 27. 5% want cheese contained in their food to be normal. WHICH ALL SAUCES ARE MOST PREFERRED BY YOU ? This was our next question. Tomato sauce is most common and mostly preferred by people. As the graph shows almost 72% of the population like tomato sauce .

chilli is the next most preferred sauce but only by 20% of the sample population. Garlic and barbeque sauces also is preferred by around 8% of the respondents. Most of the people like their pizzas to be customized. They

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want the toppings of their preference. So we tried to find out what % of people like to make their own pizza . And the response was 82% of the sample population wanted their pizzas to be customized and the rest 18% liked it as it was available.

What Brand You Prefer For The Following factors? From the graph above its clear that in most of the factors its Pizza Hut which is most preferred by the Corporate. It's only the price in which Dominos Scores more . But if we see the ambience it's Papa John's that scores higher to Dominos. And in the nearly 50% of the people's mind ambience and service is somewhat important for them to drive for Pizzas. So, Papa John's can work on maintaining its Service and Ambience and improving on its taste and quality.

Major Findings: * We found out that 53. 13% of the corporate people go multi-cuisine restaurant, 28. 13% go to hotels and the rest 18. 75% go to Fast food restaurant. We found that not many corporate are interested in having fast food which includes burger, pizzas, pastas etc. Our findings show that 55% of the population like to go to Pizza Hut, 27.

5% to Dominos, 12. 5% to Pizza Corner and the rest 5% to Papa John's. This graph shows that either people are not aware of Papa John's presence In Bangalore or they are not happy with its service, taste or any other factor. * Through our survey we found that Taste and quality of food is what more than 90% of the people look for before choosing their pizza store. Brand, Service time and price are next most important factors that attract them.

37. 5% of the population also insist on having a menu with lots of items.

Location, Service, Ambience, Music and Basic Amenities though take a

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* Findings Show that that 75% of the population like to have chicken. Fish cannot be left behind as 20% of them interviewed preferred fish and the rest 5 % Mutton. Pork and beef were not their preferences in Pizzas. Cheese is one of the most important ingredients of pizza. We tried to find out whether they like to have more of cheese on their pizzas or in a normal quantity. The responses show that 72.

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The market strategy of the firm should be a complete and unbeatable plan or an instrument designed especially for attaining the marketing objective of company. The formulation of the marketing strategy consists of two steps:-
1. Segmentation ; target market selection. 2. Assembling the marketing mix.

1. Segmentation ; target market selection: In today's world of adrenaline junkies and extreme sports, a products affiliation with the world of fast food has grabbed the attention of the younger generations. These generations range from the age of 12 to 30. Not because they are actually 12-30 years but they are the 1 with hearts as young as this group. For many years

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marketers ignored this segment and simply stereotyped them as slackers or losers.

However, this has not been the case in recent years. With extreme sports making an entrance into pop culture in the early 90's, many companies have realized the potential for high returns by targeting this highly diverse segment of the market. The advertising and promotion needs to be very specific to their needs, in order for the money spent on advertising to be worthwhile. Many products have failed in this segment because they have tried to treat the segment as one group. This segment is made up of many groups and many individuals.

So with this in mind our advertising campaign must follow the same ideas by realizing that even within this segment there are many other segments. nd young adults spend quite a bit of time with friends in groups. This gives Papa John's an outlet to sell a pizza that will fulfill the needs of this younger generation with a product that is designed just for them. 2. Assembling the marketing mix: Product: they should have more items on their Menu. They have pizzas in 4 sizes i-e, Pizza for 1 , medium, family and mamamia.

They have good variety in pizzas but not in other categories like pastas, appetizers and desserts. Price: Papa John's must use the high/low pricing strategy when setting the retail price of its products. The high/low retail pricing strategy will allow Papa John's to charge a price that is above the competition, but also promote frequent sales to lower the price below them.. Several sales promotions and coupons should be used to lower the price

below those competitors. Since both Papa John's and the beverage Mountain Dew are Pepsi subsidiaries, bundle pricing can be used.

Customers can purchase any mamamia pizza and receive a two-liter bottle of pepsi for free. Papa John's will be able to sell two products together at a single price to suggest a good value. The high/low pricing strategy has several advantages. First, this pricing strategy will help segment the market. Different groups of customers are willing to pay different prices for the same product. Papa John's can sell its products to the customers who will pay the higher price to be the first to buy and also to the bargain hunters.

The high/low pricing strategy will also create excitement. Customers will be able to try something new. New in the sense that apart from their usual taste of Dominos and Pizza Hut. Finally, this strategy will emphasize product and service quality. Papa John's should set a high initial price for its products to send a signal to customers that its products are quality and the service is excellent. Papa John's sets a high initial price for its products to send a signal to customers that its products are quality and the service is excellent.

Should follow relationship Pricing. If they are targeting corporate , in its initial stage they should provide some incentives to them. Like: On their first visit give them a discount coupon of 5% for the next time they dine. And on their next visit give them a discount coupon of 10% for their next visit .

Promotion: Should focus on below the line advertising.

BTL promotions are targeted at individuals according to their needs or preferences. BTL can actually lead to a sale. It is efficient and cost-effective for targeting a limited and specific group. Suggestions based on the scrutiny <https://assignbuster.com/sip-report-on-b2b-customer-preference-on-pizza/>

of the store: * Should have a restaurant hostess who will assign tables and introduce the steward who will be taking care of the customer. * Their reach is very less as compared to Dominos and Pizza Hut which deprives far off customers from having Papa John's experience.

Hence they should increase their presence . As majority of customers (38 percent) visit the store weekly especially weekends. So it is suggest to stores give special offers and discounts to capture more customers and retain loyal customers. * It is found that majority of customers are not fully satisfied with the friendliness of staff. So it is suggest that the stores should conduct soft skill training and make them give more customer service .

Regular monitoring of the staff behavior towards customers is also suggest here. * Customers are happy with the MENU varieties available in the stores . But it is suggested that add more customized menu and review the menu for every 3 months. As study shows that customers are not aware of the calorie contents exist in the food. So it is suggest that stores should display the calorie contents available in a particular food. * Advertising strategy of the stores are not making attention the customers.

So it is suggest the stores to think of the design of different innovative advertising campaigns Conclusion Once treated as an alien snack, the pizza is today being projected as a complete family meal. “ The organized pizza market, which comprises MNC chains and big brands is worth Rs 700 crore and is growing at a rate of 30 per cent annually. Innovation and localization are the key to growth in the pizza industry,” says Pizza Hut promoter Yum Brands India's Arvind Mediratta. “ The pizza is being projected as a complete

meal and in the near future, it is going to redefine the whole dining experience,” he adds. “ The pizza market is growing because of changing life styles and eating habits.

Acceptance of the pizza as a meal is an emerging trend in recent years. With aggressive communication strategy, restaurant chains have been able to increase the industry size by generating demand,” says Sandeep Madan of Nirulas. Already pizza chains have moved ahead from just the pizza to add other Indian dishes like masala chicken, lemonade, kulfi and mango ice cream. The pizza too has been Indianised, the crust is Italian, but the toppings are essentially Indian. The whole idea is to give familiar tastes and toppings. Indians relate more to kebabs, chicken or paneer tikka toppings than pepperoni. Localization of toppings has definitely led to the increase in the Pizza Market, says Madan, noting that cities such as Jaipur, Jalandhar, Ludhiana, Indore, Bhopal offer good scope. People here are now more open to trying new products. According to estimates, the pizza industry is worth about Rs 2, 000 crore and is showing a compounded annual growth of 20-25 per cent. Key factors that will drive future growth in the market are franchisee-franchiser relationship, trained manpower, high attrition rate, quality suppliers and threat from the unorganized sector, says Taran Deep of Papa Johns. Stressing on innovation and localization, “ Innovation helps in higher recall. It gives options to the guests whereas localization helps in reducing the cost majorly and also in attracting new customers who are averse to trying out anything new except their own staple food.