

# Marketing plan for product line marketing essay

[Business](#), [Marketing](#)



This report presents the market plan of Pizza Hut. In this marketing plan the toppings of Pizza Hut Pizza's have been extended to 'Halal' Meat toppings. This report consists of Situational Analysis, Market Summary, Competition, product offering, distribution, Market Strategy and control. Situational analysis provides the brief history of Pizza Hut and depicts the situation of the industry in term of product offerings and competition. It explains that in the market there is an opportunity for 'Halal' meat toppings and it is already being offered by the competitors of Pizza Hut. In market summary section, SWOT analysis of Pizza Hut is carried out to evaluate the market position. Well in the market there are already many competitors offering 'Halal' food and Pizza Hut is in position to offer 'Halal' toppings and this will strength its market position against its competitors and will result in higher market share. There is a fierce competition in the market but by offering Halal Pizza toppings the market competition will be reduced and it will increase its market share in the industry. Then follows the distribution channel, and it is discussed that Pizza hut already have strong presence in UK and all its retail stores are the first point for customers. Therefore, it does not need any extra distribution channels in order to deliver the products to its customers. These product 'Halal' toppings will target the Muslims customers and the people who eat Halal food and also the people who do not have any particular preference. This marketing strategy will get the market share from its competitors of same size such as Dominos and also from the Asian Pizza shops that sell Halal Pizza with Many toppings. In the last section of this report, control of this market plan is discussed that very tight control measures will be put in place for higher quality and customer satisfaction

levels. All the Pizza hut shops across will be distributing the pamphlets of Halal Pizza stating its launch date and there will be display in every store of these offerings. All the front line employees will be mentioning the launch of these new ' Halal' meet toppings.

### **Situational analysis:**

Pizza hut was established in 1958. They serves more than 1. 7 million pizzas every day, approximately 4 million customers worldwide . Pizza hut has the world's largest Pizza restaurant chain with nearly 12000 resturants. As a gaint in the field of pizza they should lauch a halal pizza as the other main competitors has already launched halal pizza and many other halal fast food products like dominos launched halal pizza in the beginning of this year and KFC, MACDONALDS , they also introduced halal fast food items . In order to get market share it is the right time for Pizza Hut to launch halal pizza to target the large number of Muslim community specially in the UK. Pizza Hut has already lots of restaurants and stores and dealing with the same products and that would not be hard for Pizza Hut to launch to introduce new halal pizza. By changing ingredients they can easily launch ' Halal' pizza with different topping and flavours . Pizza Hut has a speciality in making good pizzas everywhere in the world. In the past, Pizza Hut has always had the first mover advantage. Their marketing strategy in the past has always been to be first. One of their main strategies, which they still follow today, is the diversification of the products they offer. Pizza Hut is always adding something new to their menu, trying to reach new markets. For example, in 1992 the famous buffet was launched in Pizza Hut restaurants worldwide. They were trying to offer many different food items for customers who didn't

necessarily want pizza. Another strategy they used in the past and are still using is the diversification of their pizzas. Pizza Hut is always trying to come up with some innovative way to make a pizza into something slightly different - different enough that customers will think its a whole new product. For example, let's look at some of the pizzas Pizza Hut has marketed in the past. In 1983, Pizza Hut introduced their Pan Pizza, which had a guarantee of being ready to eat in 5 minutes when dining at Pizza Hut restaurants. In 1993, they introduced the " Bigfoot," which was two square feet of pizza cut into 21 slices. In 1995, they introduced " Stuffed Crust Pizza," where the crust would be filled with cheese. In 1997, they marketed " The Edge," which had cheese and toppings all the way to the edge of the pizza. Pizza Hut is the leader in innovative products and this new product that we are proposing will surely be a success, given Pizza Huts track record. With high competition from the other top firms in the industry, the introduction of a new product is necessary to keep one step ahead of the competition. We propose that Pizza Hut introduce the Extreme Pizza. This pizza will be larger than the competitors at twenty-inches and have twice the toppings that the competitors have. Pizza Hut will market this product alongside other extreme products such as Mountain Dew, to help Pizza Hut capture part of this new segment of the market. The selection of pizza's offered by the competition have been significantly less creative than that of Pizza Hut in the past and Pizza Huts reputation of offering high quality, new products will allow this new product to move into the market as other new offerings have in the past. With the introduction of a new product, one of our main objectives is to create recognition for our product. Our goal is to reach 85% recognition of

the new product in our target market. Pizza hut targeted market defines them as a family product. This is because they don't really directly market their customers. They target everyone. Where as their competitors target a certain gender or age. But pizza hut targets a wide range of customers. Pizza Hut has a successful history of introducing new products to increase sales and reach new customers. This introduction of new products to the market on a regular basis is what makes Pizza Hut the leader in their industry. The level of success that the " Extreme Pizza" will bring Pizza Hut depends heavily on the correct promotions mix. As we had stated earlier, the segment of the market that we have targeted is a very diverse group. This means that the promotion of the product must be done in a diverse fashion. This will result in a more expensive advertising campaign than in past campaigns, but the potential for a successful product will cover the costs and bring in substantial profit.

## **MARKET SUMMARY:**

Halal" does not refer only to a food category. The Arabic term refers to any act or object that is considered permissible under the standards of Islam, and the apparent religious product branding has now evolved into a very lucrative global market. The world market for Halal food products is estimated to be around \$630 billion and is still rapidly growing at approximately 20% annually. The tremendous growth has been seen over the past few years. At the start of the new millennium there was already an increase in the Islamic population, which primarily caused the growth on the demand for Islam-acceptable food. (Muslims reportedly comprise more than 20% of the world population.) Furthermore, the rise of Halal market is

considered by the Asian Leadership and Strategy Institute as one of the latest trends and opportunities together with the Internet, social networking, and viral marketing. Demand is greater than the Muslim population. Halal food is the standard food for Muslims, and it can be a choice for non-Muslims as well. The enormous market size of the Halal food industry may also be, in fact, due to the patronage of non-Muslims. Halal food products are perceived to be hygienic and healthy. In marketing, qualifying to the Halal standards can now be considered as a strategy to widen the target market. This operation and marketing strategy is already applied by some fast-food chains abroad. Kentucky Fried Chicken (KFC) decided to make eight of its branches in London serve only Halal menu. The fast-food chain promised to maintain the same "finger-licking' good chicken" while tapping a wider range of customers through the Halal-approved strategy. Prior to KFC, Domino's Pizza has already introduced its Halal menu in its Birmingham branch. This is very risky move for the pizza chain because some of the famous pizza favourites include bacon and sausage. Similar to KFC, Domino's Pizza claimed the decision to be a measure to improve the business considering the high population of Muslims. Such arrangements cost, of course, but since the industry's anchor is food, business is booming, even in the economic crisis. "What downturn?" asks executive director of the Halal Journal? "You don't need your Gucci handbag, but you do need your burger." This implies that people are forced to afford the food even if they don't want to. By the numbers ...16% — Halas's share of global food industry\$632 billion — Annual halal food market

## **SWOT ANALYSIS:**

### **Strength**

World's largest restaurant chain More than 34, 000 franchises around the world Brand leader in the UK A large range of Pizzas under the one roof Food products attract people of different age groups from young to old Pizza Hut sits on the top of global full-service restaurants tree. Through Pizza Hut being the largest restaurant chain in the world, this obviously means they dominate their market and they can invest in new products that are new pizza. They have low competition although they do have competitor such as Dominos Pizza, yet they have an advantages over these as Pizza Hut has restaurant as well as take away unlike Dominos Pizza, this means pizza hut may have more sale therefore more income. Which may help pizza hut with any improvement or adjustment needed to the business.

### **WEAKNESSES:**

Regular customers are feeling that the satisfaction level of the pizza is declining There are complex computers system The lack of organic pizza which will limit the target market. The regular customers are feeling that the satisfaction level of the pizza is declining that probably lead to low customers satisfaction and reduction in customers and credibility in the market. This may lead to customers converting to main competitor like Dominos Pizza. There are complex computers systems and internal conflicts from franchisees which lead to de-motivation of staff. Lower the quality of products (Pizzas), service to the customers could lead to the lack of new ideas. There is a lack of organic pizza which will limit the target market.

## **OPPORTUNITIES:**

New Pizzas with different sizes, flavours and topping  
Pizza Hut targets upscale product and downscale consumers base  
Growing presence in emerging markets  
Leverage supply chain and distribution system to introduce new products. Get a maximum market share.

## **THREATS**

Growing competition undermines Pizza Hut as consumers search for better convenience  
Growing raw material cost( cheese and other ingredient costs) threaten margins  
Threat from Dominos pizza, also from Mc Donald's who have tried to introduce new meal that Pizza called McPIZZA  
No one likes to think about threats, but we still have to face them, despite the fact that they are external factors that are out of our control  
Growing competition undermines Pizza Hut as consumers go for greater convenience; this will lower the amount of sales consumed by Pizza Hut as these sales are going to smaller companies who are charging less. Growing raw material cost like? (cheese and other ingredient costs) threaten margins, cheese is essential to the business as it is thereprimary good, there for they are unable to go without it, this may lead to Pizza Hut eventually buying goods from abroad or buying cheaper brands. Threat from Dominos pizza, also from Mc Donald's who have tried to introduce a new meal that is a Pizza called: McPizza. So Pizza hut will have to improve orMaintain the quality of the pizzas in order to compete with Dominos and McDonalds



## COMPETITION

The major competitor of Pizza-Hut is Domino's and others are Papa John's and Little Ceasers are the market leaders in the take-out pizza industry. Having a strong brand equity in the take-out pizza industry allows a company to gain a significant advantage in the market. Customers in the take-out pizza industry place a high value on the products. The marketing strategy of Domino's Pizza. According to the paper, Domino's Pizza's strong financial performance during 2006 and into 2007 has provided the company with a significant amount of flexibility and freedom in defining its strategies for the future. The paper goes on to say that in order to ensure continued growth, Domino's has to reduce customer churn, drive up same-store sales, continually reinforce and strengthen their brand, capitalize on the socio cultural shifts occurring in the United States and elsewhere, and finally, continually redefine its in-store dining strategies relative to the growing rise of online sales. By comparison, same-store sales last year at Domino's increased only 1.8 percent, and Papa John's Pizza, the nation's third-largest pizza chain, posted a 0.1-percent gain in comparable-restaurant sales last year, marking that brand's first annual increase since 2000. However, Pizza Hut's rivals fared better in the first half of 2005 as the chain's growth slowed. Same-store sales at Pizza Hut rose 3 percent in the first quarter and 2 percent in the second quarter. In comparison, Domino's posted an 11.2-percent jump in same-store sales for the first quarter, followed by an increase of 6.9 percent in the second quarter. Papa John's same-store sales rose 3.8 percent in the first quarter and 6.1 percent in the second quarter (www.findarticles.com). Domino's is a takeaway and home delivery pizza

chain and Pizza hut has both eat-in, takeaway and home delivery. Domino's pizzas are available in only two sizes (small and large) whereas Pizza hut pizzas are available in four sizes (personal, small, medium and large)(www.takeawaysites.co.uk). On other side Pap john's has a different strategy as compare to others main competitors (Pizza Hut Dominos). Papa John's has carved a niche for itself with its premium positioning in the chain pizza restaurant segment – fully reinforced by its Better Ingredients/Better Pizza tagline. Notably, this third largest player (behind Pizza Hut and Domino's) has been the only chain to stick with pizza exclusively, its two larger brethren expanding into pasta and subs, respectively, as a way to diversify away from the pizza category which has become less popular because of a general move to more healthful food options and more compelling QSR value options. Papa John's menu is somewhat unique in that it offers 14 specialty pizzas – providing its customers with more than enough variety. This large stable of pies may represent a better way to keep customers interested (as opposed to the LTO product of the month approach) because of operational efficiencies gained through consistency and repetition – once again, reinforcing the chain's premium, quality positioning. Also, we note that Papa John's has done a good job with its online ordering initiatives - having developed a head start in this important sales channel for pizza. ( www.researchandmarkets.com). This industry has traditionally been very competitive and focused on discounts. There are other ways to attract customers, different ways of looking at the marketplace. (www.qsrmagazine.com). The problem with a quality positioning is that it does not facilitate the use of low price points, and this represents a real disadvantage

for PJ in today's economy. In conclusion, things have not changed much for PJ's with regard to its big picture strategy. ( [www. researchandmarkets. com](http://www.researchandmarkets.com)).

## **PRODUCT OFFERING**

### **Pizza Hut - UK**

There are currently eight varieties of pizza available at UK pizza huts, these are: Pan Pizza (The most popular deep pan cooked style). The Italian (A more traditional style pizza). The Edge (A really thin base with no crusts). The Hi-Light (Exactly the same as the edge but with half the cheese and limited toppings). Stuffed Crust (A large crust stuffed with cheese). Golden Stuffed Crust (The same as the Stuffed Crust pizza but also includes cheddar on top of the crust, giving a golden finish). 4forAll (Four separate square pizzas to share. The four toppings are Margarita, Veg. supreme, chicken supreme and Pepperoni). The Big New Yorker Pizza (16" Pizza that is 50% bigger than a large Pan Pizza, with four more slices). ([www. experiencefestival. com](http://www.experiencefestival.com)). It can convert most of the products into halal except pork. Pizza hut can take the advantage of its products and restaurants while changing the halal meat, chicken suppliers with halal certification.

### **DISTRIBUTION:**

As pizza hut already has a distribution channel i. e. online facility, customers can go online and telephone as well. In November 2009 Pizza hut launched iPhone application, Pizza Hut's US application for iPhone and iPod touch has surpassed \$1 million in sales, generating sizeable income for the company. Pizza Hut claims that the application is approaching one million downloads,

but has yet to debut in the UK iTunes App Store. The application offers users the ability to zoom in on a virtual fridge for the latest deals, find a local location and save favorite orders (<http://www.macworld.co.uk>). Since the launch of Pizza Hut application in iPhone has indirectly advantaged Pizza Hut. As stated by senior director of digital marketing at Pizza Hut, Dallas, TX that they have generated the revenue of \$1m. Pizza Hut's latest developments are a drive-thru quick service unit that can serve a pizza in less than 60 seconds and serve delivery-only units and now-ubiquitous kiosks. ([www.findarticles.com](http://www.findarticles.com)).

## **MARKETING STRATEGY**

### **OBJECTIVES**

The basic objective is to increase the market share which is being captured by the rivals and to promote Pizza Hut brand as most diversified restaurant chain offering diversified food products across UK.

### **TARGET MARKET:**

Understanding the needs and desires of consumers creates the opportunity for new products to be developed and brought to the market, meeting these needs and generating incremental sales. Halal pizza market is a mass market attracting customers and consumers of almost every age group and gender. The target market for this product is Muslim community. This community is growing immensely in future as this can be justified with the following figures: The Muslim population in Britain has grown by more than 500, 000 to 2. 4 million in just four years, according to official research collated for The Times. The population multiplied 10 times faster than the

rest of society, the research by the Office for National Statistics.(www.timesonline. co. uk)

## **Control**

Control will help management measure results and identify any problems and performance variations that need corrective actions. Controls will be established to cover implementation of the plan.

## **Implementation**

Tight quality control measures will be implemented for higher level of customer satisfaction. As many Muslims are faith, therefore, it will be made sure that ' Halal' food doesn't get mixed up with ' non Halal' food and all utensils that will be used for making and baking of ' Halal' food items will only be used for Halal food items only. In this regard all the staff will be briefed for the awareness of ' Halal' food items. This strategy will result in higher customer satisfaction and attract more customers. This will help Pizza Hut to react very quickly in correcting in problems if any complaints arise from the customers. Similarly, this implementation procedure will be very helpful while marketing the ' Halal' Pizza with different toppings as this will reduce the risk of ' Halal' or ' non Halal' food in faith conscious customers mind. This will have a positive impact on customers. Last but not the least this will result in higher revenues. All the procedure above will be advertised through pamphlets at each store and every retail store will have a display of these offerings. In addition this product will be marketed by giving advertisement in Television. Last but not the least, all front line employees will be trained regarding mentioning these new offerings to the customers.