

A Comparative Analysis of Marketing Mix of Domino's Pizza in the US and India

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Abstract

This study examines the marketing mix done by Domino's pizza in two different important markets. The purpose is to analyze and acknowledge the similarities & differences between the marketing strategies which were implemented by the organization. For comparative analysis, this study focused on the 4Ps of the marketing mix, which is based on product, price, place & promotion. The study's outcomes are that Domino's pizza has adopted a different kind of 4Ps in their marketing mix on both localization and globalization approaches.

Keywords: Marketing strategy, 4Ps, Marketing mix, SQR, Domino's

1. International Marketing Mix:

Philip Kotler has defined the term “marketing mix” as – “The set of controllable variables that the firm can use to influence the buyer's response.” First explained comparative descriptions which describe how marketing is carried out in different countries, the second determinant is comparative reasons that describe the structural determinants attached to the US and the third is the comparative prescriptions on how a country is positioning itself to specific marketing techniques and operations through multi-domestic firms. International Marketing is the application of marketing principles to satisfy the varied needs and wants of different people residing across national borders (Business Jargon). Additionally, when an organization introduces its product in the international market, the industry must focus on cross-functional integration, and coordination and less on functional adjustments across national boundaries. Also, give attention to transnational similarities in the target markets and try to reduce the differences in the global market.

James Culliton, in 1948 described the role of the marketing manager as a “mixer of ingredients”. The marketing mix concept was introduced by Neil Borden, the president of the American Marketing Association in the year 1953, in his article titled “The Concept of the Marketing Mix.” He started teaching the term after he learned about it from an associate, The objective of the marketing mix is to give maximum satisfaction to consumers or the target market. The term “marketing mix” was first coined by the American Marketing expert

James Culliton. The well-known American Professor Jerome McCarthy described the “marketing mix” as the 4Ps- Product, Place, Price, and Promotion. After that, the terms “marketing mix” and “the 4Ps” have been used synonymously.

When an organization promotes its product in the international market, it is compulsory to study customers’ demands, choices, teasing, behavior, and preferences. For this, it’s mandatory to study the target market and according to the result develop a strategy. Hence, we presumed that organizations use different models of the 4Ps in the global market. In this case, we study Domino's Pizza which has adopted a largely franchisee-operated business model and is operated mainly by independent franchisees. The company sells pizza in more than 90 countries. As it has successfully built its global standardization as its value of products, here our main focus is on Domino's marketing mix strategies in US and India.

1.1. History of Domino's

In 1960 Tom Monaghan and his brother, James took over the name of Dominick's. In 1965, Tom Monaghan purchased 2 additional pizzerias; as of now, he had 3 stores in one country. In the same year, Monaghan renamed the business name Dominik to Domino's Pizza and also introduced a company logo, where 3 dots represent 3 outlets of the company. (Wikipedia,2022)

1.2. Domino's and International Franchising

In 1967 the first Domino's Pizza franchise store was opened in Ypsilanti, Michigan. The concept of franchising dramatically helps the company's growth. In 1978, 200 Domino's stores opened, and in 1983 Domino's opened its first worldwide store in Winnipeg, Canada. In that year, 1000 Domino's stores opened. In 1985 Domino's introduced 954 new outlets, making a total of 2,841.

Presently Domino's is the largest pizza store chain in the world with 18,848 stores as of January 2022. Entrepreneur Magazine has voted Domino's Pizza "the best franchise opportunity in the pizza category" every year since 2004. As per the updated estimation, 98% of Domino’s pizza stores are owned and operated by independent franchisees. From the first franchise store and since then it expanded dramatically in the domestic and international markets. (During the pandemic situation in the QSR sector in the US and other markets, the company experienced growth in sales and revenues driven mainly by its investment in digital technology.)

1.3. Domino's and India Franchising Industry

Domino's entered India in 1995 when the country's economy granted permission for globalization and opened its first outlet in Delhi, India in 1996. Jubilant FoodWorks started its business under the name Domino's Pizza India Private Limited in 1995. With the fast-food market booming in India within a decade, Domino's India has celebrated its share of profit as nicely. While the dine-in alternative flourished, the technological growth did not depart the food area unscathed. In the first quarter of 2014, Jubilant Foodworks inaugurated the 700th Domino's Pizza outlet. In the next 24 months, they went on to open 300 more outlets, making India only the second country after the United States to reach 1000 stores for Domino's Pizza. After being in operation for over 20 years now, Jubilant Foodworks has over 1000 Domino's Pizza outlets in India.

To be positioned, Domino's India became lagging behind McDonald's India in 2012, but after four years Domino's has doubled the store in comparison to the latter and enjoys a 16% market proportion within the Rs 100 Billion Indian Chained Food Service Industry. Its closest competitor within the pizza marketplace, Pizza Hut India holds a meager 4.4% market share, which reflects the grave difference between the two. Domino's India has said that it enjoys a database of around 20 million unique customers, showing its sustainability in the Indian Pizza market. The '30 minute or free delivery' has helped the firm create an image of a reliable brand. Connecting with the government, Domino's had additionally begun pizza delivery to railway passengers in 2015, and in March 2016, Domino's announced that they could double their railway reach from the present 60 stations to over 130 within the coming months.

2. Domino's Marketing Mix

2.1 Product

Domino's is widely recognized for its quality and fresh pizza. The packaging box for the meal products is mainly designed to keep everything fresh and hot. They offered both vegetarian and non-vegetarian pizza as per the market demand. To capture the market Domino's has worked on a unique idea of localizing flavors. However, the company recognized customers' demand so it expanded its product line and included sandwiches, pasta, boneless chicken and chicken wings, bread and dips side items, desserts, and soft drink products in its menu card. The Domino's menu also majorly consists of numerous sorts of pizzas, bird crusts, flavored bread, plates of pasta, side dishes ranging from dips, desserts, chicken items and sandwiches, burger pizzas, mousse cake, and choice of toppings. The beverages and different cold drinks again are tied up with Coca-Cola.

2.2 Promotion

Domino's does advertising and marketing aggressively in its marketing mix. Domino's does the majority of its promotions on its websites, mobile apps, and personalized SMS to loyal customers to gain more interest by making them aware of offers. Domino's promotes itself via TV advertisements claiming to deliver pizza with a 30-minute guarantee for home deliveries. Additionally tied up celebrities regionally to better connect through Domino's advertisements. Domino's has used print media to create awareness of various products introduced to the menu. Domino's offers discount promotions on the festival or special days of the week ranging from 10% discounts to complete pizza free.

2.3 Price

The level of price competition in the US QSR sector is very high since competitive prices are critical to maintaining business and customer loyalty apart from the food quality and service. In the QSR sector, a high level of competition and most well-known brands follow a competitive pricing strategy. It is in Domino's policy to serve great quality food at a reasonable price with excellent customer service. The key strategy of Domino's pizza is competitive price, so that company enjoys customer loyalty in higher demand in national and international markets.

2.4 Place

Domino's covers Asian markets, particularly India, China, and Japan. In 2021 Domino's stores significantly increased. Worldwide, the total number of Domino's pizza stores reached 18,848 in January 2022. In the Indian market, the number of Domino's stores increased from 1,313 to 1,495 last year. The company also manages supply chain operations in the United States and Canada. Domino's operates 21 zonal dough manufacturing and supply chain centers in the U.S., two thin-crust manufacturing units, one vegetable processing center, and one center providing equipment and supplies. Independent franchisees operate around 98% of the company's stores. In January 2022, Domino's's had 375 company-owned and 6,185 franchised stores operational in the United StateThe number of international stores was 12,288 in January 2022.

3. Comparing Marketing Mix Strategy between US and India

Marketing Mix	US	INDIA
Product and Service	Mostly offered non-veg pizza. Especially added chicken in pizza, pasta, and sandwiches. Also uses buffalo chicken to attract more consumers. Additionally added a variety of chicken products to the menu. These ingredients differentiate from the Indian menu. The marketing strategy is to deliver pizza within 30 mins to target major pizza lovers. And it was assertively responded to by consumers.	Offering veg and non-veg pizza with an Indian taste. Several recipes are prepared as per Indian consumer preferences. So the menu card and taste are quite different from the US. But the home delivery of the product is the same as in the US. This 30mins delivery grabs major market shares and helps to convert them into loyal consumers. This marketing strategy succeeded in the Indian market.
Price	Domino's primary target is the lower middle-class and middle-class income segment. The best quality with fair pricing is the aim of the organization. Domino's has come up with a standardized and coherent pricing policy. This keeps the bottom price in inspecting and helps the company to draw customers towards them.	The prices are differentially accomplished with three sizes available and the non-vegetarian pizzas are charged comparatively high. Also, the pricing of pizzas and other food products in its marketing mix is so done that the segment one size is food service to does not overlap with the other
Place	As per the Record 193 stores were increased in 2020, according to the latest record of 2021 total number of stores of Domino's pizza in the US is 6185.	According to statistical data(2021), in India, more than 1400 stores are available. When we compare it with the previous year it is significantly higher in South Asian countries.
Promotion	In the year 2020, Domino's pizza sold approx \$8.29 billion US dollars pizza in the US, and that will be considered the leading pizza restaurant chain in the United States in 2020.	Domino's Pizza's increased annual revenue for 2020 was \$4.117 billion, a 13.78% increase from 2019.

4. Conclusion

- This study found that Domino's pizza adopted an almost similar approach to its 4P marketing mix in India & US outlets. The approaches are dependent on customers' demand and good quality products in competitive pricing and not providing food but delivering it within 30 mins so consumers get a valued product. So Domino's pizza not only focuses on improving products but also focuses on within-time delivery services. Wherein organizations create a different impression among consumers and this strategy helps them to create a list of loyal customers.
- Maintaining the times like covid-19, people already have moved their concentration to safety concerns. Domino's has been ahead of its competitors by attempting to communicate its product to be safe and with zero contact delivery. Citizens have been able to believe the brand and this has helped them become a selection over the competitors.
- Budget customers have always been taken good care of by the brand through daily value meals, cash back, and other cash points in transactions conducted over the Domino's app. Regular offers and discounts are offered to all the customers making prevalent orders through the mobile application.
- Additionally, to attract more customers, they promote their products in TV commercials where family or friends celebrate any festival with Domino's pizza. Domino's pizza tries to connect any joyful movement with pizza only.

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