

# Marketing analysis of pizza hut marketing essay



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During the past four decades Pizza Hut has built a reputation for excellence that has earned the respect of consumers and industry experts alike. Building a leading pizza company has required relentless innovation, commitment to quality and dedication to customer service and value. The qualities of entrepreneurship, growth and leadership have characterized Pizza Hut's business through more than four decades of success. Through the strength of its heritage, its culture and its people and franchisees, Pizza Hut looks forward to more success in future. There are different objectives of every organization. In order to achieve these objectives different targets are set. Targets pass down the hierarchy depending on the nature of the business. Therefore, in order to achieve the objectives, management decides on different strategies. These strategies are divided into many sub-parts and are useful for the running of the business. The employees and the management know what they have to achieve through the targets which have been set to them and the strategies they have adopted help them know the way they will achieve the objectives.

## **Company Introduction**

Fig. 1

Is a restaurant chain and international franchise based in Addison, Texas, USA (a northern suburb of Dallas) specializing in American-style pizza along with side dishes including (depending on location): Buffalo wings, breadsticks, and garlic bread. Pizza Hut is the world's largest pizza restaurant chain and is a subsidiary of Yum! Brands, Inc., whose restaurants total approximately 34, 000 restaurants, delivery-carry out units, and kiosks in 100 countries. The chain was founded as a pizzeria in 1958 by the Carney

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brothers – Dan and Frank. Borrowing \$600 from their mother, the brothers purchased some second-hand equipment. The then Wichita State University students took a family pizza recipe, rented a small building, and opened the first restaurant at a busy intersection in Wichita, Kansas. The oldest continuously-operating Pizza Hut in the world is in Manhattan, Kansas, in a shopping and tavern district known as Aggieville. (Pizzahut. co. uk)

Fig. 2

## **Pizza Hut's Mission Statement**

We take pride in making a perfect pizza and providing courteous and helpful service on time all the time. Every customer says, “ I'll be back!” We are the employer of choice offering team members opportunities For Growth, Advancement, And Rewarding Careers in a Fun, Safe Working Environment.

## **P. E. A. R. L. S**

[P]ASSION for excellence in doing everything

[E]XECUTE with positive energy and urgency.

[A]CCOUNTABLE for growth in customer satisfaction and profitability.

[R]ECOGNIZE the achievement of others and have fun doing it.

[L]ISTEN and more importantly, respond to the voice of the customer.

## **ENVIRONMENTAL AND INTERNAL ANALYSIS OF PIZZA HUT**

In our visit to Pizza Hut we conducted research on PEST (Political, Economic, Social and Technological) Analysis. In the internal analysis of Pizza Hut we have considered SWOT of the Company.

### **PEST (Political, Economic, Social & Technological)**

#### **1. POLITICAL ISSUES:**

Political issues include regulatory frame work operating in judicial system which may affect the business in different ways. There are not many political factors in London affecting Pizza Hut as is lack of competition. Factors such as laws on business employment, pollution and taxation apply on the organization which it has to follow regarding the rules.

#### **2. ECONOMIC FACTORS:**

If the county's economy is better so the GDP of the country will be good, this is a green signal for the business as the per capita income of the people will be increased and they will spend more money. In our survey we came to know that most of the people in the beginning of the months spend more and they visit pizza hut very often. When the inflation rate increases the cost of raw material also increases and this leads towards high prices of the products and vice versa.

#### **3. SOCIAL FACTORS:**

Pizza hut is a multinational and it is basically originated from America so the organization is overwhelmed by western culture. There are social forms of society which consist of Upper class, middle class, middle upper class, lower

class and lower class. Every country has cultural norms, values, beliefs and religion which can affect the organization.

#### **4. TECHNOLOGICAL FACTORS:**

Now a day's technology is improving so as baking and heating ovens will be of new and efficient technology and will provide efficient service. Due to new technology there are new ways of marketing like internet; telemarketing and the organization can advertise their products with much more faster pace. Computer based customer data that is MIS (managing information system) helps in collecting customer data, daily transactions, future forecasting and decision making. New vehicles will make their service more efficient.

### **SWOT ANALYSIS OF PIZZA HUT**

#### **1. Strengths**

- Part of the largest restaurant chain in the world
- Over 20, 000 franchises around the world
- Brand leader in the UK
- Innovative range of pizzas under one roof
- Famous television advertising
- Food attracts people of various ranges from young to old.
- Sound financial situation and international turnover.
- 100% owned by yum!
- Pizza Hut sits on top of global full-service restaurant tree

## **2. Weaknesses**

- Loyal customers are feeling that the satisfaction of the pizzas is declining.
- While Novak said Pizza Hut's expansion into China is going exceedingly well, there is battling problems in New Zealand and Australia.
- There are complex computer systems and internal conflicts from franchisees.
- There is a lack of an organic pizza, which will limit the target market

## **3. Threat**

- Rising competition undermines Pizza Hut as consumers go for greater convenience
- Rising cheese costs threaten margins
- Threat from Dominos pizza, also from Mc Donald's who have tried to introduce a new meal that is a Pizza called: McPizza. Marcus Griffiths

## **4. Opportunities**

- New Pizzas with different crust sizes and flavours.
- Pizza Hut expands Indian market menu and looks to old favourite to bolster sales in the US
- Pizza Hut targets upscale products and a downscale consumer base

## **FOUR P'S OF MARKETING**

Fig. 3

### **1. PRODUCT**

Product refers to the actual program you are planning. The goal of pizza hut is to develop the best product with the resources available. Pizza Hut sells pizzas in four different sizes: personal (an individual serving), small, medium and large, though most stores have done away from with the small size. A variety of toppings are available, plus “ specialty” styles, including Meat Lovers, Pepperoni Lovers, Cheese Lovers, Veggie Lovers, Double Cheeseburger, Supreme, Super Supreme and the newly introduced Pizza Mia. The pan pizza has a thicker crust than most other commercially available pizzas. So their products have helped them to retain their customers and to increase them. They provide their customers with complete nutrition plan and healthy food is guaranteed.

Fig. 4

The nutrition plan also clearly tells diabetes patients can use what range of food at pizza hut. Over weight patients are also satisfied and the pizza with less cholesterol can be ordered. This encourages the customers to visit pizza hut rather than going elsewhere. As pizza hut has to boost its sales in the existing markets, so they the new food products are introduced in all branches line-by-line because all branches are operated in co-operation with one another. Different products for different regions are also developed as there are choice differences.

## **2. Price**

As there are no such competitors of Pizza Hut which could compete with the quality of pizza produced at Pizza Hut, therefore, the pricing strategy adopted by Pizza Hut is 'market skimming'. Pizza Hut has adopted this pricing strategy as they want to hold maximum share of the market by maximum profit. This is a golden era for Pizza Hut, as there are no competitors and hence, Pizza Hut is free to charge any price they want. They are charging higher prices due to the uniqueness of the product. They satisfy the target market as the food quality is worth the price paid. The pricing strategy is not just to get the worth of quality but also to gain maximum profits before any competitor enters because then Pizza Hut will have to change its pricing strategy. Although the prices would be lowered with the new entrants in the market but not to a greater extent as the quality food products are not home-produced. They are imported from different countries keeping in view the best quality. First, this pricing strategy will help segment the market. Different groups of customers are willing to pay different prices for the same product. The high/low pricing strategy will also create excitement. The pricing strategy adopted by Pizza Hut is 'market skimming'. Pizza Hut has adopted this pricing strategy as they want to hold maximum share of the market by maximum profit. This product will emphasize product and service quality

## **3. PLACE/DISTRIBUTION:**

It refers to the best place to offer program. That is the place where it is located and through what channels are we distributing programs and the competitive advantage lies in distribution. This site has been chosen keeping



in view the following factors. It is in an out of centre location on retail or Leisure Park with good parking accessibility. Secondly the catchment area is of a specified minimum size and within a given drive time to the site.

**Distribution** The type of distribution channel used by Pizza Hut 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. Pizza Hut uses three different methods of selling its products directly to the market.

The first method of distribution used by Pizza Hut is Home. Office delivery. Customers can call Pizza Hut 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 Pizza Hut, place an order and either leave with the order or eat at the restaurant. One of Pizza Hut's largest competitive advantages is its restaurant style facility. Pizza Hut 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 to order Online. Selective County Customers can now go on the Internet and place an order for Pizza. 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.

## 4. PROMOTION

The objectives of promotion are to introduce a new product, stimulate demand, change the short-term behaviour of the customers, and encourage repeat or greater usage by current customers. Pizza hut uses many promotional strategies. The main promotion is a coupon to purchase.

Fig. 5

This promotion is also distributed mainly by mail, but also by fliers on college campuses around the country in order to reach the target market. They are using billboards on main stream places to get there customer. They are also distributing door to door brochures to capture more and more customers. Pizza huts also using marketing techniques. These are the strategies Pizza hut is using for its marketing. Pizza huts try's to attract the younger generation as their main market segment. Apart from this Pizza Hut is using intense marketing strategies they are also giving ads in magazines. Advertising camping will creates awareness of the products in our target markets.