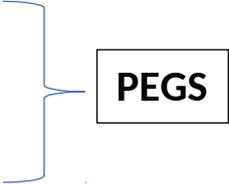


<u>Syllabus Dot Point</u>	<u>Notes</u>
Role of marketing	Domino's has achieved a market share of 50% of the fast service pizza market. This has been supported by a diverse product range that includes traditional pizzas, a healthy choice range, chicken wings and desserts. Business growth is expected to increase by 35% over the next year.
The strategic role of marketing	<p>Profit is the key goal for all businesses. Strategic marketing enables a company to successfully distinguish itself from its competitors.</p> <p>Much of the recent success of the Domino's brand can be attributed to the company's marketing department. In 2016, Domino's increased its profits by more than 45%, with same-store sales growth of 14.8%.</p> <p>One of the prime declines of fellow business, Eagle Boys Pizzas was that adequate marketing services were not provided, which made it difficult to compete with larger chains. By contrast, the Domino's marketing team is a key element in the ongoing support its franchisees receive.</p> <p>Other drivers for the increase in profits include strong pricing strategies, digital innovation such as the new release of new pizza toppings including pulled beef and chicken.</p>
<p>Interdependence with other key business functions</p> <p>Operations</p> <p>Finance</p> <p>Human Resources (HR)</p>	<p>Operations – there is a strong interdependence between marketing and operations since the marketing message or the 'promise' is fulfilled by operations.</p> <p>Finance – Domino's remarkable growth over the past couple of years has been largely driven by organic growth, acquisitions and first-to-market innovation. Part of its financial success can be attributed to the launch of a range of disruptive digital initiatives such as the On-Time Cooking and Domino's Robotic Unit (DRU). These all contributed towards a strong Australia/New Zealand online sales growth of 33% p.a.</p> <p>Human Resources – Domino's understands that its staff are integral to the success of the business. Its mantra is "People Powered Pizza", and it knows that it couldn't be as successful as it is without the hard work and passion of its staff, from the in-store team members on the make line to the delivery experts out on the road.</p>
Production, selling and marketing approaches	Domino's has made effective use of the marketing approach. This is evident in its outstanding financial results. Its products and pricing reflect the interests of its customer base. Pizzas are diverse and encompass many flavours. Standard pizzas start at \$13.90 and have wide appeal to all types of consumers. Domino's has recognised that customers are seeking healthier choices and now seafood pizzas start at \$16.90.
Types of markets	It is the consumer market that generates the profit for pizza-based businesses. Thus, Domino's marketing is targeted at the mass consumer market. Age, gender, income level, location and

	<p>occupation are not key areas for Domino's. However, this didn't give Domino's any point of difference with other fast food and pizza outlets.</p> <p>Domino's has diversified into gourmet style pizzas along with its traditional pizzas, thus broadening its scope of the market. It offers all type of consumers a choice of products and variety. For example, the Chef's Best range of restaurant-quality pizzas was introduced as a result of customer feedback.</p> <p>Domino's use of social media as a marketing platform is designed to engage with members of the tech-savvy Generation Z. However, this by no means excludes other age groups, and Domino's ensures there are still traditional options available for all customers.</p>
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<i>Influences on Marketing</i>	<i>Notes</i>
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<p><i>Factors influencing consumer choice</i></p> <p>Psychological Economic Government Sociocultural</p> 	<p><u>Psychological</u> - Domino's is perceived to be an entry-level pizza store, although the advances it has made through technology are impressive. Consumers are aware when purchasing Domino's pizzas that they are buying a standard product that is fresh, tasty and always reliable. It is also very price competitive.</p> <p><u>Economic</u> – Domino's is perceived to be a value-for-money business and as a result, it has appealed across a range of income groups. During an economic downturn, it is likely that many people will still purchase pizza, and this suggests that Domino's may become much more appealing to consumers than high-end takeaway stores and restaurants.</p> <p><u>Government</u> – local government licensing regulations require that all businesses involved in food preparation and services must have clean, hygienic premises and safe food handling practices to prevent the spread of disease and food poisoning. It is vital for Domino's licensees to comply with regulations, as a notice on one store can tarnish the consumer perception of the brand.</p> <p><u>Sociocultural</u> – Domino's customer base covers all types of consumers, regardless of age, gender and culture. In an attempt to cater to areas of Sydney with a large Islamic population, Domino's ran a trial of gaining halal certification for six stores.</p>
<p><i>Consumer laws – Competition & Consumer Act 2010 (Cth)</i></p>	<p><i>Australian Consumer Law requires businesses to honour implied terms of a transaction, in this case, the delivery of a</i></p>

	<p>pizza.</p> <p>Domino's policy is that if a customer is not completely satisfied, Domino's will replace or refund the order.</p>
<p><i>Ethical</i></p> <ul style="list-style-type: none"> • Truth, accuracy and good taste in advertising • Products that may damage health • Engaging in fair competition • Sugging 	<p><u>Products that may damage health</u> – Domino's operates against a backdrop of obesity concerns about the takeaway and fast-food industry. To counter this, the calorie intake for each product is clearly labelled and obvious to the consumer. The business also offers a range of baked chicken and seafood pizzas.</p> <p><u>Engaging in fair competition</u> – like many fast-food companies Domino's does engage in price wars with its competitors, but there have been no suggestions that this competition has been unfair. However, Domino's has now chosen to compete for less on price and more by using innovation as a point of difference from its competitors. Customers are often willing to pay more for a perceived premium</p>

<u>Marketing Processes</u>	Notes
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<p><i>Situational Analysis</i></p> <ul style="list-style-type: none"> • SWOT • Product life cycle 	<p><u>SWOT Analysis For Domino's:</u></p> <table border="1"> <tr> <td> <p><i>Strengths:</i></p> <ul style="list-style-type: none"> • Reputation • Innovative • Ability to respond to changing customer needs </td> <td> <p><i>Weaknesses:</i></p> <ul style="list-style-type: none"> • Perceived by customers to be a low-cost pizza chain </td> </tr> <tr> <td> <p><i>Opportunities:</i></p> <ul style="list-style-type: none"> • Online delivery tracking • International expansion across Europe • New non-pizza menu items </td> <td> <p><i>Threats:</i></p> <ul style="list-style-type: none"> • Obesity issues • New low-cost competitors </td> </tr> </table> <p><u>Product Life Cycle</u></p> <p>In Australia, Domino's pizzas are in the maturity stage of the product life cycle. Consumers now have a considerable choice as to where and how to purchase pizza. As a result, Domino's marketing strategy needs to establish a competitive advantage by differentiating Domino's from its competitors. Domino's</p>	<p><i>Strengths:</i></p> <ul style="list-style-type: none"> • Reputation • Innovative • Ability to respond to changing customer needs 	<p><i>Weaknesses:</i></p> <ul style="list-style-type: none"> • Perceived by customers to be a low-cost pizza chain 	<p><i>Opportunities:</i></p> <ul style="list-style-type: none"> • Online delivery tracking • International expansion across Europe • New non-pizza menu items 	<p><i>Threats:</i></p> <ul style="list-style-type: none"> • Obesity issues • New low-cost competitors
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	<i>has a strategy of technological innovation and range expansion, while still maintaining its core pizza product.</i>
<i>Market research</i>	<i>Market research ensures that Domino's remains focused on offering customers an improved experience and stores with improved efficiencies. It prides itself on being first to market when it comes to digital technology and innovation.</i>
<i>Establishing marketing objectives</i>	<i>As with most businesses, Domino's three main marketing objectives are to increase market share, expand into new geographic markets and expand the product range.</i>
<i>Identifying target markets</i>	<i>Domino's uses a mass-market approach. It's pricing and diverse range of pizzas means the appeal of the business extends to all types of consumers across age, gender and income.</i>
<i>Developing marketing strategies</i>	<i>Domino's has embraced the global shift in power from corporations to the consumer by including social media as a key component of its marketing strategy. Domino's tends to use a mix of social media and e-commerce to market its products. An example of this is the Pizza Mogul platform, which lets customers design their pizzas, share them on social media and earn money for every pizza sold. Pizza Mogul integrates with social media platforms as well as Domino's existing online channels, and each week top-selling Moguls are ranked publicly and a variety of bonuses are awarded.</i> <i>Pizza Mogul is recognised as a new way of marketing in which the user-generated content belongs to Domino's and thus can be shared to the wider market.</i>
<i>Implementation, monitoring and controlling</i>	<i>Domino's Australian marketing campaigns are implemented, monitored and controlled by the central marketing team. Franchisees receive support in running their local marketing, in addition to receiving the benefits of the larger, national campaigns.</i>

<u>Marketing Strategies</u>	
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<i>Market segmentation</i>	<i>Domino's found that the major segmentation is households mainly aged between 35 to 54. Domino's mainly sells its traditional pizzas as well as pizza sides, gourmet pizzas and other products. Traditional pizzas once represented 90% of the market, but due to the secular transition towards healthier eating, Domino's has expanded its products to offer a greater variety of pizzas and other products such as desserts to its customers.</i>
<i>Products – goods and/or services</i> • <i>Branding</i>	<u>Goods</u> <i>The Chef's Best restaurant-quality range features many food product innovations, such as premium ingredients, quality</i>

<ul style="list-style-type: none"> • <i>Packaging</i> 	<p>packaging and unique post-baking sauces. The inspiration comes from street-food flavours across the world. The emphasis of this was to introduce fresh, tasty ingredients to move away from the homogenised flavours of some of its competitors. Domino's is working towards creating a menu that is free of artificial preservatives, colours and flavours. This has been a major initiative and something it is aware that cannot be achieved tonight. Many products are already artificial preservative, colour and flavour free, including chicken sides and all desserts.</p> <p>Domino's also offers a gluten-free option, which allows sufferers of coeliac disease to enjoy pizza.</p> <p><u>Services</u></p> <p>The Domino's ordering system allows customers to design their pizza from the range of toppings available. The Pizza Mogul platform takes this further: the customer-designed pizza can be added to the Domino's list, and the designer earns money on every order.</p> <p><u>Branding</u></p> <p>Domino's is easily identifiable through its red, sky blue and white logo. The logo has evolved through the company's history but has always retained the same key features.</p> <p><u>Packaging</u></p> <p>The key packaging feature for takeaway pizza is the box. The industry-standard pizza box is made of flat-packed corrugated cardboard, which can be quickly folded into shape-in-store, and with vents that allow moisture to escape, preventing the pizza from being soggy. Domino's branding appears on both the box and the heat-insulating bag.</p>
<p>Pricing strategies:</p> <ul style="list-style-type: none"> • <i>Skimming</i> • <i>Penetration</i> • <i>Loss leaders</i> • <i>Price points</i> <p>Price and quality interaction</p>	<p>Domino's allows all types of consumers to enter the market. It offers a range of pizzas at different prices allowing for entry into the market at different points, with the standard pizzas being priced lower than the gourmet pizzas. Its products and pricing reflect the interests of its customer base. Pizzas are diverse and encompass many flavours.</p> <p>Domino's pricing is similar to that of its competitors. However, the business lacks the prestige of dine-in Italian/pizza restaurants, and the ability to offer promotional pizzas at \$4.95 may create the impression that the quality of inputs is lacking.</p> <p>On the other hand, the price differentiation between standard and gourmet pizzas suggests to consumers that some pizzas are of higher quality than other pizzas.</p>
<p>Promotion</p> <ul style="list-style-type: none"> • <i>Advertising</i> 	<p><u>Advertising</u></p> <p>Advertising is a key part of the marketing mix for Domino's.</p>

<ul style="list-style-type: none"> • Sales promotions 	<p>Advertisements focus on three key areas:</p> <ol style="list-style-type: none"> 1. Pricing and value for money 2. Quick delivery and the freshness of the product 3. The new range of products the business is selling <p>Advertisements normally feature from 5 pm and onwards, suggesting the idea that customers should have pizza for dinner.</p> <p><u>Sales Promotions</u></p> <p>Domino's offers customers package prices that may include breads, drinks and desserts. This emphasises the concept of value for money and reinforces the appeal that the business has across all income groups. Domino's is also featured on sales vouchers from supermarket receipts offering discount pizzas.</p>
<p>The communications process</p> <ul style="list-style-type: none"> • Opinion leaders • Word of mouth 	<p>To widen the communication net, and encourage people to talk about its products, Domino's has a presence on a wide range of social network sites:</p> <ul style="list-style-type: none"> • Facebook • Twitter • YouTube • Snapchat • Instagram & TikTok
<p>Place/distribution</p> <ul style="list-style-type: none"> • Distribution channels • Physical distribution issues – transport, warehousing and inventory 	<p><u>Distribution channels</u></p> <p>Domino's uses a producer to the consumer distribution channel. Pizzas are made and cooked in store: every store contains the essential pizza-making equipment, with the raw materials, such as the pre-packed dough mix, obtained from a central supplier. The finished pizza is collected by the customer or delivered directly to them by the store's delivery staff.</p> <p><u>Physical distribution issues – transport, warehousing, inventory</u></p> <p>The key distribution issue with takeaway pizza is ensuring it is still hot and fresh when the customer opens the box. The longer a pizza sits on a rack waiting for collection, or in a delivery vehicle, the more it deteriorates, and quality is compromised. Domino's introduced the On-Time Cooking</p>

	<p><i>Feature, which uses geolocation technology to ensure pick-up customers always receive fresher, hotter pizzas straight from the oven.</i></p>
<p><i>People, processes and physical evidence</i></p>	<p><u>People</u></p> <p><i>Many of the people working in Domino's stores are customer-facing, so good customer relations are an important part of job descriptions.</i></p> <p><u>Processes</u></p> <p><i>Ordering – because pizzas are made and delivered by individual franchisees, customers can go to the store to make an order, or phone it directly. However, as technology progressed, Domino's added new options:</i></p> <ul style="list-style-type: none"> • <i>Online ordering via its website</i> • <i>SMS ordering, by texting the word pizza or sending the pizza emoji</i> • <i>The Domino's app</i> <p><i>Payment - Domino's is also planning to streamline the payment process in 2017, by enabling Apple Pay and Android Pay.</i></p> <p><i>Delivery - To offer better service to customers, Domino's is continually enhancing the delivery process. The GPS Driver Tracker was first brought in as a driver safety initiative, but it has also meant that Domino's can use new technology and algorithms to offer customers faster and safer deliveries. This led to the introduction of 15- and 20-Minute Service Guarantees. The introduction of DRU (Domino's Robotic Unit) is a four-wheel autonomous vehicle that can travel from the store to the customer's home at a safe speed along the footpath.</i></p> <p><u>Physical Evidence</u></p> <p><i>The key packaging feature for takeaway pizza is the box. However, other aspects of physical evidence include the delivery vehicles and the presentation of the person who makes the delivery of the products.</i></p>
<p><i>E-marketing</i></p>	<p><i>Domino's relies on e-marketing to sell its products.</i></p> <p><i>Consumers are now able to order a pizza online and follow its progress before it reaches the door.</i></p> <p><i>The website offers consumers detailed information on product choice, price and health considerations.</i></p>

	<p><i>The website and the app have become stores that are portable and can be accessed anywhere a consumer has access to the internet.</i></p>
<p><i>Global marketing</i></p> <ul style="list-style-type: none"> - <i>Global branding</i> - <i>Standardisation</i> - <i>Customisation</i> 	<p><i>Domino's is a global brand and is growing in most of its markets.</i></p> <p><u><i>Global branding</i></u></p> <p><i>All of Domino's stores are branded with the same logo. This provides the benefit of trust and familiarity in an age where people are travelling much more. However, advertising does need to fit with the cultures of different countries. There have been occasions when the global team has removed commercial campaigns from the airwaves within 24 hours of appearance.</i></p> <p><u><i>Standardisation and customisation</i></u></p> <p><i>Domino's maintains a balance between global consistency and local adaptation. For example, in Europe, Domino's offers potato toppings, while in Asian markets, the toppings include things like seaweed.</i></p>