

Marketing Society Excellence Awards  
Long Term Marketing Excellence

**Domino's: The Journey to Greatness, from Promotion to Participation**

Executive Summary

This is the story of how when faced with new challenges to growth from consumer behavior and category competition, **Domino's UK turned a product and promotions-led business into a participative brand** – by putting audiences first and making the takeaway occasions that matter to them greater.

After soul-searching, insight gathering and franchisee collaboration, a more participative, customer-first marketing model and creative approach was launched in 2013 to help the brand not just communicate value but play a valuable role in the hearts and lives of more people, more often.

The turnaround encompassed all touchpoints and franchisees nationwide and since launch, it has generated £230m of incremental revenue, an incremental profit of £83m and an increased level of base sales for the business, setting Domino's up for a future which is, in a word, greater.

Word Count: 133 words

## Background

Domino's had been a success since its arrival in the UK in 1985, with a track record of steady growth and pioneering category behaviour.

Building on this and encouraged by forecasts of further market growth, the ambition for the future was enshrined in a five-year vision in 2010:

- Be the number one UK pizza company – delivering £0.9 billion extra annual sales by 2015 (more than doubling 2010 sales).
- Deliver mature average weekly unit sales of £20,000+ (average weekly sales per established store, key to driving profits for franchisees).
- Sustainable, profitable growth – with profits increasing in line with revenues.

Source: Domino's '2015 Vision: A Living Legend' (2010)

Until then success had been delivered via a formulaic, promotion-led approach, aligned to menu/door-drop delivery cycles, featuring new deals or products.

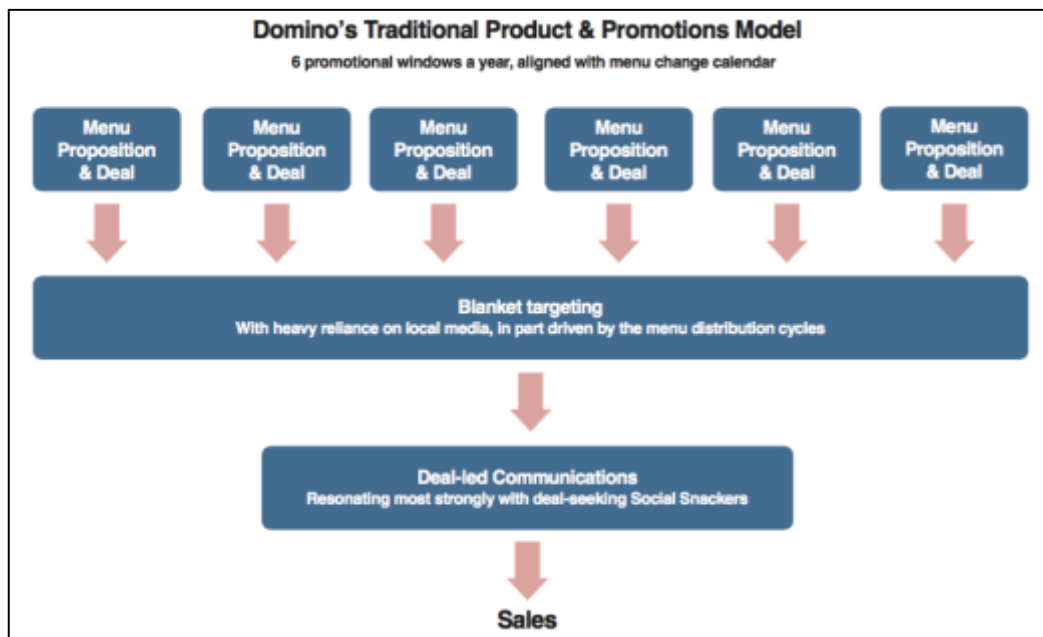


Fig 1.1: Domino's traditional product and promotions-led communications model

But in late 2011 and into 2012 there were early signs that the tried-and-tested formula was no longer enough to drive growth:

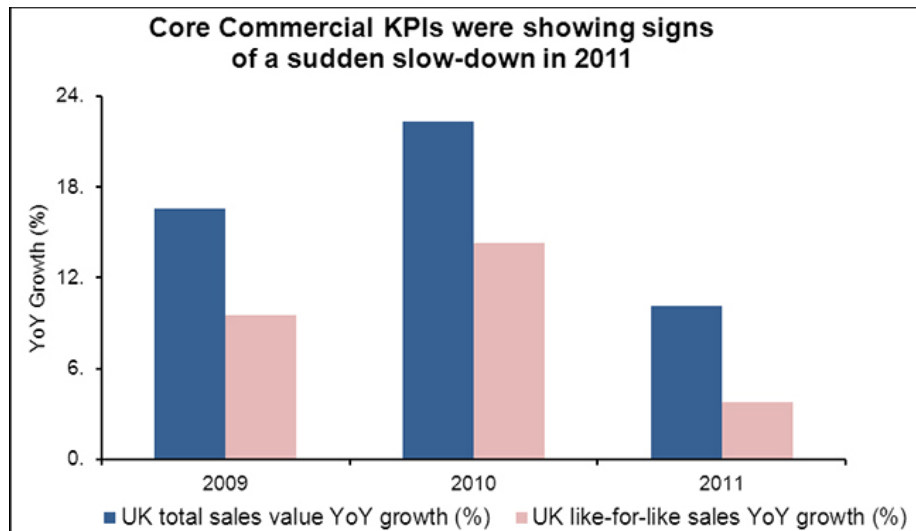


Fig 1.2: Domino's Sales Growth 2009-2011. Source: Domino's UK & ROI management data

After such on-going success, this slow-down was a warning sign. The landscape had changed significantly, partly driven by the emergence of a new type of competitor – the aggregator. **They didn't just add more competition**, but were driving change in consumer expectations and behaviour.



Fig 1.3: Hungry House advertisement and Just Eat app screen (2011/12)

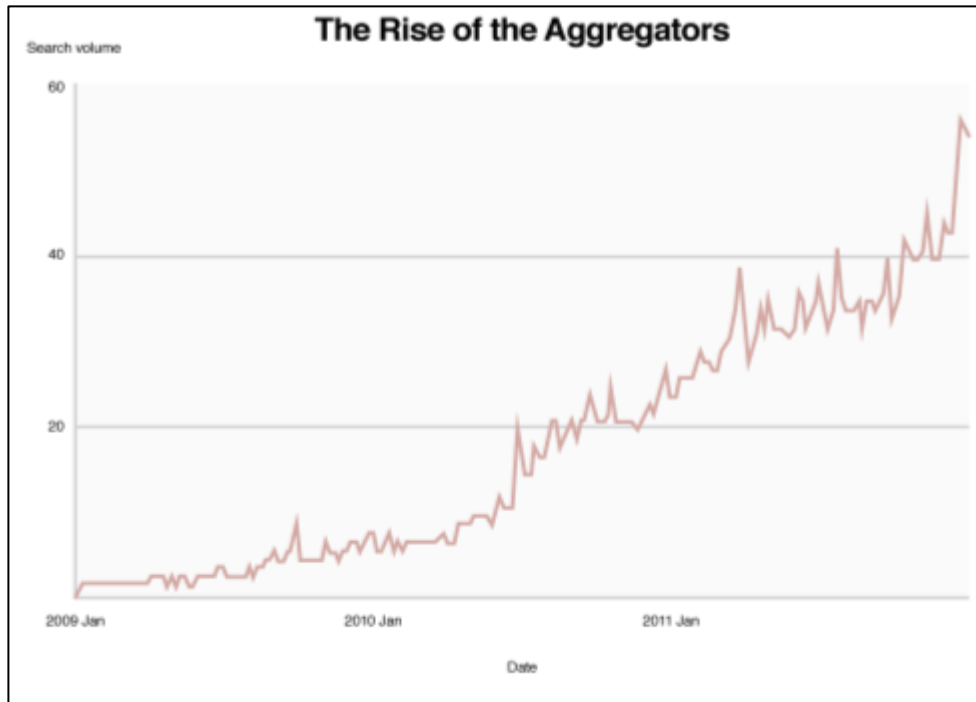


Fig 1.4: Search volumes for Just Eat 2011-2013, Source: Google Trends

Furthermore, traditional rivals were increasing their efforts by replicating the Domino's marketing strategy - the 'battle of the doorstep' had intensified, with menu's flooding through consumers' doors, full of similar-sounding deals and similar-looking products:



Fig 1.5: Selection of 'Two For Tuesday' promotional executions from the category (2010/11)

This increased choice and a lack of differentiation meant that consumers were becoming more fickle and apathetic, thus impacting on Domino's performance against perceived quality, value, service and experience.

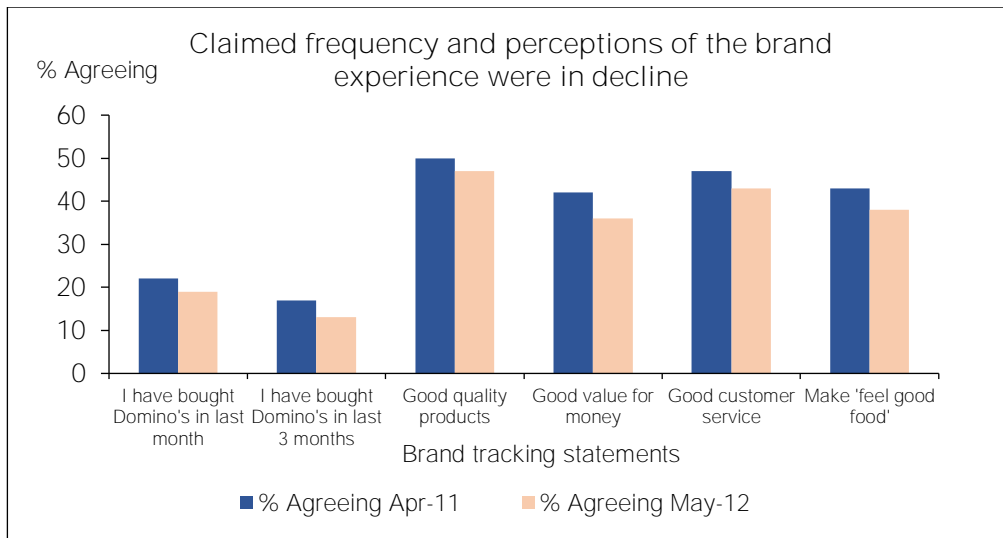
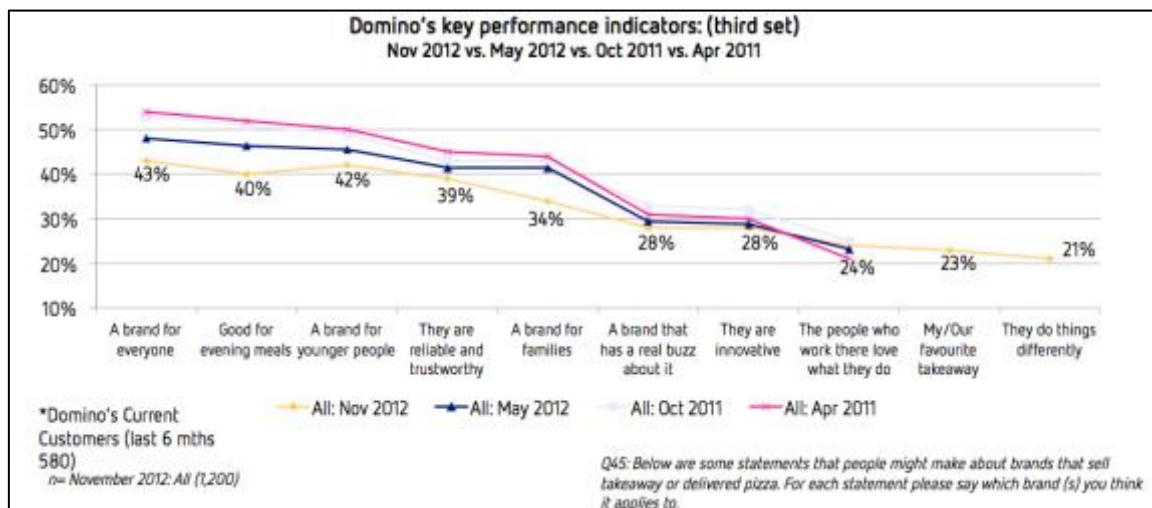


Fig 1.6: Claimed frequency and perceptions of Domino's brand experience, Source: Domino's UK Brand Tracker, Domino's users, Big Communications (May 2012)



1.7: Claimed perceptions of Domino's brand experience Source: Domino's UK Brand Tracker, Domino's users, Big Communications (May 2012)

## Identifying a New Model for Growth

By 2013 it was clear that continuing the established product and promotions-led model that had brought success in the past would not have the required impact on growth.

What was evident from the changes in the category was that shifts in consumer preferences and behavior were the driving force and that any change in **Domino's** approach would need to put them first, not just pizza. So surely a greater understanding of those pizza consumers – who they were, when and why they were ordering – could help us understand how to appeal to more people in more occasions, more often?

To do this, we started with the most significant customer segmentation analysis since Domino's arrival in the UK.

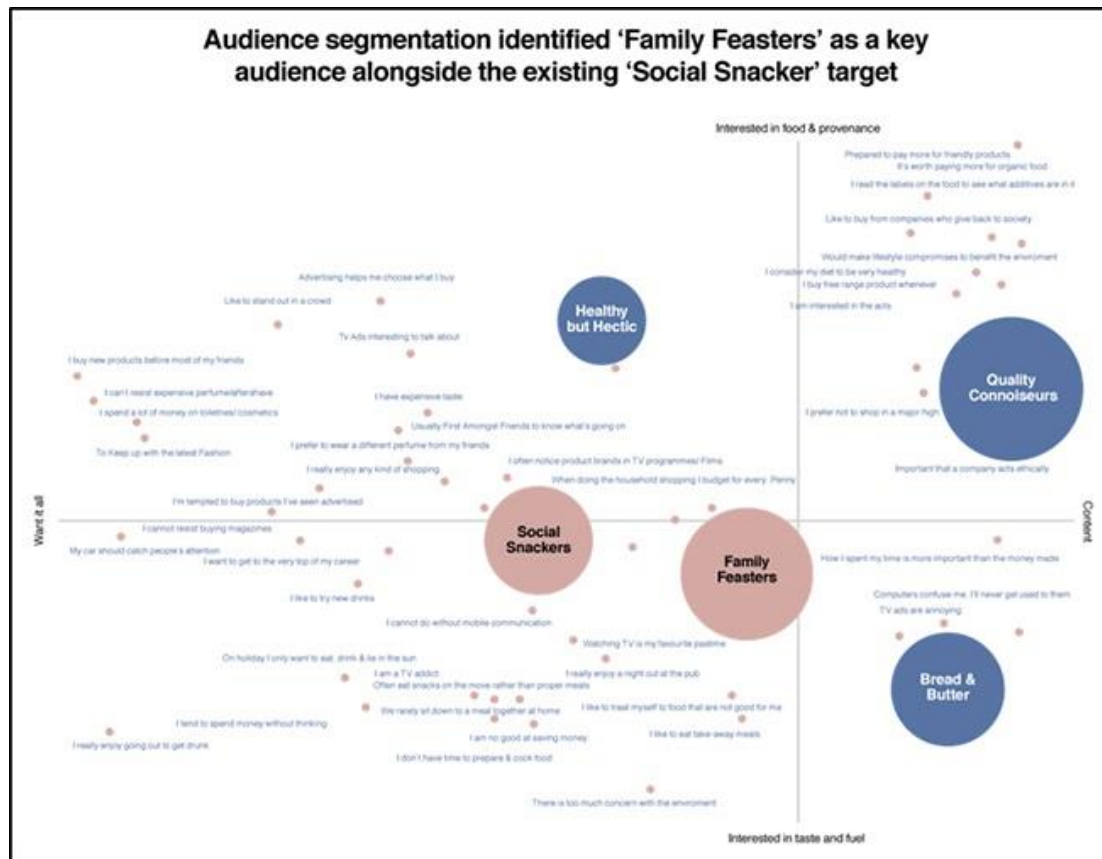


Fig 1.8: Domino's Customer Segmentation Source: Domino's/Arena Media (2012)

This identified 'Family Feasters' (parents with children aged 6 to 14) as a key growth opportunity beyond the existing heartland of 18- to 34-year-old 'Social Snackers'.

So, a new audience to speak to, but how? And about what? What did (and could) Domino's mean to them and could this unite our approach to both audiences?

We needed to go deeper, so carried out an ethnographic study and social listening amongst both audiences. It found that strong emotions were attached to takeaway occasions – they meant more to people, were precious, social occasions in their busy lives. Furthermore, Domino's was unique in being not just a provider, but an active participant in these occasions, turning them up a notch.

*"When we have his (son's) friends round and we say we'll have a Domino's all of a sudden it becomes a party... We're not having a pizza, we're having a Domino's... it's a big thing"*

Fig 1.9: Quote from Domino's Ethnographic Research Source: Iris (2012)

Further social listening further evidenced that Domino's provoked a level of positive emotional reaction far beyond that of its competitors.

It became clear that Domino's could leverage its role in customers lives and occasions to win a greater share of them and rise above the category clutter,

supporting the 2010 vision by delivering on 4 key customer-centric marketing objectives:

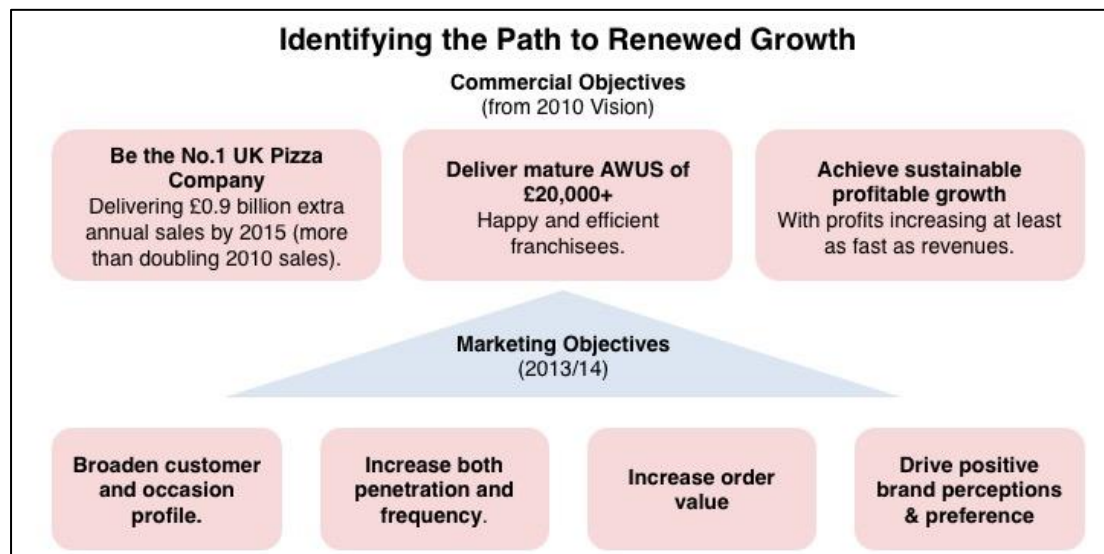


Fig 2.0: Identifying a new path to growth, Source: iris

This shift in focus culminated in a new marketing model from Domino's, driven by the needs and perceptions of the audiences, rather than the timings of new menu's and new products. It acknowledged Domino's role as a participant not just a provider by pivoting it's marketing around participation, not promotion.

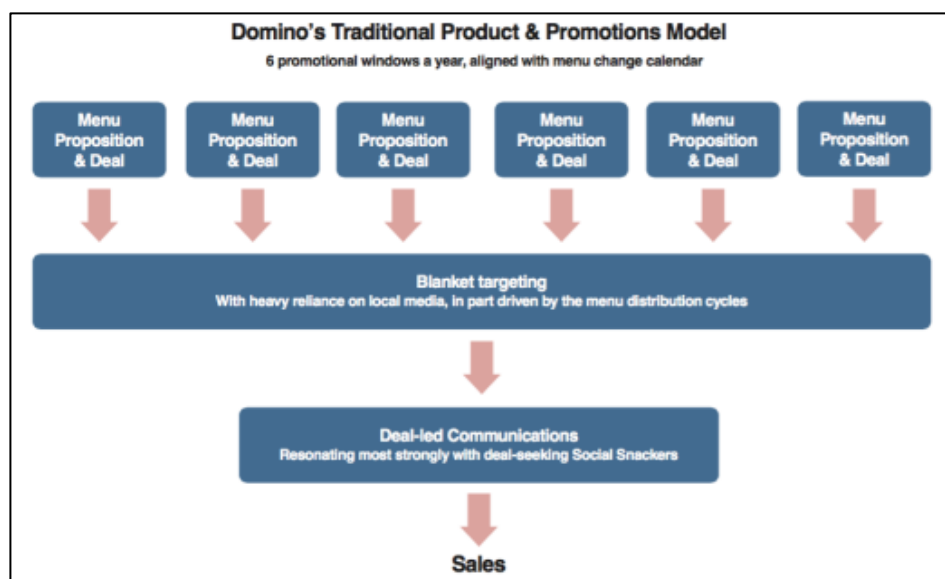


Fig 2.1: Domino's traditional product and promotions-led communications model



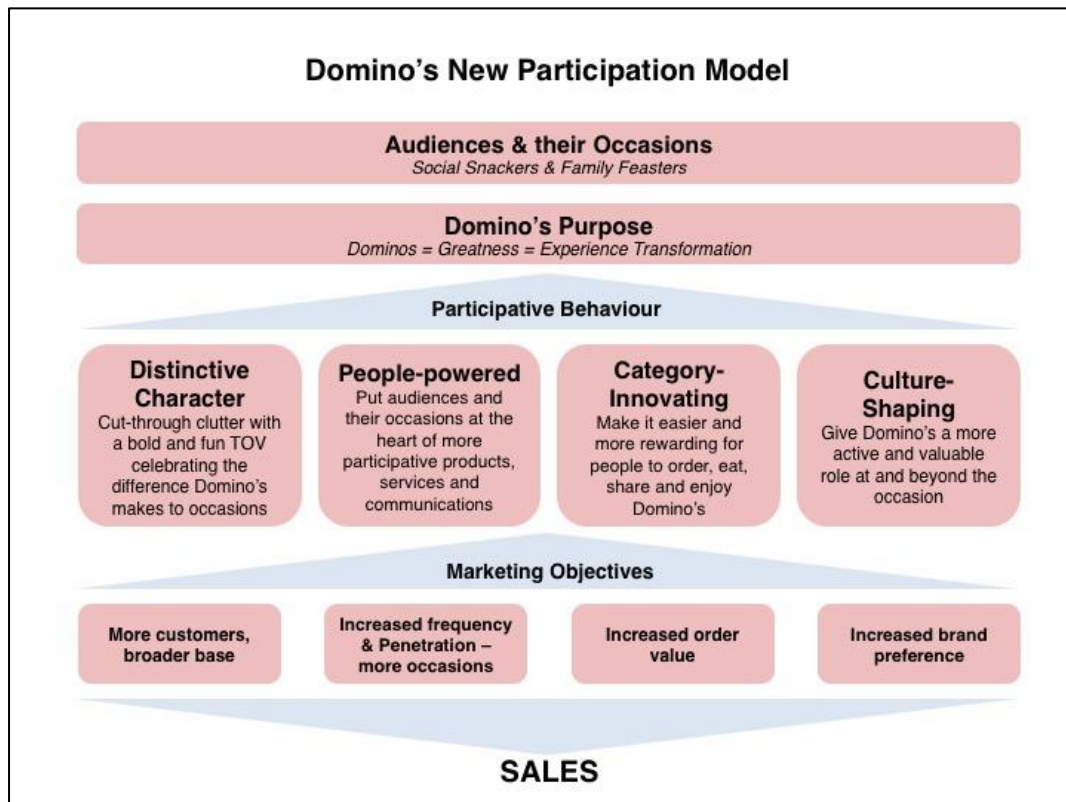


Fig 2.2: Domino's new Audience & Occasions-led marketing model

### A More Purposeful Brand

We refreshed the core thinking at the heart of the brand, with the aim of injecting more customer-first thinking. We created a new Passionate Purpose – a more meaningful role for Domino's that all stakeholders could rally behind:

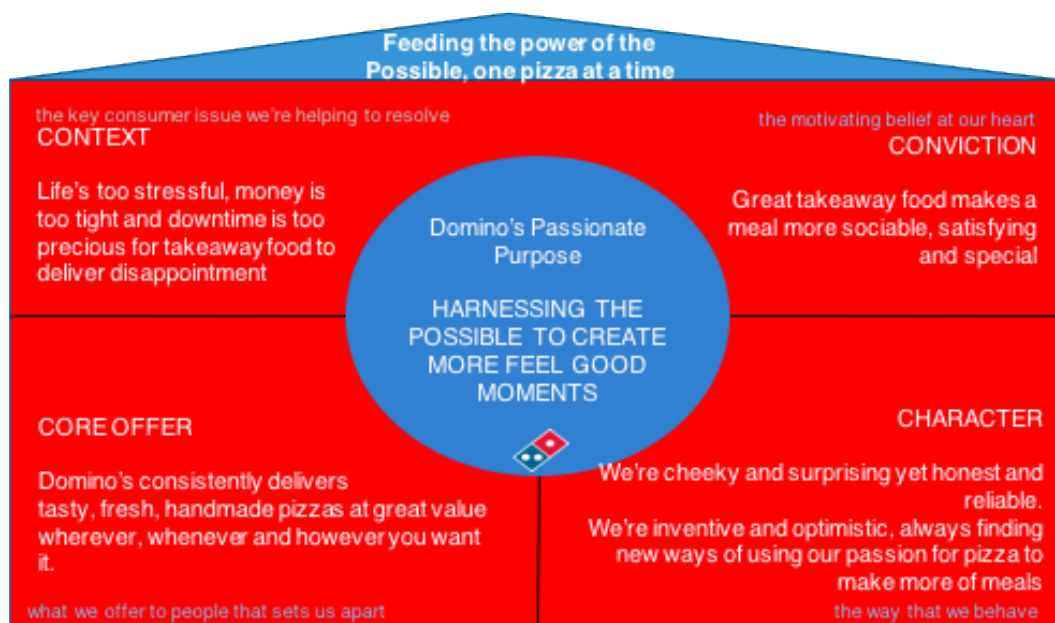


Fig 2.3: Domino's Passionate Purpose Source: iris (2014)



## A More Distinctive Character

Until this point any sense of Domino's as a brand had been delivered through functional promotions and a functional brand line – 'It's What We Do' - resulting in a narrow product focus and a functional, tactical feel to communications.



Fig 2.4: Examples of typical Domino's communication (2010)

To be distinctive we needed a brand platform that would communicate more than just what we do, but what it does and how it feels. We needed something that **wouldn't just allow us to talk about and celebrate these feel-good moments**, but that would feel good in itself.

Enter a new, more emotive brand idea, that would combine what people loved about **Domino's** with what they wanted from their take-away occasions:

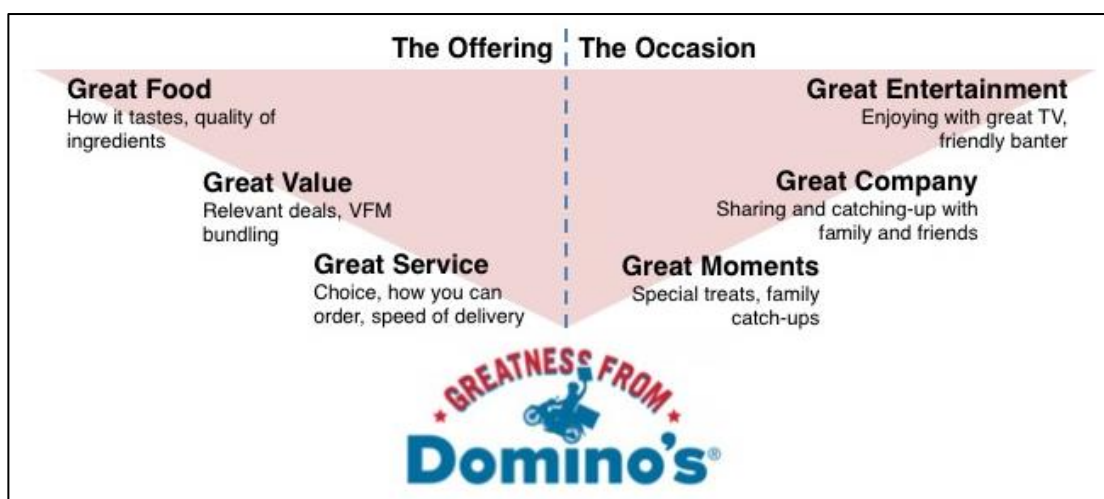


Fig 2.5: The Origins of Greatness Source: iris (2013/14)



Fig 2.6: Domino's 'Greatness From Domino's' TVC mnemonic Source: Domino's/iris (2013)

To further distinguish the brand and feel closer to customers, **Domino's tone** needed to be addressed. We re-defined and enriched it, to make the brand more like a **partner to our audiences' feel-good occasions**:



Fig 2.7: Domino's Greatness TOV Template Source: iris (2014)

## People-Powered Products & Communications

Rather than continuing to launch a new pizza and deal every 2 months, NPD under '**Greatness...**' would focus more on whole meal solutions. This meant the addition of new drinks, sides such as chicken strippers and desserts such as doughnuts and cookies.

Product communications became less promotion-led and more occasion/customer-led. It began with the re-framing of Domino's January value deal as the Winter Survival deal in early 2014:



Fig 2.8: Winter Survival Deal campaign executions Source: iris (2015)

The new behavioral template also gave Domino's the ability to be more customer-focused even around broader propositions such as taste, as with the 'Boggles' campaign in 2016 which dramatized the feelings the taste of Domino's provoked and allowed customers to dramatize and share their own using gifs and social media filters.



Fig 2.9: Domino's Boggles Campaign key image and social/Snapchat activation Source: iris (2016)

### Category Innovating Services

A new customer-centric personalization service was launched that was a fun, interactive way of creating your favourite pizza for your favourite occasion, sharing it with friends and storing it for easy ordering in the future – **'Pizza Legends'**.

New ways to order **were also introduced, making** 'Greatness...' more accessible closer to takeaway occasions, from a new ordering app within the X-box Live platform, to a new Easy Order app and Pizza Tracker:





Fig 3.0: Domino's Service Innovation & Communications – Pizza Legends, X-box, Easy Order, One-Touch Source: iris (2014-2016)

### Culturally-connected Channel Activation

The audience-first approach produced a considerable shift in channel use. Rather than continue to push deals using cluttered, un-targeted channels, the focus would move closer to occasions and passion points.

In broadcast channels this was reflected in the TV phasing strategy and sponsorship of key 'occasion properties' such as the X-Factor and Hollyoaks.

On a more narrowcast level, it led to Domino's being the first brand in the category to exploit the power of social and mobile channels to drive purchase and participation closer to occasions.

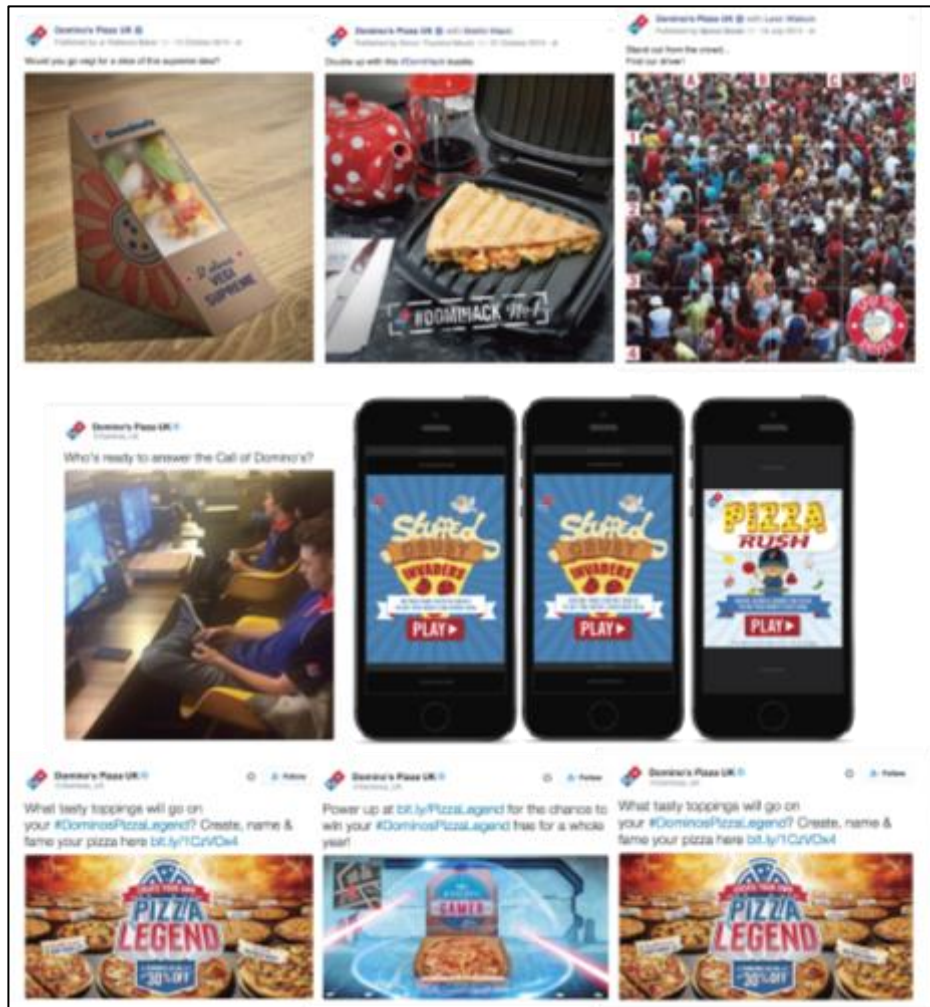


Fig 3.1: Selection of Domino's participation and conversation-driving social and mobile activations Source: iris 2014-15

This opened up new routes to engagement, such as social content, topical PR stunts and new branded events based on passion points pizza:

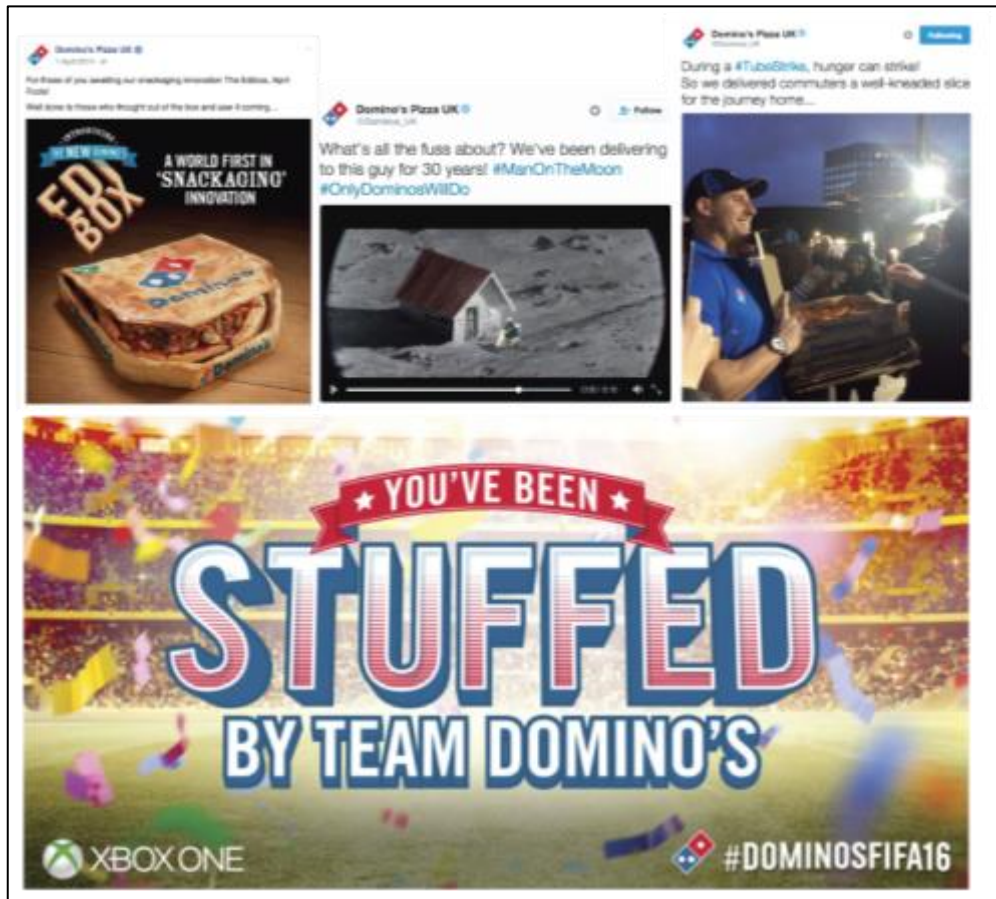


Fig 3.1: Domino's UK April Fools, #tubestrike, #manonthemoon and FIFA 16 activations

### A More Participative Marketing Calendar

All of the activity was delivered within a new marketing calendar. Whereas previous calendars were built solely around new deals, it would now be re-shaped around 3 layers of comms – those that delivered key campaigns in a more purposeful, emotional way; those that tapped into occasions, passion points and popular culture and those that were optimized to drive conversion closer to the point of purchase.



Fig 3.3: Domino's Comms Model, Source: iris (2015/16)



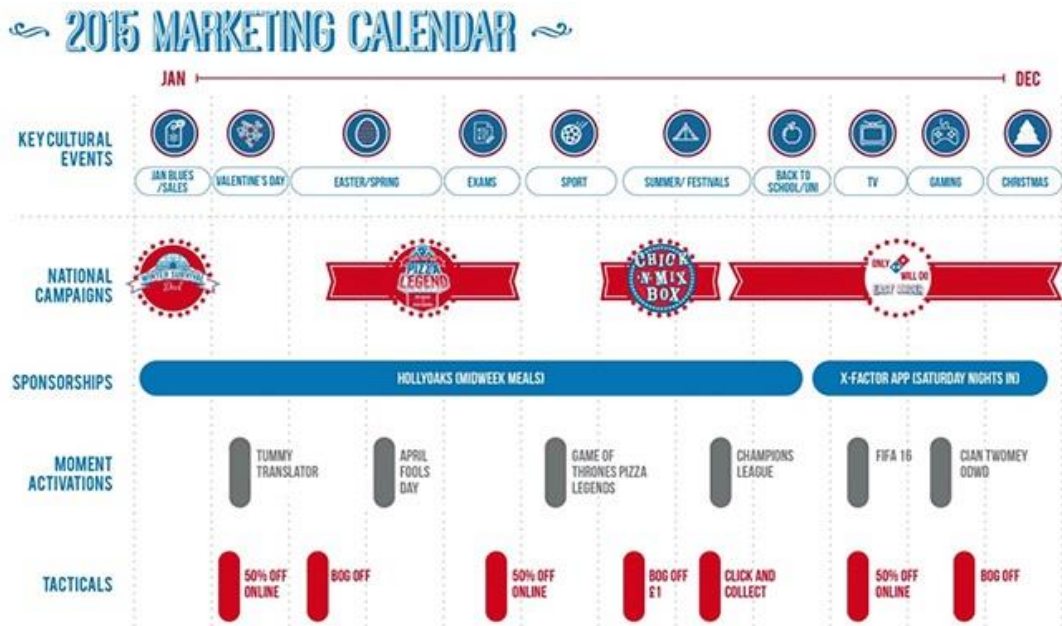


Fig 3.4: Domino's Marketing Calendar Source: Domino's / Arena Media (2015)

## Delivering Sustained Growth: Results

### Increasing Sales & Order Value

The more participative marketing model **didn't just help** Domino's stem the decline, but accelerated growth and profit.

By the end of 2015:

- **Domino's became the number-one** pizza brand by market share and preference.
- Sales doubled, and e-commerce sales quadrupled, from 2010 to 2016.
- Average weekly sales for existing stores exceeding £20,000.
- Group profit and share price doubled in value vs. 2010.
- Like-for-like sales growth has steadily increased every year since falling to just 3% in 2011.

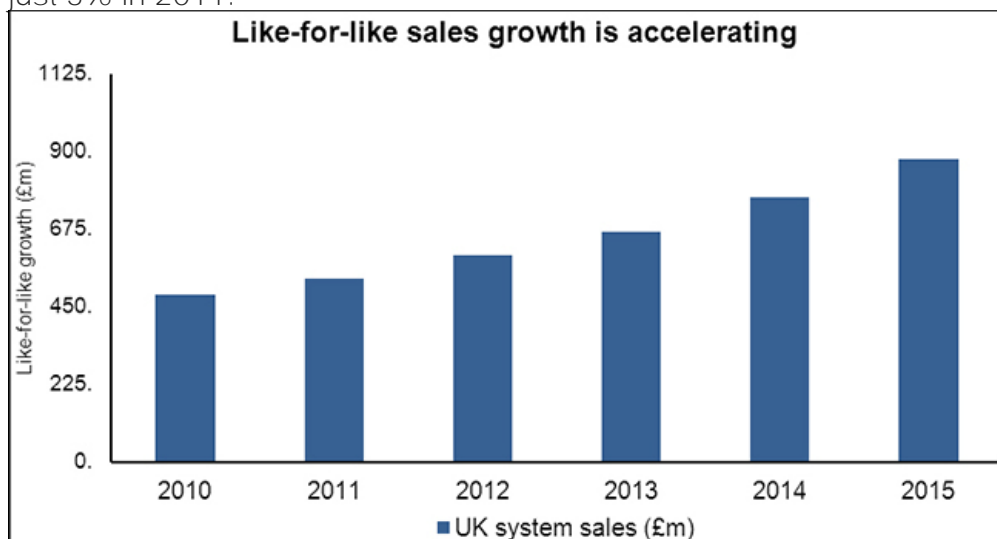


Fig 3.5: Domino's Pizza Group UK Annual Sales Source: Domino's Pizza Group Annual Reports 2010 – 2015

Group revenue and underlying profit accelerated in 2014 and 2015, up 93% since 2011. This pushed Domino's Pizza Group's share price to a historic high by August 2016 – more than double what it was in 2010.

Domino's has outpaced growth in the pizza category and beyond, being the only large fast-food chain (£500m+ annual sales value) to grow at an average of over 10% in the last three years.

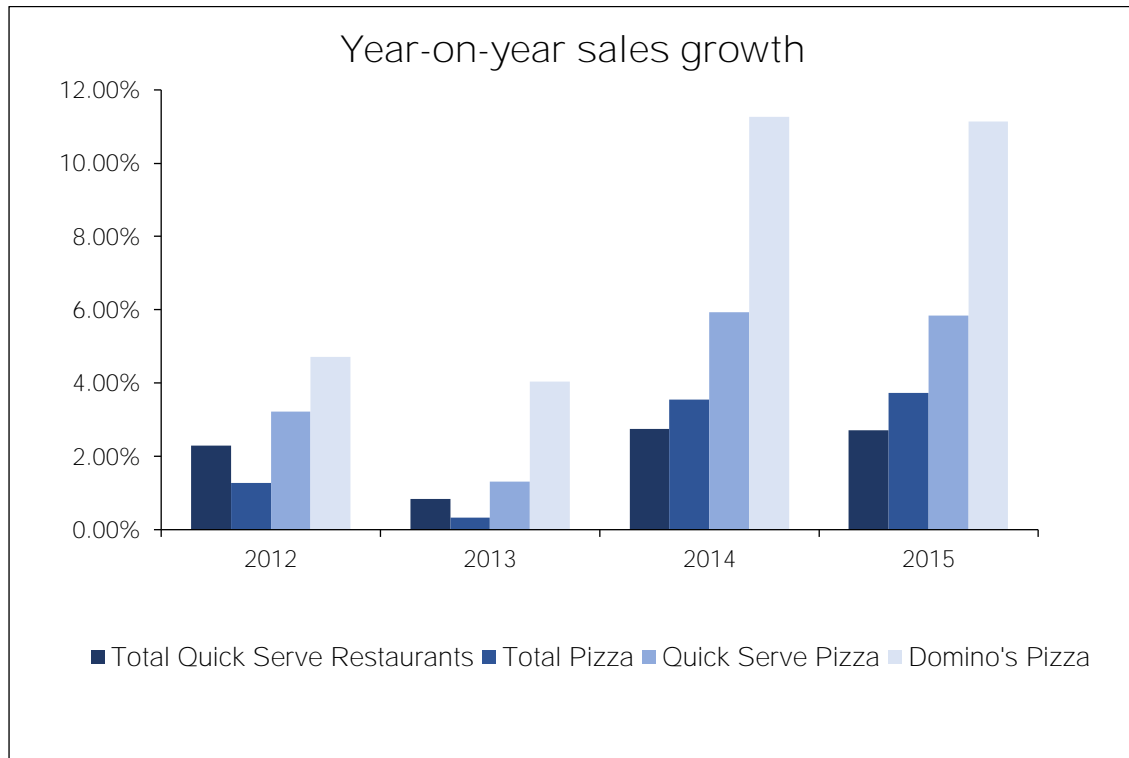


Fig 3.6: Quick service restaurants sales growth 2012 – 2015 Source: NPD Crest

Despite Domino's SOV decreasing over the last five years, from 11% in 2011 to 8% in 2016, the new strategy drove market growth disproportionately higher than increases in marketing spend.

#### Broadening Customer & Occasion Base

Growth has been driven by both steady new customer acquisition, as well as increases in the number of returning customers.

The customer base has also broadened in profile, with the profile of Domino's customers growing considerably amongst the new '**Family Feaster**' group, whilst still attracting 'Social Snackers':

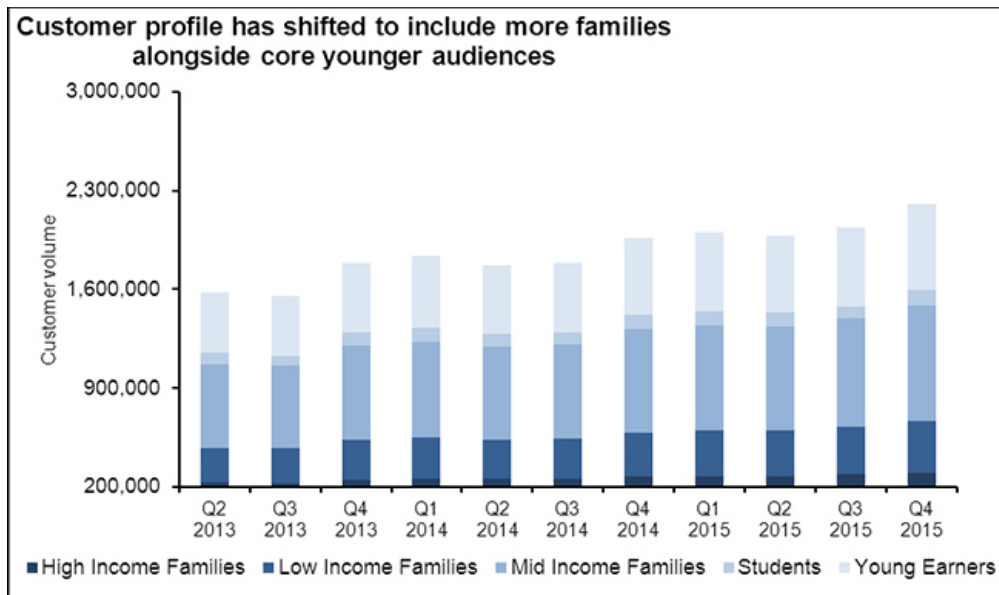


Fig 3.7: Domino's customer type by Mosaic group 2013 – 2015 Source: Domino's Pizza Group internal reporting

### Driving Brand Preference

The tone and customer-centricity clearly resulted in more positive perceptions of the **Domino's brand and offering** and by October 2015, **Domino's** had become the most preferred pizza brand, favourite and most 'loved' pizza choice by a significant distance.

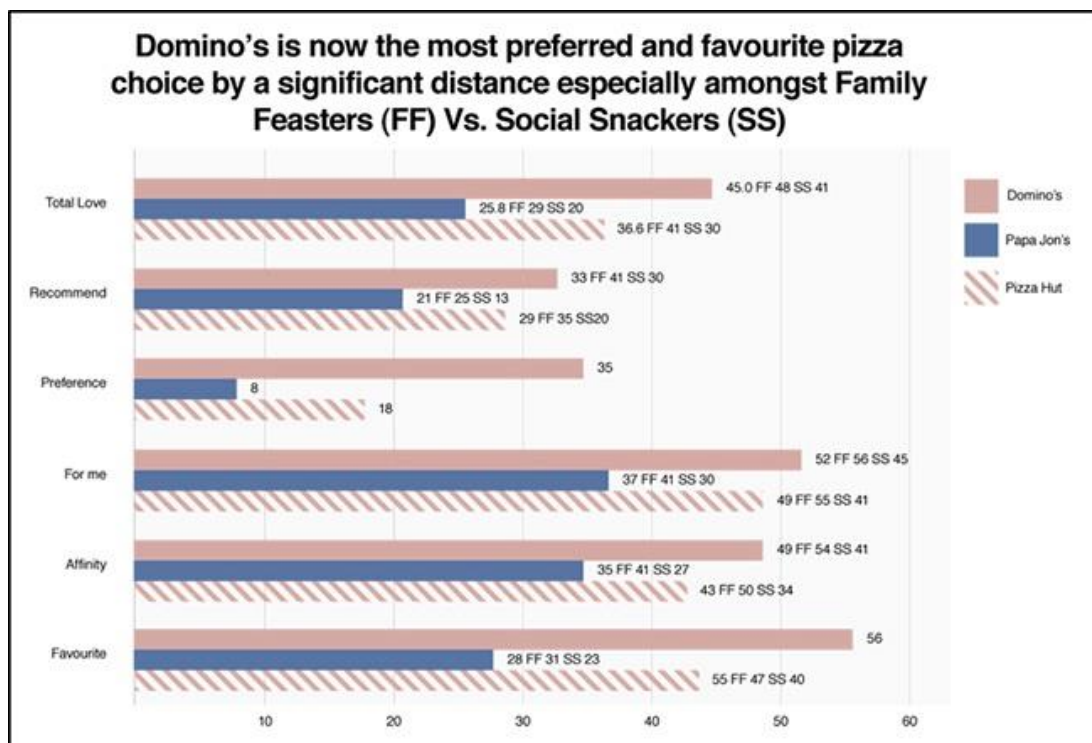


Fig 3.8: Brand tracking – brand 'love' vs. Papa John's and Pizza Hut Source: Domino's Brand Tracker, Brand Ignite (October 2015) Base = Family Feasters & Social Snackers

This increased preference was also achieved against a wider set of competitors:

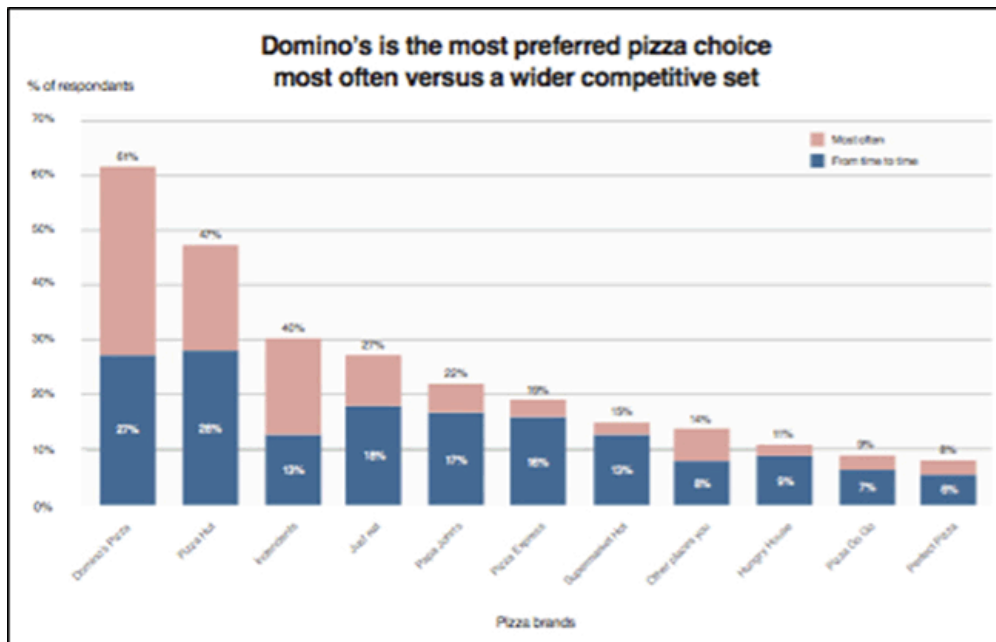


Fig 3.9: Brand tracking – pizza brands ordered from. Source: Domino's Brand Tracker, Brand Ignite, (October 2015) Base = Family Feasters & Social Snackers

### Communications Effectiveness & ROI

Given these results, **it's no surprise that since the strategy's** implementation, communications have become more effective.

Econometric modelling isolates the contribution of marketing and shows how participative marketing has steadily increased return on marketing investment. We have built econometric models to calculate both revenue ROI and a profit-based ROMI. Marketing communications generated £230m of incremental revenue from the launch of 'Greatness...' to March 2016. Profit ROI has improved every year, growing to 31% (1.31) in 2016.

This means that communications have put an average of £287,000 profit back in the pocket of each franchisee since 2014, fueling further growth through re-investment.

Like-for-like base sales have increased from £11.5m per week to £15m per week since the launch of Greatness, meaning that both mature and new stores now generate more sales.

Since the change in strategy, communications have generated a revenue ROI figure of 4.8:1 – more than double what it was in 2011.

## Conclusion

Through the adversity of a sudden slowdown in growth and increased competitive pressure, emerged a new model for **Domino's marketing behavior and a new path to growth**.

It may not have seemed revolutionary to put customers first, but to embed this **thinking in the heart of the company's** behaviour, galvanise multiple stakeholders and apply its principles consistently and innovatively across a sustained period was an achievement worthy of the term '**Greatness from Domino's**'.

Word Count (excl. Figures, charts and labels): 1,682 words