

Position Paper: Domino's Turnaround

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Overview Statement

Domino's Pizza has successfully been able to shape their marketing and public relations strategy for over half a century since it first opened. Domino's survival and fast paced growth is credited to their capability to remain steadfast to satisfying the consumer's needs. Domino's constantly keeps a watchful eye on the consumer reaction to specific product and pricing. The ability to see their company from the customer's viewpoint is a significant advantage for their corporation. The company also owes its success to the fact that they know how to extricate themselves from the other competitors at hand.

Domino's has had great success when it comes to dealing with the consumers. Domino's has taken the competition to the next level with its slogans and taglines over the past years. They created new and different kinds of crusts, added new menu items, and even created an insulated carrier to keep the pizza hot when being delivered to the customer's home known as the "heat wave." One of the smartest things Domino's took advantage of was people's impatience. They came up with a slogan that promised buyers their pizza in 30 minutes or less or else the pizza was free.

Domino's has seen much success over the past 50 years due to the risks they've taken, but the company also has taken some serious hits and losses. A video produced on a camera was posted on a Youtube.com, a popular social media internet site. The video contained distressing footage of two Domino's Pizza employees mishandling the ingredients by various unsanitary methods (The Today Show April 2009). In only a few days, the video was viewed over one million times on the internet site You Tube. The Domino's Pizza brand was in serious jeopardy. Domino's found itself in a fish bowl where the public was judging them with every move they made.

Domino's went straight into crisis management and damage control by taking advantage of social media. They immediately set up a Twitter account to handle consumer's questions and comments. They also posted a video themselves which included an explanation and apology directly from the CEO.

One of the most recent problems came with the question of how their pizza tasted. Domino's pizza has had the same recipe for over 50 years since when it first opened, however; recently, customers have criticized the pizza's taste and flavor. In a focus group held by Dominos, people were asked to describe what they tasted after eating their pizza. "Worst excuse for a pizza I ever had," "Domino's pizza crust to me is like cardboard," and "The sauce tastes like ketchup," are just some of the examples that were said at the focus group (Washington Post 2010). Domino's knew it had to make an adjustment after its deliveries had gone down to 6% (USA Today 2009).

Domino's decided to face the comments and remarks head on by launching a new campaign called "The Pizza Turnaround." This campaign highlighted consumer empowerment and company inferiority, as Domino's changed its almost 50-year-old recipe to please its public. They now strive for fresher ingredients, a new crust and zesty sauce after exposing the harsh customer criticism. They, as a company, also have vowed to do a better job at pleasing the customers over all. They've aired several commercials and created internet videos about their new campaign to start from scratch. The chief executive of Domino's, Patrick Doyle, has appeared in the commercials and videos himself looking the public in the eye promising to do better and up their performance concentrating on the taste of their pizza. "We think that going out there and being this honest really breaks through to people in a way that most advertising does not," Doyle states (Washington Post 2010).

After their new recipe was created and put into action, the Domino's Corporation personally visited the homes of the people from the previous focus groups. They took with them the newly created pizza and insisted that the consumers sample it. The people were delighted and pleased with the newly developed recipe.

Domino's was wise in the fact that they faced the public head on when things in the company spiraled downward. Not only did the head of the corporation come out to apologize; franchise owners around the country have also dealt with the problems face to face. The company realizes the brand's name suffers when anything goes wrong. It suffers whether it was the two employees tainting the ingredients, or whether it deals with how the pizza tastes altogether. It is up to the company to earn back the consumer's trust and bring back high expectations that the customer can come to rely on. With that in the company's mind, they stepped up to the plate and brought social media into the mix of its new campaign and strategies.

Definition of Issue

Although Domino's brand name has suffered in the past, it has come a long way when it comes to the social media aspect. Before the different calamities, Domino's did not have any social media presence. They were up to par when it came to broadcasting and commercializing their slogans and taglines, but fell back in the game when it came to the being technologically savvy. The downfalls in the company did smear the brand name but it also created an opportunity for Domino's to reestablish itself in the public eye with the different kinds of social media. "Probably a couple of years ago, most brands realized that they weren't in control of their

message anymore," Weiner said (Brandweek, 2010). Weiner wanted to get that control back in his hands.

Once the crisis started, they established a Twitter page to update people about the investigations and a play by play on what was happening in the background. They started a Facebook page to contain the spread and to obtain viewer's opinions on their company. They also successfully were able to get their CEO to create a YouTube video to apologize for what their ex-employees had done. Using this new found knowledge on social media coupled with the brand's honesty, they created an online campaign rejuvenating trust in the brand name. By realizing the need for social media the company was able to use Twitter and Facebook to strengthen the brand and show its followers how intent they were about delivering better pizza to their customers.

Pizza in and of itself has a variety of publics. Everyone eats pizza; from the poor to the rich and the young to the old. With so many types of pizza flooding the market it takes a special promotional ploy to be able to expand the brand and really stay on top of the market. Specific publics are: children (slumber parties, birthdays, events etc) babysitters, and college students. All of these publics want a warm, delicious meal at a low price without ever having to leave the house. Dominos had to resort to guerilla marketing to not become obsolete. If the company was fading into the masses and going under they had to do something to at least get customers to try their product just one last time and potentially boost sales. The issue was of immediate concern. The company had developed a bad reputation which; thanks to You Tube spread like wildfire. When brought to the attention of Chief Marketing officer Russell Wiener he devised a 50 million dollar campaign to bring customers back and eventually caused its stock to rise over 70 percent in a year's time (USA Today 2010).

Regarding the Dominos campaign; the strengths were that they had a budget in which they could flood the market with their new advertising campaign and that they were aware of what was going on. If the company had ignored the video made by their employees and not gone into crisis mode they would have eventually had to shut their doors for good. Another strength for the company is that they were willing to admit their faults and make a change. Dominos was willing to perform focus groups and listen to what the customers really want when ordering a pizza.

Weaknesses are that the company didn't notice the video and demand it be removed from You Tube immediately. A major aspect of PR is researching your company's name and being aware of any mention in the news and social media sites. Dominos could have avoided a lot of trouble if they had been made aware of the video a lot sooner. Although the campaign has proven to be successful so far it is hard to tell if it will have any lasting effect. What will Dominos do the next time a crisis arises? Since they've already pulled out the "big guns" they need to go ahead and make a new crisis plan in case they are ever faced with a similar situation in the future.

Anyone in need of a campaign; whether it is for marketing or public relations can definitely learn from Dominos' experiences. Dominos appealed to the customer by apologizing first and then doing everything possible to make it right. Like Dominos demonstrates; campaigns need to begin with research and listening to what the customer wants and then making an action plan and completing it. Dominos used two of the four PR communication models. The campaign relied heavily on the two way symmetrical model. Dominos communicated and negotiated with its publics to resolve its problem of bad tasting pizza and the unflattering You Tube video. Dominos also heavily promoted the mutual understanding and respect between the company and its consumers. The other model of communication used by Dominos is the publicity model. The

publicity model uses one way communication to influence the audience to behave as the organization desires. Dominos desperately needed consumers to come back and try the product just one more time. By showing commercials filled with apologies, testing and improvement they persuaded customers to come back to the company and try their new and improved product.

This campaign implemented by Dominos was obviously very thorough and well planned. The company was able to prove to its customers they were improving and provided a better product and increase their profit share; thus bringing back customer loyalty and improving revenue.

Running head: DOMINO'S TURN AROUND CAMPAIGN

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Domino's New Pizza Campaign Position Paper II

Background Analysis

At the end of 2009, Domino's Pizza threw out its 49 year old recipe and replaced it with a "new and inspired pizza" recipe.

Issue

Domino's Pizza was hit hard by the bad economy, and in early 2009 its sales had declined by 6%. Also, people's tastes preferences were changing. Many customers were complaining about Domino's pizza not being flavorful, which led them to stop buying their pizza.

Domino's prides itself on being the fastest and leading delivery pizza chain. But if people are not buying their pizza, then they have no one to deliver to. Russell Weiner, marketing chief at Domino's said, "The best defense is a good offense...we weren't winning against everyone on taste."

Resolution

There are several environmental factors that affect the corporation of Domino's Pizza. How to read and decipher these factors will allow the company to employ the same forces it's being affected by. Domino's issues are affected mostly by economic and social factors.

Economic factors concern the nature and direction of the economy in which a company will perform and function. Each company must consider segments that affect its industry such as the way consumers are affected by different marketing strategies or even something as to an international or national disaster. Marketing and advertising or a world disaster affects consumer's spending habits in a positive or negative way. Different marketing strategies could positively affect the consumer by promoting a new commercial or campaign which makes them spend money and in turn positively affects the corporation. A world tragedy such as Hurricane Katrina or the earthquake in Haiti had a negative effect on the economy causing customers to spend less money. The pizza industry is a 35 billion dollar industry, and Domino's makes up 1.5 billion of that amount. Most of that dollar amount is spent by college students, and perhaps implementing a campaign that targets families and older people (people who haven't tried them since college) will capitalize on their strengths of convenience and their weakness of poor quality. Ever since the Youtube video of the two employees tainting the food while at work; people have not been eager to spend their hard-earned money at Domino's. By utilizing their "Turn around" campaign and

pouring millions of dollars into their efforts and campaigns, Domino's has successfully been able to win back their customer's trust and loyalty.

The social factors that affect a company involve the beliefs, opinions, and attitudes of the corporation's consumers developed from religious, cultural, educational, and ethnic backgrounds. Whenever a consumer is dissatisfied, it is more likely that they will make their opinion and experience known than compared to if they experience a positive occurrence. One way consumers share their opinions is through social media online. Customers have shared via Twitter, Facebook, and blogs how disappointed they get with Domino's; whether it be the quality of their food, the disturbing Youtube video, or the customer service. Domino's took action and utilized the same social media tools as the ones that customers were using to voice their thoughts and apprehensions. Domino's immediately set up a Twitter account to apologize for the Youtube video incident. Domino's also developed a Youtube account and made a video of the CEO publically apologizing again about the incident. Since then, they have developed a Facebook page and have started using social media as a way to communicate more effectively with their consumers. By taking advantage of the social and technological factors, Domino's has been able to win back support and trust from their consumers.

Description & Analysis of Supporting & Opposing Groups

Supporters

Those Opposed

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