

The papa johns pizza plan for india



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1. Executive Summary:

Papa John's Pizza is International well know brand in Pizza Industry and it is third largest in the world with more than 3500 outlets. As per the company Marketing director they said we are not really competing with dominos we are not in the same category. Domino's is more delivery and take always, while we offer a complete dining experience in addition to delivery and take away options. Also Papa John's pizza is public company which having its head quarters at Louisville in USA.

We had planned to open 4 outlets at the openings in India as per the target. Our target will be to first capture the pizza lovers and attract the customers of Domino's and Pizza hurt. Give people what they want. The free open market and government regulation to work in INDIA is quite helpful to what we had planned. Mix culture and good tourism industry had made to decide to take Papa John's pizza to India. As it is major tourist attraction and well known for its hospitability.

At last but not least we had some marketing strategy and plan to improve our business. We had a Potential growth in two products which has been introduced recently Pasta and Seafood Pizzas which has are just into the market. Once this gets moving then there won't be any stopping.

2. Business:

2.1 Company Overview

Papa John's International, Inc. is the third largest pizza company in the world with over 3, 500 restaurants. It is a public company and traded in the NASDAQ stock market under the symbol " PZZA". The headquarters located <https://assignbuster.com/the-papa-johns-pizza-plan-for-india/>

at Louisville, Kentucky, USA. It operates and franchises pizza delivery and carryout restaurants in United States (Domestic Market) include dine-in and restaurant-base delivery services in worldwide international market under the “ Papa John’s” trademark.

2. 2 Products and services

Papa John’s operates (own-restaurants) and franchises pizza delivery, carryout restaurants in Domestic Market (US) and dine-in or restaurant-base delivery services in worldwide international market.

Papa John’s provided 4 main categories products which are:

Pizzas in 8 main choices: The works, The meats, Spicy Italian, Garden Fresh, Tuscan Six Cheese, Spinach Alfredo, BBQ Chicken and Bacon and Hawaiian BBQ Chicken

Side items: Breadsticks, Garlic Parmesan Breadsticks, Cheese sticks, Chicken strips, Wings, Cinnamon pie, Apple pie, Sweet Sticks and Chocolate Pastry Delights

Drinks: Coca-Cola soft drink products

Dipping Source and Seasonings: Garlic, Pizza, Barbeque, Ranch, Cheese, Mustard, Pepperoncini, Anchovies, Jalapeño Peppers, and Banana Peppers.

2. 3 Situations and Risks

Currently, from the 2009 annual report, the total sale revenue for 2009 was \$1. 11 billion. That was Papa John’s Pizza earned 11% market share after

Pizza Hut (27.5%) and Domino (16.2%) which is their main competitors including the following Little Caesar's getting 8.3% share.

Source: Annual Meeting of Stockholder, 2010

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According to the 2009 financial crisis in United State, Papa John's had closed 11 restaurants in domestic market compared to the previous year growth at 103 units in 2007 and 32 units in 2008. While new 100 restaurants open in the 2009 international market and international franchise system sales increased 24%.

Source: Papa Johns' JP Morgan Gaming, Lodging, Restaurant & Leisure Management Access Forum, 2010.

In year 2010, they forecast the sale growth for domestic market will be between -1% (decline) and +1% by open around 40-60 new restaurants. And the company will focus more in international market and forecast to grow around 15% to 20% by trying to open 100 - 120 new restaurants worldwide in year 2010.

In this report, we'll analyze and purpose the plan to expand the market in to INDIA that aligns with Papa John's company plan.

3. Marketing Plan

3.1 Key Objective:

The key objectives of Papa John's pizza are as follows:

Localizing the Menu as per the local taste and culture.

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Pricing and promotion as per the price range and the local people capacity to pay.

Brand building through advertisement media and local newspaper.

Going places literally to promote their brand and sales.

3. 2 Media Coverage:

To generate sales and profit for Papa John pizza, the benefits of the company should be communicated to the customers. The international marketing campaign like web page advertising and online marketing is very much needed. Other sales can be achieved through advertisement on Television, local magazines, newspaper, radio, poster and sponsorship to various local events in the city.

3. 3 Marketing Descriptions:

INDIA has a large market sector in tourism and information technology as well as the other products to export to other countries. A large number of factories are in INDIA and the environmental issue is a one consideration in INDIA. The majority of population is HINDU and they have strong Hindu culture in food production and restaurants in INDIA.

3. 4Target Group

As the population chart presented below, we will know that INDIA has a numerous Hindu ethnic group of population. We also use fours marketing mix to receive the right Product, Place, Price, and Promotion in our franchise Papa's pizza in INDIA. The highest number of population age is between 15 to 64 years ages that it is represented at 64. 3% of whole number of population

in INDIA (the World fact book, 2010). Therefore, target group of our business will be this ethnic group and the population who are aged between 15 to 64 years.

3. 5 Marketing strategy:

As Papa's franchise is Fast food business, people can save their time to cook. We provide good delivery service for our customers. They can order online or calling to order. We also give our coupon discount online and customers can download to use voucher to purchase our pizza. The promotion will be followed the season and event in INDIA. We also supply the survey online to allow customers to make comment and require about our products and service. Hence, customer's decision will be depended on age's group from each person to each person and people who live there and visit there. As the high visitor, it not difficult for our Papa's pizza to catch up with the fast food market in INDIA.

4 PEST ANALYSES:

4. 1POLITICAL ANALYSIS:

It includes the regulations and Acts issued or regularised by INDIAN government.

Some examples of them are:

The factories Act 1948: States that to have an adequate and safety measures, also includes the safety of health and wealth for the workers working in factories.

Minimum Wages Act, 1948: To provide a minimum fixation of wages to the employees who are applicable to engaged to any kind of skill, unskilled or clerical work. This act mainly works for the rights of workers.

4. 2ECONOMIC TERNDS

Indian Economy is quite Intersting, well say seems to emerging economy in economic expansion with the other countries like CHINA, Russia, MEXICO, Brazil. Because of its cheap labor it is always benifited for outsourcig of work from deveolped countries with strong manufacturing and industrial work.

4. 3 Social and Environmental issues:

With the Modern growth of economy and countries strong old cultural, India still has some extent of its old Myths and strong religious values which somewhat affects the business. Rather say India has strong Hindu religious background but there are various religious groups such as Islam, Christianity, which makes it a complete diverse nation. As the 80% is HINDU by religious the serving of Beef or pork is treated an objectionable in Indian cultural. There are lots of festive season out of which Diwali is one of the biggest one. As the British has ruled in India for decades they have certainly acquired the British way of doing Business. But before British Mughals has ruled in India so the culture has some mixed values with the architecture related to this. India has around 28 states and main 18 regionally languages.

4. 4TECHNOLOGICAL PHASE

Consumer food market is efficient in terms of production as of its national productivity, investment in research and development, innovation. Financial condition prevail INDIA from furthering the technological gap and capital

intensity between formal and informal sectors. Production system through innovation, design capability and product market push in INDIA is not up to the mark to leverage exogenous knowledge as to remote growth as per the quality and cost.

5 Porter Five Forces:

Power of buyers:

Concentration of buyers: As especially INDIA is a diverse country and the tourism as well as population is most dominant sector as per the business concern in INDIA. So the main concentration of buyers is always on the tourist as well as the people within the country.

Differentiation: Well Papa John pizza is well known for its standardization in pizza industry. They have standard size, rate and quality so there will be no differentiation in their standards.

Profitability of buyers: well, the hotel industry is well known business in INDIA. So buyers have very much hard competition among themselves. Also buyers have very wide range of choice to select the product.

Power of suppliers:

Concentration of suppliers: As we discuss earlier INDIA is a diverse country there are many people of different culture and religion so there are various different suppliers as per the choice and requirement.

Branding: Well the main industrial and economical benefit of the country is through tourism industry. So especially from different countries is more

concern about the brand image while buying a product. Also, INDIA is major hub for its international market and well known brands.

Power of entrants:

Economies of scale: As per the GDP till year 2010 INDIA 3. 57 trillion dollars.

“ Manufacturing and services are the twin engines of the INDIA economy and accounted for 28. 2% and 54. 9%, respectively, of India gross domestic product in 2009. The electronics and chemicals industries lead INDIA manufacturing sector,

Threats of substitutes:

Quality: Quality is a substitute better? Well the industry which gives the better quality and service has longer profit. So there is an always a threat of substitutes in the INDIA especially in the hotel industry, quality is important criteria in them.

6. SWOT Analyses:

Strength: Papa John’s Pizza having there their strength as the quality of fresh food they used, Customer satisfaction, Delivering pizza on time to customer and most important thing they don’t have call centers to make order on phone. So the direct calls are routed to the pizza shop and there are less chances of making mistake in taking order, like it happens in Pizza hut always.

Weakness: The weakness of Papa John’s pizza is that they have very limited range of pizza menu as compared to Pizza hut. Which some time divert the customer from them because people want change and new variety food.

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Opportunities: As per the information of INDIA, it is a multi religious nation so our opportunities will be make the traditional food Pizza for the food lover. Also pizza hut don't have any kind of these pizza as they are already there. One more thing we liked to introduce is Pasta for people.

Threats: Our only threats in future are Pizza hut and other fast food chains because our main competitors are hotel industry particularly the pizza industry. So we have to compete among them with good strategic planning and service.

7. Competitor Analysis:

List of major competitors and any potential competitors:

Pizza Hut, Dominos

KFC

Mc Donald

Other Fast Food Chains in INDIA.

Among this major competitor Pizza Hut is our potential competitor because it is well-known pizza maker and it ready set in Pizza business in INDIA. Pizza hut has built its own website online to provide both take away and dine-in restaurant for customers to make both reservation and order.

Identification and analysis of strategic group

Fast food chains are main competitors in our business. Service industry is good in INDIA. There are many tourist attractions. Therefore, our major strategic group will be local restaurants and fast food chains.

Size, Growth and profitability

Gross of national product of INDIA is approximately \$ 302. 6 billion. Compare with the United States and other western countries.

8. Operations Plan:

Operational plan establish the activities and budgets involved for each and every part of the organization. Operational plan generally interlink with strategic plan with the activities involved and thus the organization can able to deliver all the resources required to deliver them.

The main objective of Papa John's pizza company is they are looking to attract new franchise partners all over the world. The best example is Papa John's Pizza's UK and Ireland expansion. There are various activities involved in order to implement objectives. For example they have come up with the new concept to deliver pizza by launching a delivery vehicles for this they also branded Smart Car which illustrates the snaps of fresh pizza ingredients on them. Mainly it includes freezer as well as an integrated hot-bad system which ensures that pizzas are delivered properly according to the customer's requirements. The main reason behind this is, if customer orders pizza as well any drink then while delivering that product it should not be get cold or hot visa-versa. They also researched from different group of people that company's branding was one of the good indication of the product quality.

According to Schnatter these improvements are nothing but process of refinement rather than any change that may be disastrous. The factors such as company culture develop a framework which contains the processes and also modeling a consistent eager to deliver better plays major factors in quality improvement standards. In one of their visionary statements not only includes business growth of this company but also growth of Papa John's employees. Finally whole quality standards would be implemented by people only therefore they are also attracting and keeping talent. This company's fundamental based on people. In other words this company is people growing machine where team building is the vital aspect in improving quality standards.

The expected outputs includes now Papa John is already the third largest pizza franchisor in the world, but they still has sights on reaching number 2 position and ultimately becoming the number 1 pizza chain in the world. The factors such as looking ahead to the next task challenge and goals give Papa John strength to achieve expected outputs.

9. Financial:

9. 1 Assumption and Information:

The key indicators such as stock exchange, exchange rates and interest rates, assets, import and exports manage the world economy. The country this report researches on current Papa John pizza financial condition in US. They are effectively running there pizza industry business in US and need to expand more as time grows.

9. 2 Financial requirement from Papa John’s:

As per the international franchise development rule of Papa John pizza the company who want to take franchise has to pay \$25, 000 fees for per restaurant. Out of which they have to pay \$5000 at the time of agreement and rest \$20, 000 at the opening of the restaurant. Besides that if you want to open the sub branches they have to pay \$15, 000 for additional each store.

9. 3 Financial support and Interest rate:

The interest of bank vary globally due to political stability, internal policies, government regulations etc, however the financial markets are dependence on interbank interest rates...

Well also according to Franchise Restaurant Development. Papa John provides assistance to Papa John’s franchisees in selecting sites, developing restaurants and evaluating the physical specifications for typical restaurants.

9. 4 Financial Risks:

Papa john pizza needs to consider the following points before entering into INDIA such as foreign tax laws, how much restriction is made on profit which is repatriated to Papa John pizza.

10. Appendices:

INDIA overview

Demographic Feature:

Area : 3, 287, 263 sq Km

Population : 1, 156, 897, 766 (July 2010 EST.)

Capital : Delhi

Nationality : INDIAN.

Language : Hindi and 18 regional languages.

Racial Groups : eclectic mixture of local religion Hindu, Muslim, Christian, Sikh, Buddhist etc.

Population

Growth rate : 1. 5407% (2010)

Birth rate : 21. 72 births/1000population (2009)

Age structure:

0-14 years: 30. 5%

15-64 years: 64. 3%

65 years and over: 5. 2%

Median age : Total: 25. 9 years.

male: 25. 4 years

Female: 26. 6 years (2010 EST.)

Death rate : 7. 6 deaths/1, 000 population (July 2010)

Infant mortality rate: total: 50. 78 deaths/1, 000 live births

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male: 49. 33 deaths/1, 000 live births

Female: 52. 4 deaths/1, 000 live births (2009 EST.)

Life expectancy

At birth : total population: 66. 09 years

male: 65. 13 years

Female: 67. 17 years (2009 EST.)

Total fertility rate : 2. 65 children born/woman (2009 EST.)