

Dominos case study

Business



Executive Summary As the Domino's brand grows, managing franchise territories has become more complex and the risk of inadvertently creating territory conflict has escalated. To overcome this, Domino's Implemented a software solution that simplified territory Identification and allocation. As well as Improving the overall customer experience. Business Challenge When a franchisee invests in a new business, their contract will set out the territory and number of homes within that territory.

Franchise areas and associated purchase prices are determined by the number of reachable households, over- laid with socio- economic data. One of the major Issues that franchise businesses encounter Is territory disputes. To minimize this risk Domino's must ensure that the territory data is accurate and therefore needed a solution that allowed it to easily manage its territories and keep them up to date. Domino's has historically used Australian census data to determine territories. As the census data Is only updated every five years the data quickly becomes out of date ND does not keep up with rapid changes In the urban landscape.

As well as causing territory disputes, a lack of accurate data can also negatively impact franchisees' businesses, through lost customers and poor customer service. A lack of up to date data can also make a business less attractive to potential new franchisees. Previously, to determine the serviceable addresses within a territory for a new franchise, Domino's would take the[(#)]street directory data, plot the territory and manually add all the streets to a spreadsheet which was then sent to the store to use s a reference.

This would take around two weeks to complete and was rarely ever updated. As only listed addresses are permitted to be serviced by the franchised store, any unlisted addresses would have to be manually processed.

This could lead to potential revenue loss and a poor customer service experience and Impact on the Domino's brand as a whole. Staff would often enter new address details into the system themselves, which were then shared with the main Domino's database. This resulted in a lot of 'bad' or incomplete data being input.

Domino's Pizza Enterprises Ltd (Dominoes Pizza) Is the largest pizza chain in Australia In terms AT Don network store menders Ana network sales.

Domino's Plaza now extend across five countries, with nearly 900 stores, employing approximately 21 , OHO people and making more than 60 million pizzas a year. With some areas rapidly expanding and developing, it is vital that Domino's has an up-to-date view of its franchise territories.

Pitney Bowes Software has let Domino's update its territories as required.

Accurate territories mean we do not waste time ND energy marketing to dead addresses or missing out on new opportunities. It also minimizes any territory disputes. " Wayne McMahon, CIO, Domino's Pizza Solution Pitney Bowes Software (PBS) implemented a solution that lets Domino's quickly and easily govern its territories in order to achieve its five key objectives: 1. Increase store revenue 2.

3. 4. 5. Improve customer delivery reach improve customer experience
internal productivity boost reduce the legal risks associated with territory
disputes.

Territory Disputes: PBS provides extensive, certified address validation technology. This ensures the most up to date and accurate data is being fed into the franchise process, avoiding issues further on in the tender and franchise management processes.

Territory Creation: The PBS solution now means addresses within a territory are determined within minutes, as the system automatically lists all addresses within a boundary. A new list is generated every quarter (or on-demand) allowing for territory adjustments due to fluctuations in the number of houses in a territory.

Delivery reach and data quality: PBS has also increased Domino's delivery reach by roving up to date street information from a validated source. The ability to keep up to date with any new builds, demolitions and changes to building use on a quarterly basis allows more targeted communications. This saves money on wasted direct marketing to addresses that no longer exist.

Customer delivery: PBS has also interfaced the new address information with Domino's telephone and online delivery services.

On entering an address in the system, it now points a customer towards their nearest store. Results Ana Be Implementing the Pitney Bowes Software solution has benefited Domino's by: streamlining the process of planning franchise territories and reducing the associated time requirement * allowing Domino's to manage and update territories more quickly and easily *

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reducing the amount of revenue lost through ' dead' or unknown addresses *
improving the customer ordering experience * improving internal
productivity by removing barriers to processing orders.