

Consumer  
perspective about  
quality service  
provided by pizza hut  
and dominos



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1. 1 AN introduction overview TO THE BROAD AREA OF TOPIC This research is based on comparison of Quality service offered by pizza hut and dominos. This research is based on to test the quality of service and comparison between two Pizza Houses. The fast food industries of India is experiencing phenomenal growth and is one of the fastest growing sectors in the country, with the compounded annual growth rates of the market crossing 25%. Further, on the back of changing and busy lifestyle, fast emerging middle class population and surging disposable income, the industry will continue to grow at a pace in coming years.

It now accounts for roughly half of all restaurant revenues in the developed countries and continues to expand there and in many other industrial countries in the coming years. But some of most rapid growth is occurring in the developing world; where it's radically changing the way people eat. People buy fast food because it's cheap, easy to prepare, and heavily promoted. This paper aims at providing information about fast food industry, its trend, reason for its emergence and several other factors that are responsible for its growth.

This report provides extensive research and rational analysis on the Indian fast food industry and tracks the changing dynamics of the market. It features market performance, key related sectors and competitive landscape of the market. The research study looks into the market condition and future forecasts, and outlines current trends and analysis. It has been made to help clients in analysing the opportunities, challenges and Drivers vital to the growth of fast food industry in India.

For the purpose of this report, Fast Food Industry includes fast food restaurants, teahouses, coffee shops and juice bars in India. Consumers will be feeling the impact of the crisis far more over the coming months and will have to adjust their daily habits and attitudes accordingly. There are already clear signs pointing in this direction, which are not necessarily detrimental to food retail. In times of economic crisis, the cocooning effect tends to emerge and this involves consumers focusing increasingly on activities within their own homes.

Although only around half of consumers will actually be affected by the crisis, the situation will have a major impact on food retail. The various sectors, industries and retail will all be affected by the economic crisis to varying degrees. There will be losers, but also winners in this downturn. The 6000 corer fast food retail industry is mainly dominated by the multinational players and the key players which are active in the research of the food retailing include Pizza hut and Dominos. Introduction to Pizza Hut

Pizza Hut is one of the flagship brands of Yum! Brands, Inc. , which also has KFC, Taco Bell, A&W and Long John Silver's under its umbrella. Pizza Hut is the world's largest pizza chain with over 12, 500 restaurants across 91countries. In India, Pizza Hut has 137 restaurants across 36 cities, including Delhi, Mumbai, Bangalore, Chennai, Kolkata, Hyderabad, Pune, and Chandigarh amongst other is in the process of opening Pizza Hut restaurants at many more locations to service a larger customer base across the country. Introduction to Dominos

Domino's vision is focused on " Exceptional people on a mission to be the best pizza delivery company in the world! ". Domino's is committed to bringing fun and excitement to the lives of our customers by delivering delicious pizzas to their doorstep in 30 minutes or less, and all its strategies are aimed at fulfilling this commitment towards its large & ever growing customer base. Domino's constantly strives to develop products that suit the tastes of its customers, thereby bringing out the Wow effect (the feel good factor). Domino's believes strongly in the strategy of ' Think local and act regional'.

Thus, time and again Domino's has been innovating toppings suitable to the taste buds of the local populace and the Indian market has very well accepted these. Domino's Pizza started life as Domi Nick's in 1960 founded by two brothers Tom and James Monaghan from Michigan. Within 8 months, James sold his share in the company to his brother, leaving Tom the sole owner of the pizza outlet. After 38 years as the head and owner of Domino's, co-founder Tom Monaghan decided to hand over the reins to another company, Bain Capital, selling his 93% share of the firm for a whopping \$1 billion in 1998.

The first UK Domino's Pizza store was opened in 1985, with the first outlet opening its doors in 1991. Domino's Pizza is now the second largest home pizza delivery company in America and has a global presence with 9, 000 corporate and franchise outlets operating across 60 different international markets employing 145, 000 employees worldwide. Domino's Pizza India Limited is a Pizza Retail company spread across India across 85 Locations in

22 Cities. Their Sales Model is Take away and deliveries, deliveries accounting for about 70% of their business.

Hence their main focus in to acquire and retain and increase the value of their customers. Domino's Pizza India Limited is a Pizza Retail company spread across India across 85 Locations in 22 Cities. Their Sales Model is Take away and deliveries, deliveries accounting for about 70% of their business. Hence their main focus in to acquire and retain and increase the value of their customers. It holds the complete Customer Information including the transaction history.

Grouping the customers based on User Specified Criteria to facilitate campaigns on the selected groups. The Campaign Management module is used for planning, executing and analysing campaigns results. Apart from this, the solution would also provide detailed analysis of Sales trends and customer behaviour over parameters such as time, Hours of day, Customer Segment, Order value, order frequency etc. 1. 2 INTRODUCTION TO THE SPECIFIC AREA OF TOPIC This Project has been titled " Comparative study on consumer perspective about quality service offered by PIZZA HUT Vs.

DOMINOS" It is been noticed that there is shift of customer from Dominos to Pizza hut and there is increase in number of customer at Pizza hut and also there is drastic change in areas of customer satisfaction, approach and the customer retention which is only because of the quality service that they are getting from the respective outlets. The study would help the hospitality based industries to plan and to build the strong, sound and rigid strategies to make the loyal customer and their satisfaction and retention.

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The habit of consumer changing from one brand to another brand due to many reason like Quality of service, Price, Accessibility, Value for money and Speed with service. By comparing Number of transaction that happened at Pizza hut and Dominos from 2006 to 2011. This is found that there is decreasing in Pizza hut Transaction by every Year. This topic of study is based on the SOP and the Standard that the company following to win back their customer again and again. Some of these are as follow:-

- \* Fact to Pizza Hut
- \* Pizza Huts worldwide sales were approximately \$10 billion.
- \* Pizza Hut service more than 1. million pizzas every day to approximately 5 million customers worldwide.
- \* Pizza Hut owns and operates more than half of its restaurant and delivery units making Pizza Hut, Inc. the largest company-owned restaurant chain in the world.
- \* The highest volume Pizza Hut restaurant in the world is in Moscow followed b stores located in France, Hong Kong, Finland and the U. K.
- \* Outside the US the country with the most Pizza Hut units is Australia (405) followed by Canada (354) and the U. K. (326).
- \* Pizza Hut delivery drivers range in age from 18 to 80 miles, and average 50 miles per driver per day to deliver Pizza Hut products.

The mode of transportation varies from country to country with motor scooters the most common mode in Western Europe, the U. K. And the Asia Pacific Countries.

- \* Pizza Hut uses 2. 5 percent of all the milk produced in the US every year for cheese. That cheese production requires a herd of 250, 000 dairy cows producing at full capacity 365 days a year.
- \* Pizza Hut uses more than 50 million pounds of wheat representing the annual yield from nearly 400, 000 acres of wheat.
- \* Pizza Hut uses more than 400 million pounds of tomatoes each year and 50 million pounds of pepperoni.

Approximately 50 % of all Pizza Hut units outside the US are full service restaurant. About 35 to 40 % are delivery carry out units, and 10 to 15 % are express units or slide “ windows”. Vision “ Growth with big heart” Mission “ To become the number one company in every category we operate” Pizza Hut Objectives \* Making great pizza \* Customer satisfaction \* Customer mania \* To have strong appetite for learning \* To wake up every day in order to think about global market. \* To provide great service to all customer. \* To celebrate the successful of the company. \* To put yum on peoples face around the world Interrelated System at Dominos

The Point of Sale application is located at the store. The Customer Service Representative (CSR) takes the order in this system. It is a Clipper/FoxPro Bases system in use since Dominos started operations in India. It primarily holds customer information such as Name, Phone Number and Address and Location (Delivery Area/Sector as defined by Dominos) data transfer is One way i. e. from POS - SLX and subsequently in the next phase it would be 2 way. Email System: A POP3 Email System to send out email. Functional Equipment at Dominos \* Customer Management \* Campaign Planning \* Campaign Execution \* Post Campaign Analysis Reports and Analysis Customer Management at Dominos Information from the POS is brought in by Batch Data Import and data such as Last order date, Total order value, Order Frequency, Average ticket value are calculated after batch update is done. This is used to classify the customer based on customer inactivity, order value etc. to run Campaign to get further business from the customer. Response of Management at Dominos The responses for all the above communication channels are captured in the POS and are then imported into

the Sales logic system. The responses are recorded as Orders booked against the campaign.

Only a delivered order is considered as a response to a campaign. Sales logic however provides the functionality to capture other forms of response and can be used at a later stage as and when the requirement arises. The response is captured in order to perform effective post campaign analysis.

**Dominos in India** Domino's was incorporated in New Delhi on March 16th 1995 as a private company under the name Dominos India Private Ltd. Domino's Pizza India has remained focused on delivering great tasting Pizzas and sides, superior quality, exceptional customer service and value for money offerings. Domino's Pizza

India has a network of around 300 outlets, in 65 cities, in 22 states and union territories (as on 31st Jan 2010) According to the India Retail Report 2009; it is the largest Pizza chain in India and the fastest growing multinational fast food chain. Vision " Exceptional people on a mission to be the best pizza delivery company in the world! " Domino's is committed to bringing fun, happiness and convenience to the lives of our consumers by delivering delicious pizzas to their doorstep in 30 minutes or less , and its efforts are aimed at fulfilling this commitment towards its large and ever-growing customer base.

Today, Domino's occupies 65% market share in the home delivery segment. Mission " Exceptional franchisees and team members on a mission to be the best pizza delivery company in the world. " It implements this mission statement by following business strategy:- \* Puts franchisees and Company-

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owned stores at the foundation all thinking and decisions; \* Emphasizes ability to select, develop and retain exceptional team members and franchisees; \* Provides a strong infrastructure to support stores \* Builds excellent store operations to create loyal customers. 1. 3 introductions to the Topic

This study under the head “ Comparative study on Quality service offered by Pizza Hut vs. Dominos” has been undertaken to measure the satisfaction level of customers regarding the products and the services provided by the respective organization. Sources of data collected from Primary data and Secondary data. Sample Size taken 100. Technique of analysis was chi square. The type of study used is Descriptive Study. Sample technique is Convenience Sampling. The topic mainly focuses on the quality of service offered by both the company and the result of which the company got more popular day by day.

This Dissertation report provides extensive research and rational analysis on the Indian fast food industry and tracks the changing dynamics of the market and demand. It features market performance, key related sectors and competitive landscape of the market. The research study looks into the market condition and future forecasts, and outlines current trends and analysis. It has been made to help clients in analysing the opportunities, challenges and Drivers vital to the growth of fast food industry in India.

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have to adjust their daily habits and attitudes accordingly. From the study researcher inferred that the customers who are visiting at Dominos are highly satisfied with its products and services than the Pizza Hut. The environment of the store & variety of products at Pizza Hut and Dominos makes difference in mind of visitor.

This Out let have a tremendous potential where it can improve its revenue drastically by concentrating on its existing customer base. Thus this project topic is mainly tells about the policy and the standard that the Pizza Hut and Dominos uses to serve the customer daily bases in the Dine In as well as Home Delivery service. This topic will make someone to understand the comparative study of service quality offered by these both company 2. 1- Introduction to literature review and Research Design This research is based on comparison of the quality service offered by Pizza Hut and dominos.

This research is based to test the quality of service and comparison between two Pizza outlets jointly, with seeking the factor with the GAP. With this study, we wanted to demonstrate the easiness of use of SERVQUAL instrument in the case of the Quality, showing that the questionnaires can easily be reproduced and adapted to any services organization. Therefore the present model in order to be applied in this kind of organization needs future and profound refinements. The research conducted for this Dissertation study is descriptive type. The data collection was done through questionnaire and the secondary Data available.

Making right design and the planning for the report is essential for every project reports which will make the reports original, meaningful and the

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informational. The research design must be simple so that the researcher can complete the report in time with full of information. 2. 2-Literature Review A consumer's perception of quality levels has long been a focus for marketing literature research. For example, the consumer's judgement concerning an entity's overall level of excellence or superiority has been used as a measurement of perceived quality.

Objective measures of quality, measured by elements such as the "conformance to requirements" or "freedom from deficiencies" have been defined as the basis for quality assessment. However, these objective measures are difficult to translate into methods for assessing service (as opposed to product) quality. 2. 2. 1 Customer satisfaction and loyalty studies in service This difficulty led to the development of Seroquel, intended to assess user perceptions of quality in a service environment from the methodological point of view: Respondents fatigue at having to rate all service attributes twice.

They also tend to rate most dimensions as being highly important, since they are unable to distinguish between aspects that are very and extremely important Respondents may interpret expectation importance questions in different ways. Parasuraman, Zeithaml and Berry (1988) "SERVQUAL: A Multiple-Item Scale for Measuring Consumer Perceptions of Service Quality." Journal of Retailing developed the original 22 item SERVQUAL scale with questions intended to assess five specific dimensions (tangibles, reliability, responsiveness, assurance, and empathy).

Parasuraman in 1985 identify the 10 core components of service quality as reliability (consistent performance and dependability), responsiveness (willingness/readiness to serve), competence (possessing knowledge and skills), access (approachability and ease of contact), courtesy (politeness, consideration and friendliness of staff), communication (updating and listening to customers), credibility (trustworthy and reputable, with customer interests at heart), security (freedom from danger and risk), customer knowledge (Understanding needs and personalized attention), as well as tangibles (facilities and physical features).

The SERVQUAL instrument utilizes a “ gap (or difference) [Carman, James M. (1990) “ Consumer Perceptions of Service Quality score”] analysis methodology, wherein the user’s expectations for service quality are assessed at the same time as the user’s perception of the actual system performance. The difference between these two scores (performance minus expectation) is used as the basis of analysis. At least two studies have found evidence that SERVQUAL represents a one-dimensional model. [Charles W. Lamb. 1991) “ An Evaluation of the SERVQUAL Scales in a Retailing Setting”,] a 1993 study concluded that the performance-only element of SERVQUAL “ performs about as well as SERVQUAL itself”. The authors found that “ Overall, the oncological validity evidence somewhat favours the non-difference score measure to the SERVQUAL measure”. CONCERNS ABOUT SERVQUAL’S UNDERLYING DIMENSIONS One of the aims of this study involves the use of SERVQUAL instrument in order to ascertain any actual or perceived gaps between customer expectations and perceptions of the service offered.

Another aim of this is to point out how management of service improvement can become more logical and integrated with respect to the prioritized service quality dimensions and their affections on increasing/decreasing service quality gaps. In the following, after a brief review of the service quality concept, the model of service quality gaps and the SERVQUAL methodology is demonstrated and an example is presented to pinpoint the application of the SERVQUAL approach. Then, after a discussion the value and the quality of the product should be kept safe. This will ensure the quality of the service offered by the out let is up to mark.

So that the guest royalty can be maintained and provide the royalty to every guest. 2. 3 statement of the problem This Project has been titled “

Comparative study on consumer perspective about quality service offered by PIZZA HUT Vs. DOMINOS” this is to find out that the quality of service offered by Dominos and the Pizza Hut and why the customers choosing this industry for their food. It is been noticed that there is shift of customer from Pizza Hut to Dominos and there is increase in number of customer at Dominos and also there is drastic change in areas of customer satisfaction, approach and the customer retention.

The study would help the hospitality based industries to plan and to build the strong, sound and rigid strategies to make the loyal customer and their satisfaction and retention. The habit of consumer changing from one brand to another brand due to many reason like Quality of service, Price, Accessibility, Value for money and Speed with service. By comparing Number of transaction that happened at Pizza hut and Dominos from 2006 to 2011.

This is found that there is decreasing in Pizza hut Transaction by every Year.

## 2. 4 scope of the problem

The current study is undertaken for the purpose analysing the quality of service offered by Pizza Hut and Dominos. Details of the operations of the companies that have been providing the quality service to retain their customer. A study covering performance of the business will definitely give a better result with respect to the financial performance of the business and the marketing aspect of the business. If the financial performance of the company is compared with few other reputed firms in the industry will give the clear picture about the position of Pizza Hut and Dominos. This study helps the organizations to increase the customer loyalty and satisfaction. \* This study will help to manage the internal environment and the management to make customer happy by providing quality service \* This will ensure to maintain the guest culture at the organisation so the company can achieve the loyal customer again and again. \* This will help in maintaining the product quality and accuracy on the service offered. \* This study gives s cheer information about consumer preferences on different brands of Pizza out let. \* This study gives information about consumer awareness on quality of food they serve. The study is useful to know the consumer preference and their reasons to prefer and not to prefer product of this company. \* This study is useful to amylase the price position of their choice. \* This study is useful to know the impact of brand advertisement on consumers. This study is useful to know the set is faction level with different attributes of the company

## 2. 5 objective of the study

This study has been undertaken to: \* To study about the quality of service that customer gets from Pizza Hut and

Dominos and compare the service quality of both the company to find the required solution to lacking. To make the future plan and to decide for the present changes that need to bring in the business to win back the unhappy customer. \* To understand how the hospitality company make the customer satisfaction and deliver quality service. \* To understand the procedures and techniques involved in marketing aspects of the concern. \* To analyse and evaluate the Marketing performance of the business and to ascertain the rate of success \* To know the way of segmented its products to know the areas in which the dealers satisfy their customer and the areas that they need to improve. 2. 6 methodology of the study

Research generally refers to a search for knowledge. It may be defined as the objective and systematic method of finding solution to a problem, which consists of systematic collection, recording, analysis, interpretation and reporting of information about various facts of a phenomenon under study. It plays a truly analytical approach to decision-making and helps in the evaluation of the decision that has been taken. The study requires data to be collected from Primary and secondary sources Secondary data would be collected from websites, journals, monthly and annual publications of the cement Organizations, Magazines, and Experts.

Data collected would be compiled, classified and tabulated for analysis. Analysis would be done using the statistical tool of comparative techniques. Inferences would be drawn from the analysis, conclusions would be made and suggestions would be given The First Phase of Study \* To collect secondary data about the customer feedback and view about the quality of service received from the company and \* Primary data through the <https://assignbuster.com/consumer-perspective-about-quality-service-provided-by-pizza-hut-and-dominos/>

questionnaire. The Second Part is an Analytical Study \* To examine the requirement quality service and customer satisfaction in the areas of hospitality. Method of Data Collected

The method adopted for the study is collecting data. The data there are two ways. \* Primary data \* Secondary data Primary Data Primary data is the data collected by the researcher of the specific study. The study entitled " Quality of service offered by Pizza hut Vs. Dominos" with special reference quality food. To get an accurate detail separate structured Questionnaires were designed for customers. Discussions were held with customers. The study is of more than 100 customers at different areas in Bangalore \* Through questionnaire Secondary Data Secondary data can be defined on the data collected by someone else for the purpose of study.

It is based on second hand information. The data collected with companies past record, Journals, Broachers and from the library. \* Websites \* Newspapers \* Journals, Magazines, Annual publications of Banks \* Books , Internet Sample Size For the need of the study the customer survey was conducted. The sample size for the customers was 100. About Questionnaire The Questionnaire is the most common instrument used in collecting primary data for the study conducted. Questionnaire is one for the consumer was used. These types of questions included in the Questionnaire are: \* Multiple Choice Questions, Rating, Ranking and Open-end questions. . 7 Need of the study \* To know about the service quality at hospitality industry and to provide the required suggestion. \* To know how the hospitality industry can make the customer happy by the quality of service offered by them. \* To know the hindrance and the other rules regulation or objection this stops <https://assignbuster.com/consumer-perspective-about-quality-service-provided-by-pizza-hut-and-dominos/>



hospitality industry to deliver 100% quality service. \* To know the impact of hospitality industry to the Indian economy. \* To know about the factor that affects the business of retail food chain and fast food chain and to prevent company from crisis situation. This will help to know the customer and their attitude towards different brands this will help to project the sale for future and to arrange the right product that they need from the out let. \* This study will also help Both Pizza hut and Dominos to build the effective business strategy in the market to maximise their revenue. 2. 8 limitation of the study

- \* The study is conducted of academic nature and the time period given was 4 to 6 week to finish the reports.
- \* The information collected for the analysis would be from Newspapers, Journals, Magazines, internet, CSL and other related books. The information provided by the personnel may be biased or inaccurate in case of secondary as well as primary data.
- \* The analysis is based on only the data collected which are secondary and primary data through questionnaire.
- \* Assumption has been made while deriving the various figures in the calculations of data collected.
- \* The company personnel could not spare time due to busy schedule and hence the project proceeded at a very slow pace.
- \* Not much information was revealed by the company, as the executive personnel wanted to keep certain information confidential.

Only monetary aspect as projected by the financial statement have been taken into 2. 9 chapter scheme The present study is classified into five chapters 2. 9. 1- The introductory chapter presents the introduction to the company, growth of the company in India and their internal operation to provide the quality service. 2. 9. 2- The second chapter discusses the review

of literature, statement of problem, objectives of study, methodology, Scope of study, Need of the study and Limitation of the study. 2. 9. 3- The third chapter presents the company profile and product profiles and the customer profile 2. . 4- The fourth chapter we have all the results, analysis and discussions. 2. 9. 5- The fifth chapter consists of major findings, suggestions, conclusions and policy implication and scope for further study. 3. 1 pizza hut profile The legacy of Pizza Hut began in 1958, when two college students from Wichita, Kansas, Frank and Dan Carney, were approached by a family friend with the idea of opening a Pizza parlour. Although the concept was relatively new to many Americans at that time, the brothers quickly saw the potential of this new enterprise. Over the past four decades the Pizza Hut as built a reputation for excellence that has earned the respect of consumers and industry experts alike. Pizza Hut's products have been voted Number One in countless consumer surveys nationwide. Pizza Hut, a division of Tricon Global Restaurants, Inc. , has more than 7, 200 units in the U. S. and 3, 000 units in more than 86 other countries. Pizza Hut is owned by Pepsi Internationals who also owns Taco bell and KFC. Pizza Hut is commitment to quality, dedication to service and value & the qualities of entrepreneurship, growth and leadership, which have characterized its business through nearly four decades of success.

Tricon is the parent company to two other segment leaders, Taco Bell and KFC. When combined with Pizza Hut, these organizations make up the world's largest restaurant group, with almost twice as many units as McDonald's. When it comes to leadership Pizza Hut has a proactive approach to product development and marketing. The five major products, Pan Pizza,

Thin ' N Crispy pizza, Hand-Tossed style pizza, Stuffed Crust Pizza and The Big New Yorker Pizza are loved by millions around the world and have become the standard by which all others are judged. A Glance look at Pizza hut Outlet

**Target Market** The target market belongs to upper - upper and upper middle class who has a definite taste for foreign foodstuff. Out of 140 million people, we are only targeting 20% of the population. Right now they are targeting market, which is 1% of the total urban population. Anybody whose household income is over Rs 100, 000 is in the " A" category, Rs. 50, 000 is " B" and " C" is Rs. 50, 000. They are right now catering to " A" and " B" market and they have not touched the entire market. They are also targeting kids, teenagers and students ; are also trying to increase their customer base.

**Growth of the Organisation** Pizza hut entered in India in 1996, and opened its first restaurants in Bangalore. Since then it has captured a dominant and significant share of the Pizza market and has maintained an impressive growth rate of over 40 % per annum. Pizza Hut now has 350 outlets across 50 cities in India. And employed nearly 17000 people by end of 2007. Yum ! Has invested about US\$25 million in India so far this is over and above investments made by franchisees. YUM ! Brands Owns Kentucky Fried Chicken, Pizza Hut, Taco Bell , A; W and Long john silver Restaurants worldwide.

Yum ! Generated more than US\$ 25. 9 billion in worldwide sales in the year 2003, and has more than 33000 restaurants in over 100 countries. History of Pizza Hut Pizza Hut Year after Year| 1958| The first Pizza Hut restaurant

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opens in Wichita, Kansas, started by two college-aged brothers who borrowed \$600 from their mother. | 1959| Pizza Hut is incorporated in Kansas and the first franchise unit opens in Topeka, Kansas. | 1965| “ Putt-Putt to Pizza Hut” musical jingle developed for Pizza Hut’s first television commercial. 1967| World’s largest pizza (six feet in diameter) is baked and served at the grand opening of a Fort Worth, Texas Pizza Hut restaurant. | 1968| International market entered with opening of Pizza Hut restaurant in Canada. | 1969| Red roof adopted for restaurants. | 1970| Sandwiches added to basic menu of Thin ‘ N Crispy pizza, salad, beer and soft drinks. | 1971| Pizza Hut becomes the number one pizza restaurant chain in the world in both sales and number of restaurants. | 1972| Pizza Hut, Inc. listed on New York Stock Exchange under the symbol PIZ| 1973| Pizza Hut restaurants open in Japan and England. 1975| Thick’n Chewy pizza introduced. | 1976| The 100th international Pizza Hut restaurant is opened in Australia, while entire system reaches 2, 000. | 1984| There are more pizza locations than hamburger restaurants in US. | 1984| Pizzerias account for 9. 9% of all restaurants in the U. S. | 1986| Delivery service, as a new concept, is initiated. | 1988| Hand-Tossed Traditional Pizza is introduced throughout the system. | 1989| The Pizza Hut Jobs Plus program expands nationwide to employ more than 10, 000 individuals with physical and developmental disabilities.

The Jobs Plus program is recognized as the largest corporate initiative of its kind in the food service industry. | 1990| Pizza Hut delivers more than 1, 340, 000 pizzas on Super Bowl Sunday. | 1992| Pizza Hut provides 120, 000 free meals to relief volunteers and those who lost their homes. | 1993| Pizza Hut

introduces BIGFOOT Pizza — two square feet of pizza cut into 21 slices. | 1995| Two Customer Satisfaction programs initiated: a 1-800 Customer Satisfaction Hotline and a Customer Call-Back Program, which takes the pulse of 50, 000 customers per week. 1995| The Deliver Me Home™ program is created by Pizza Hut and the National Centre for Missing and Exploited Children and is tested at the Dallas/Fort Worth International Airport to inform the community of an important identification tool in helping to locate, identify and return missing children to their families. | 1995| Pizza Hut wins the 1995 “ Choice of Chains” award for Best Pizza Chain sponsored annually by Restaurants & Institutions magazine, making Pizza Hut the “ Best Pizza Chain” ten of the last eleven years. | 1997| PepsiCo announces restaurant spin-off. 1998| Pizza Hut celebrates 40 years of making and serving great pizza. | Pizza Hut Consumer Profile DEMOGRAPHICS

The age group of our customers is family oriented i. e. , the parlor offers a variety that to the needs of the family as a whole. | INCOME

The income bracket includes Rs. 50, 000 per month and above. | OCCUPATION

Professionals, Executives, House Wives, studying individuals. | PSYCHOGRAPHICS

| ACTIVITIES

Actively participate in social welfare causes, business matters, and members of socially elite clubs, annual family vacations. LIFE STYLE

Encouraging eating habits towards foreign foodstuff, for instance, likely to use cake mixes, imported cheese. | MEDIA HABITS

Regular readers of Newspapers and Magazines. | PERSONALITY

Quality food conscious, outgoing and healthy eating habits health conscious people. | Pizza hut marketing mix

Product

Pizza Hut offers aims in providing 100% customer satisfaction by excellence in the product, service, equipment and hospitality they offer the products quality and taste remains standard of excellence all over the world.

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It has maintained its quality by importing the main ingredients and keeping the recipes the same exclusively, for the South Asia regions it test launched spicy flavoured Chicken Tikka. Followed by a Seek Kebab Pizza. Which gained and remained so popular that they were included in the regular menu? To make a check of its service and customers satisfaction, they issue a comment card to make sure they come up to their customer's satisfaction. Price They are serving various variety of Pizzas, there menu card along with their respective prices have been placed at the appendix section. Promotion Pizza Hut runs more or less the same type of promotion and advertising campaigns in Pakistan as it does internationally, with the exception of electronic media. It uses advertising tools such as newspapers, magazines to create awareness and to get its message through its required target market. Recently they are doing joint promotion with Milo and Pepsi in connection with World Cup Cricket 1999. Pizza Hut promotion budget remains the same worldwide except for a few countries i. e. it allocates 50% of its promotion budget on national advertising and 50% of the budget to regional advertising.

With regard to promotion, they have launched kid Club for children under 12 year of age. Every Tuesday is kids night for members where they get 50% discount on their order. They are trying to start a program called book it, to promote reading habits among kids. Any child who reads a book and get it signs by his teacher that he has read it get a free Pizza. Pizza Hut has adapted to promotional and advertising techniques regarding the local market. It uses Newspaper and Magazines according to their availability and effectiveness with regard to their respective target market. Place <https://assignbuster.com/consumer-perspective-about-quality-service-provided-by-pizza-hut-and-dominos/>

BANGALORE:-At present there are 50 functioning units of Pizza Hut in BANGALORE, few of them are ITPL| Takeaway, Dine-in seating capacity of 200| Airport Road| Takeaway, Dine-in seating capacity of 250| PCP| Takeaway, dine-in seating capacity of 120| FORUM MALL| Take away with dine-in seating capacity of 50. | C hally| Takeaway, dine-in seating capacity of 150| jayanagar| Takeaway, dine-in seating capacity of 120| Kormangla| Takeaway, dine-in seating capacity of 200| Shanti Nagar| Takeaway, dine-in seating capacity of 150| Signature Mall| Takeaway, dine-in seating capacity of 150| BSK| Takeaway, dine-in seating capacity of 120|

BSK-2| Takeaway, dine-in seating capacity of 120| V Mall| Takeaway, dine-in seating capacity of 120| M Mall| Takeaway, dine-in seating capacity of 150| Vijay Nagar| Takeaway, dine-in seating capacity of 150| Ramaya| Takeaway, dine-in seating capacity of 120| CMH Road| Takeaway, dine-in seating capacity of 110| Kanak Pura| Takeaway, dine-in seating capacity of 120| Brigade Road| Takeaway, dine-in seating capacity of 110| Product Profile of

Pizza Hut Pizza hut serves the quality and variety of food product of many flavours, this product can be classified as follow:- \* Pizzas (Veg ; Non veg) \* Beverages Appetizer ( Hot ; Cold) \* Main course ( Pizzas) \* Deserts \* Tea \*

Pastas Beverages Appetizer Pizzas 3. 2 dominos profile Privately held

Domino's, Inc. is the number two pizza chain in the world, trailing only the Pizza Hut division of YUM! Brands, Inc. The company operates a network of more than 7, 300 company-owned and franchised stores in all 50 U. S. states and more than 50 other countries. Nearly 90 % of Domino's more than 4, 800 U. S. outlets are franchise stores. Including the employees of franchisees, there are about 145, 000 Domino's workers around the world,

and global system wide sales in 2002 totals \$3.6 billion. Domino's was built on simple concepts, offering just delivery or carry-out and an extremely limited menu: for more than 30 years, the company offered only two sizes of pizza, 11 topping choices, and—until 1990—only one beverage, cola. In recent years the company has added salads, breadsticks, and other non-pizza items to its menu in an effort to stave off rivals Pizza Hut, Papa John's International, Inc., and Little Caesar Enterprises, Inc., but has otherwise held fast to its focus on the basics of providing quality pizza and service.

The driving force behind Domino's for most of its history was founder Tom Monaghan, who late in 1998 sold control of the company to Bain Capital, Inc., a Boston-based private equity investment firm. Monaghan, however, retained a 27% voting stake. Originating in the 1960s Monaghan was born in 1937 near Ann Arbor, Michigan. Following his father's death in 1941, Monaghan lived in a succession of foster homes, including a Catholic orphanage, for much of his childhood. His mother, after finishing nursing school and buying a house, made two attempts to have Tom and his brother live at home with her, but she and Tom failed to get along.

During these years Monaghan worked a lot of jobs, many of them on farms. His father's aunt took him in during his senior year of high school, but after that he was once again on his own. A quote from Monaghan in his high school yearbook read: "The harder I try to be good the worse I get; but I may do something sensational yet." For several years Monaghan worked to try to save money for college; he joined the Marines and saved \$2,000, but gave it in several instalments to a fly-by-night "oil man" he met hitchhiking, who took the money and ran. Monaghan returned to Ann Arbor to live with his

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brother Jim, who worked for the Post Office and did occasional carpentry work at a pizza shop called Domi Nick's. When Jim Monaghan overheard the pizza shop owner discussing a possible sale, he mentioned buying it as a possibility to Tom. With the aid of a \$900 loan from the Post Office credit union, in December 1960 Jim and Tom Monaghan were in business in Ypsilanti, Michigan. Within eight months, Jim Monaghan took a beat-up Volkswagen Beetle as a trade for his half of the partnership. Tom moved in across the street from his shop. The store Monaghan bought had little room for sit-down dining; from the start, delivery was key.

The first drivers, laid-off factory workers, agreed to work on commission. After only \$99 in sales the first week, profits climbed steadily to \$750 a week. Early on, Monaghan made decisions that streamlined work and greatly enhanced profits: on two separate occasions he dropped six-inch pizzas and submarine sandwiches from his menu when he was shorthanded at his shop, reasoning that he and his staff could handle the rush better without making special-sized pizzas or sandwiches in addition to regular pizzas. When he went over the numbers the day after, both times Monaghan found that his volume and profits had increased.

Keeping the menu simple made financial sense. Although his salary rose to \$20,000 a year, Monaghan was not satisfied. On the advice of Jim Gilmore, a local chef with some restaurant experience, Monaghan opened a Pizza King store offering free delivery in Mt. Pleasant, near the Central Michigan University campus. Gilmore ran the original DomiNick's as a full partner with Monaghan. By early 1962, although the Ypsilanti store was not doing well,

Gilmore persuaded Monaghan to open a Pizza King at a new Ann Arbor  
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location, which Gilmore would oversee while Monaghan whipped the original DomiNick's back into shape.

Gilmore convinced Monaghan to continue expanding in a financially dangerous way: because Gilmore had been bankrupt when the partnership began, all papers were in Monaghan's name. By 1964, when Gilmore became ill, he made his differences clear: he liked sit-down stores while Monaghan ran delivery. He asked for \$35, 000 for his share in the pizzerias. Although Monaghan considered the price preposterous, he did want to separate from Gilmore. He hired lawyer Larry Sperling, who worked out a deal whereby Monaghan would pay Gilmore \$20, 000.

Gilmore would keep two restaurants in Ann Arbor; Monaghan, two pizzerias in Ypsilanti and one in Ann Arbor. Although their partnership was dissolved, Monaghan was still dependent on Gilmore's success in business. In February 1966 Monaghan bought one more shop from Gilmore, but later that year Gilmore filed for bankruptcy, with a total debt of \$75, 000, in Monaghan's name. Monaghan managed to sell Gilmore's restaurant, leaving him immediately responsible for only \$20, 000, with the new owner of Gilmore's to pay off related debts on a month-by-month basis.

As Monaghan's operations grew, the original owner of DomiNick's decided to maintain rights to the name. Under deadline for a Yellow Pages ad, driver Jim Kennedy came up with the name Domino's Pizza. The new company incorporated in 1965. Free from the Gilmore-related debts, Monaghan was ready to begin franchising. The first board of directors included Tom, his wife and bookkeeper, Margie, and Larry Sperling. Sperling drafted a franchise

agreement in which Domino's would keep 2.5 % as royalties from sales, 2 % to cover advertising, and 1 % for bookkeeping.

As Monaghan stated in his autobiography *Pizza Tiger*: " By today's standards, the royalties were far too favourable to the franchisee. But it served our purpose then, and I was not concerned about covering all future contingencies. " The first franchisee, Chuck Gary, was a man visible in local and state politics; he took over an original store on the east side of Ypsilanti. While Sperling and Monaghan hammered out financial matters—the former wanted to control costs, the latter to build sales—Domino's Pizza slowly gathered a base of corporate staff.

The second franchisee, Dean Jenkins, was handpicked by Monaghan to take over the first store to be built from the ground up. By July 1967, when Jenkins's store was up and running, Domino's Pizza moved to East Lansing, home of Michigan State University. Its dormitory population, at approximately 20,000, was the largest in the nation. Dave Kilby, originally hired to do some radio copywriting for Domino's, later bought into a franchise, then began working at company headquarters, located above the Cross Street shop in Ypsilanti. Kilby then worked on franchisee expansion with Monaghan.

In February 1968 a fire swept through Monaghan's original pizza store. Advertising manager Bob Cotman escaped the building just in time, climbing down a fireman's ladder. Although the pizza shop reopened within two days, headquarters was wiped out and Domino's first commissary, with \$40,000 of stored goods, was destroyed. The staff pulled together, with each existing

store location responsible for producing one pizza item—cheese, dough, chopped toppings—which drivers then ferried from one store to the next to keep operations running.

The biggest challenge for Monaghan was not simply covering the total fire losses of \$150, 000 (only \$13, 000 paid for by insurance), but also paying the leases on five new franchises and finding store operators as soon as possible. While Tom worked on his task, Margie Monaghan brought in Mike Paul, her contact at the Ypsilanti bank, who soon joined Domino's to run the commissary. Paul fired half of the staff and cleaned up operations; he introduced caps, aprons, and periodic spot checks for employee neatness. Monaghan learned a lot in the early years of Domino's, due in part to road trips he took to research business and learn from competitors.

When observing the competition did not result in better methods, Monaghan innovated. Looking for equipment ideas at a Chicago convention, he found a meat-grinder that he used to chop cheese as well as mix consistent pizza dough in less than a minute, in contrast to standard mixers, which took eight to ten minutes to mix dough. Dough, once mixed, was stored on oiled pans; although covered by towels, the outside edges of the dough hardened. Monaghan discovered an airtight fiberglass container that stored dough very well, and his practice later became a standard in the industry.

Monaghan also was dissatisfied with standard pizza boxes: they were too flimsy to stack, and heat and steam from the pizza weakened them.

Monaghan prodded his salesman to work with the supplier and devise a corrugated box with air holes, which also became an industry standard.

Franchising in the 1970s Plans began in earnest for Midwest expansion as Domino's jumped on the 1960s franchise bandwagon. Although Monaghan had worked on his plan to expand on college campuses, opening a new store a week in late 1968 proved to be the beginning of a nightmare.

Monaghan opened 32 stores in 1969 and was hailed as Ypsilanti's boy wonder. Spurred by McDonald's great success going public in 1965, Monaghan planned to do the same. With the aid of loans, he bought a fleet of 85 new delivery cars, and spruced up his personal image; he also hired an accounting firm to computerize the company's bookkeeping. When moving information from paper to computer, Domino's lost all its records. Perhaps as a result, the company underpaid the Internal Revenue Service by \$36,000. Monaghan was forced to sell his stock for the first time to raise the money to pay the IRS.

Monaghan tried to do too much, too fast. Ohio stores opened before Domino's reputation had spread that far and sales were poor. This was only the beginning of the downturn: on May 1, 1970, Monaghan lost control of Domino's. Dan Quirk, who had bought Monaghan's stock, recommended that he contact Ken Heavlin, a local man known for turning businesses around. Heavlin, in exchange for Monaghan's remaining stock, would run the company, get loans to cover IRS debts, and after two years keep a controlling 51% interest in the company, with Monaghan getting 49%.

In the meantime, Domino's became the target of lawsuits from various franchisees, creditors, and the law firm Cross, Wrack. In March 1971 Heavlin ended his agreement with Monaghan, who shortly went to speak with each

franchisee, persuading them that Domino's would survive the crisis and they would all fare better working with him rather than against him. Their lawsuit was dropped. Monaghan pushed on, and Domino's was back in business, however tight its financial strings. One man instrumental in the growth of the early 1970s was Richard Mueller.

Originally from Ohio, Mueller bought a franchise in Ann Arbor in 1970, during Domino's lowest period. After Mueller ran this store for a year, Monaghan sent him to Columbus to revive an ailing store; within three months, sales shot up from \$600 to \$7,000 a week. Mueller soon operated ten Domino's franchises and incorporated as Ohio Pizza Enterprises, Inc. Within six-and-a-half years Mueller opened 50 stores. As Domino's grew, Mueller went on to become vice-president of operations in 1978. Quick to rebuild Domino's, Monaghan encouraged trusted employees and friends to expand.

Steve Litwhiler opened five stores in Vermont, while Dave Kilby, who had relocated during the Domino's slump, managed to build a strong base in Florida. A significant hire by Kilby was Dave Black, a top-selling manager who later rose to become president and COO of Domino's Pizza. The year 1973 was a turning point for Domino's. The company introduced its first delivery guarantee, "a half hour or a half dollar off," as stated in the company newsletter the Pepperoni Press. The College of Pizzarology was founded to train potential franchisees.

The company decentralized as well: accounting was moved from Ypsilanti headquarters to local accountants, while the commissary was reorganized as a separate company. Domino's introduced its corporate logo, a red domino

flush against two blue rectangles, in 1975. The company was sued the same year by Amstar Corporation, parent company of Domino Sugar, for the right to use the name. After a five-year battle, Domino's won, but not until after more than 30 new stores were opened under the interim name Pizza Dispatch. Free to expand, Domino's planned to grow by 50 percent each year.

By the late 1970s, several acquisitions contributed significantly to company growth. Domino's merged with PizzaCo Inc. , in 1978, gaining 23 open stores plus a handful more under lease. The merger with this Boulder-based company allowed Domino's to move into Kansas, Arizona, and Nebraska. The following year, joining with Dick Mueller's Ohio Pizza Enterprises, Inc. , Domino's added 50 stores in Ohio and Texas, for a total of 287 stores. The company ended 1979 by announcing plans to expand internationally. The new non-U. S. store subsequently opened in Winnipeg, Canada, in 1983.

**Rapid Growth in the 1980s** The 1980s was a decade of phenomenal growth for Domino's Pizza, but this time the company was prepared. Although Monaghan had always feared that formal budgeting systems promoted bureaucracy, with the advice of Doug Dawson, Monaghan decided to design companywide budgeting procedures, which Domino's continued to use as training tools for potential franchisees. Dawson implemented the new accounting methods and moved on to become vice-president of marketing and corporate treasurer. Instrumental in Domino's surge was John McDevitt, a financial consultant Monaghan met in 1977.

Among other accomplishments, he created and became president of TSM Leasing, Inc. , a financial services company that loaned money to franchisees who could not find other start-up financing. To Monaghan, operations was the backbone of the business. When Dick Mueller left the post of vice-president of operations in 1981 to work as a franchiser once again, Monaghan decided to regionalize Domino's operations. Mueller's previous job entailed far too much travel, and changes were necessary. Monaghan set up six geographic regions, with a director fully responsible for each territory.

The regional system, as Monaghan stated in Pizza Tiger, " gave us the long communication lines with tight controls at the working ends that we needed for rapid but well-orchestrated growth. " At the executive level, Bob Cotman took over as senior vice-president of operations, including marketing. Dave Black advanced from field consultant and regional director to vice-president of operations. Both men (like Dick Mueller and Monaghan himself) had climbed every step of the Domino's ladder, after beginning as delivery driver and pizza maker.

In 1981 Black carried Monaghan's favoured " defensive management" strategy-whereby each store concentrated on keeping the customers it had-to a new level, by moving the company's focus away from its top-performing stores to its weakest ones. Bringing the lower performers up worked extremely well. As the company added an average of nearly 500 stores each year through the decade, newer, weaker stores were constantly given attention to improve sales. One other element vital to Domino's 1980s growth spurt was choosing Don Vlcek, formerly in the meat business, to head the eight commissary operations.

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Vlcek focused on uncovering best practices and disseminating them throughout the organization. When he discovered that one commissary saved on laundry bills by rinsing out the towels used to dry trays, making them last a week before cleaning was necessary, Vlcek made all other commissaries do the same. When he found that another commissary's manager was buying from a local cheese distributor instead of a less expensive national one, the manager reworked his purchasing policies. Fleck moved sauce-mixing from the commissaries to the company's tomato-packing plant, which resulted in highly consistent, quality pizza sauce.

Once Vlcek had taken care of the basics, in one eight-month period he opened a new commissary a month, all with state-of-the-art equipment. All the support Monaghan received gave him time to fulfil boyhood dreams on a dramatic scale. In 1983 he bought the Detroit Tigers baseball team, which went on to win the World Series in 1984. He followed with the establishment in 1984 of Domino's Farms in Ann Arbor, a \$120 million corporate headquarters modelled after architect Frank Lloyd Wright's Golden Beacon tower. Wright advocated the integration of a high-rise building in a rural setting, rather than an urban one.

Monaghan also set up a working farm adjacent to the tower. In 1985, Advertising Age placed Domino's " among the fastest-growing money makers in the restaurant industry. " The company had to keep pace not only with its own growth but also with that of its competition, including the industry leader, Pizza Hut, which had more than 4, 000 units to Domino's 2, 300. Domino's stepped up advertising, increasing media spending 249 percent over the previous year. Pizza Hut entered the delivery business in <https://assignbuster.com/consumer-perspective-about-quality-service-provided-by-pizza-hut-and-dominos/>

1986, posing a huge threat to Monaghan's empire. Domino's system wide sales reached \$1.44 billion by 1987.

The company had grown to 3,605 units, spreading to Canada, Australia, the United Kingdom, West Germany, and Japan. While 33 per cent of U. S. stores were company-run, international units were franchised, usually to one operator who could opt to sub franchise. The international marketing challenge was to convince buyers of the need for delivery. Back in the United States, Domino's imitated McDonald's Corporation by tailoring an ad campaign to attract the Hispanic market. Competition in the late 1980s got so tough that Monaghan was quoted in Advertising Age as saying, " I want people here in the company to think of it as a war. Unfortunately, with wars come casualties. By 1989 more than 20 deaths had occurred involving Domino's drivers, calling the company's 30-minute delivery guarantee into question. A Pittsburgh-based attorney representing a couple whose car was broadsided by a driver subpoenaed Domino's for its records. Citizen's groups, major news networks, and the National Safe Work Place Institute joined in the heated criticism. Domino's responded with a national ad campaign and with various tactics at the franchise level. One franchisee hired an off-duty police officer to track his drivers to ensure that they obeyed the law.

Domino's opened its 5,000th store by January 1989, moving into Puerto Rico, Mexico, Guam, Honduras, Panama, Colombia, Costa Rica, and Spain. U. S. sales hit \$2 billion. Monaghan named Dave Black as president and chief operating officer, announcing his own intentions to spend more time on community work. In May Domino's introduced pan pizza, its first new product

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in 28 years. This news was hardly as big, however, as Monaghan's October announcement of his intent to sell the company. After a buyout attempt in the form of an employee stock ownership plan failed, Monaghan went shopping for buyers.

By April 1990 Domino's cut its public relations and international marketing departments and continued cutting executive and corporate support staff as part of a companywide effort to improve profitability. Payroll that year decreased by \$24 million. Kevin Williams, who made his name as a regional director, replaced Mike Orcus as vice-president of operations. At the store level, Domino's opened fewer than 300 units in both 1989 and 1990. Another Comeback in the 1990s With Domino's sales slipping, and rivals Pizza Hut and Little Caesar's gaining market share, Monaghan returned to Domino's in March 1991 to pull his company back on track.

By December he had fired David Black, along with other top executives.

Former franchisee Phil Bressler became vice-president of operations.

Domino's closed 155 stores, cut regional offices from 16 to nine, and unloaded extravagances such as corporate planes, a three-masted ship, a travel agency, a lavish Ann Arbour Christmas display, and various sports sponsorships. Monaghan made some personal sacrifices, too, leaving his post on the boards of directors of 16 Catholic colleges and organizations.

Domino's 1991 system wide revenues remained flat at \$2. billion, and the company posted a loss of \$67 million. Adding three new senior executives, the company geared up to battle Pizza Hut, which had aired an ad showing unkempt Domino's drivers buying Pizza Hut products. Domino's moved its

advertising accounts to New York's Grey Advertising, Inc. , from the local ad <https://assignbuster.com/consumer-perspective-about-quality-service-provided-by-pizza-hut-and-dominos/>

agency Group 243. While Monaghan was away, PepsiCo's Pizza Hut had converted half of its 7, 000 units for home delivery. Under fire, Monaghan insisted on maintaining Domino's original concept of a simple menu that speeds order preparation, allowing the company to uphold its 30-minute guarantee.

In an effort to be flexible—and to compete with Pizza Hut's pan pizza—Domino's offered a new pizza with more cheese and an increased number of toppings. Taking another tip from its rival, Domino's worked on developing a single U. S. phone order number for Domino's customers and a new computer system to track sales, costs, and trends. The company closed the Columbus and Minneapolis offices, with corporate headquarters in Ann Arbour assuming their duties. The overall goal was to decrease debt. Monaghan considered making a public stock offering again in 1992, but too few buyers were forthcoming.

The company also worked to lessen the number of company-owned stores. In November 1992 Monaghan shook up his upper ranks by replacing his long-time adviser and vice-president of finance, John McDevitt, with Tim Carr, another financial executive at Domino's, and hiring Larry Sheehan, a former executive vice-president of Little Caesar's, as vice-president of marketing and product development. Sheehan immediately put his stamp on the turnaround effort, convincing Monaghan to experiment with new strategies and products, including salads, thin-crust pizza, and submarine sandwiches. Tom Monaghan is now very open about the pizza business," he said. " He believes we need to take a different approach to this business and be willing to change. " The changes seemed to work. Earnings for 1993 picked up, after <https://assignbuster.com/consumer-perspective-about-quality-service-provided-by-pizza-hut-and-dominos/>

dropping significantly the two previous years. In yet another change, Domino's dropped its famous 30-minutes-or-less pledge after a jury awarded a \$78 million settlement to a woman who had been hit by a Domino's delivery driver in 1989. Monaghan stated that "with our success in home delivery has come a negative public perception that we are not committed to safety. The 30-minute guarantee was replaced with a more general customer satisfaction guarantee. In January 1994 Larry Sheehan left Domino's, after a dispute with Monaghan over the size of his year-end bonus. Although his departure was widely considered a loss to the company, his changes had taken hold, and Domino's system wide sales crept upward, to \$2.5 billion in 1995. Shortly thereafter Domino's celebrated the opening of its 1,000th international store, in a suburb of Perth, Australia.

With a stated goal of having more international than domestic stores, Domino's opened stores in Ecuador, Peru, and Egypt in 1995, and planned to have 3,000 international stores by the year 2,000. By 1996 foreign sales stood at \$503 million, and in 1997 Domino's entered its 50th international market. In the meantime, the menu in the U.S. stores expanded yet again, with the introduction of Buffalo wings in 1994 and through a limited-time-only promotion of flavoured-crust pizzas during 1996.

Sheehan was succeeded as vice-president of marketing and product development by Cheryl Bachelder, a seasoned executive with experience at Planters, Gillette, and Procter & Gamble who brought focus to Domino's efforts. "We're not trying to be fun and wacky and do delivery and carry-out all at the same time," she said. "We're trying to excel single-mindedly on the basics of this business." In March 1997 Domino's announced its previous <https://assignbuster.com/consumer-perspective-about-quality-service-provided-by-pizza-hut-and-dominos/>

year results, which dispelled any doubts that the company was back on track. Earnings were a record \$50.6 million on system wide sales of \$2.6 billion. “ We believe the return to focusing on our core business—pizza delivery—coupled with great new products and