

A STUDY OF CUSTOMER LOYALTY WITH REFERENCE TO DOMINOS

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Abstract -

Dominos Pizza is the second largest franchised pizza chain in the U.S.A., and the history of Dominos Pizza is similar to its rival Pizza hut; two brothers started it with borrowed equity in the sixties. Tom and James Monaghan bought a small Michigan Pizzeria called Dominick's, which was jointly run by them until James traded his share for a second hand car. Tom revitalized the image by changing the name to Dominos Pizza .

By the late seventies there were over 200 franchise pizza businesses in the States and Dominos Pizza was ready to go International. In 1983 Dominos Pizza opened its doors in Winnipeg, and in the same year opened its one thousandth store. Later that same year Domino's corporate history was to begin in Australia with its first franchise in Brisbane, on the East coast.

The locations for Dominos Pizza grew quickly from here as they sprung up in all sorts of diverse places including Bogotá. Despite Domino's Pizza springing up diverse locations, they were still a **very traditional company**. Domino's Pizza menu had been kept very simple and streamlined; they only sold one type of pizza crust which they named the regular pizza. Domino's Pizza dough was shaped by tossing the dough and pulling it into shape. The pizza menu included just two sizes of dough, it was not until much later that competition forced them to add a medium and extra large sized pizza. There were no such things as side orders you could have Pizza, pizza or Pizza and you could only drink a Coke with it.

In 1989 the history of Domino's Pizza was to change when the **Deep Pan pizza** was introduced, for the first time in twenty five years the company was being forced to react to market demand. This move consolidated the financial base and ensured the growth of Domino's Pizza , as the same year they opened their five thousandth store.

For many years the company had advertised that if the delivery of their pizzas took longer than **thirty minutes** then the pizza would be delivered free. This was parodied by the Teenage Mutant Ninja Turtles movie which specified the "pizza dude has 30 seconds" to complete the delivery. The turtles pizza was late

Introduction . Each brand will have different “moments of truth” that define the customer relationship.

Fortunately many, if not all, of these activities happen online today. This means they can be identified and measured. The trick is to do it without stalking your customers. For many brands this may be the space where they can extract real value out of social media as it can be the glue that ties an expanded loyalty program together.

Of course getting a loyalty program up and running that focuses on the real brand-customer relationship takes thinking, planning and a lot of work. But consumers are now looking for much more from the brand they interact with. My team and I hear this every day from both our clients and the feedback from their customers.

The market is speaking, and the old style loyalty programs aren't doing the job anymore. There is a significant competitive advantage to be gained by developing a program that looks beyond the plastic card and treats every customer as the person they are. Attract customers and satisfy them has become a hot issue and expresses present of organizations and the reason of its existing. Customer loyalty has become more important as rapid technology changes in telecommunications. Your customers know what is available elsewhere. They may know other locations, and they may be willing to travel far for a bargain. A critical issue for the continued success of organizations is its capability to retain its current customers and make them loyal to its brands. Loyal customers build businesses by buying more, paying premium prices, and providing new referrals through positive word of mouth over time. Loyalty research in services is an important area to study . In fact, companies in telecommunications are losing 2- 4 percent of their customers monthly; disloyal customers can amount to millions of lost revenue and profit. For example 20% of customers of the mobile phone operator orange defect each year and, on average it cost orange £256 in 1996 to recruit each new customer, reflecting the cost of introductory offers, subsidized phones and advertising. With almost a million customers, therefore, reducing the churn rate from 20% to 10% would bring about annual savings of over £25 million (Palmer, 1998). In the same way, studies conducted in the financial services industry show that increasing customer retention (or customer loyalty) by 5 percent could lead to 25-75 percent profit growth Especially in telecommunications services, it is frequently pointed out that once customers have been acquired and connected to the telecommunications network of a particular operator; their long-term relations with the focal operator are of greater importance to the success of the company in competitive markets than they are in other industry sectors . In case of Malaysia many studies have done about customer loyalty in several services. According to Nilson (2007) reported that in study applied on a sample 220 bank customers in Malaysia. Multiple regression analysis assessed the impact on customer loyalty of four key constructs of relationship marketing (trust, commitment, communication and conflict handling). The findings of this study – The four variables have a significant effect and predict a good proportion of the variance in customer loyalty. Moreover, they are significantly related to one another.

Also [Chang Ee Ling](#) and [Ernest \(2009\)](#) in study -Satisfaction and Loyalty: Customer Perceptions of Malaysian Telecommunication Service Providers- by utilizing a two-part research method. The first part utilized an in-depth interview method to obtain variables used in the second part of the study. The second part consisted of a questionnaire distributed to 125 respondents. A factor analysis is also carried out. Findings indicate that important variables for satisfaction included, supporting services, product (handy, reliable coverage, friends and family lines) and promotional efforts of the firm; while for loyalty, they refer to convenience, services, satisfaction and cost. The findings indicate that telecommunication service providers should look beyond price wars to keep their customers satisfied and loyal. As market growth slows or as markets become more competitive, firms are more likely to attempt to maintain their market share by focusing on retaining current customers. . In this context the

- ✦ Objective of the study is The market position of the main players in the industry.
- ✦ To know awareness of people towards Dominos Pizza.
- ✦ To know the domino's Pizza working

Literature Review In 1975, Domino's faced a lawsuit by Amstar Corporation, maker of Domino Sugar, alleging trademark infringement and unfair competition. On May 2, 1980, a federal appeals court found in favor of Domino's Pizza.

International expansion

On May 12, 1983, Domino's opened its first international store, in Winnipeg, Manitoba, Canada. That same year, Domino's opened its 1,000th store overall, and by 1995 Domino's had 1,000 international locations. In 1997, Domino's opened its 1,500th international location, opening seven stores in one day across five continents.

Sale of company

In 1998, after 38 years of ownership, Domino's Pizza founder Tom Monaghan announced his retirement and sold 93 percent of the company to Bain Capital, Inc. for about \$1 billion and ceased being involved in daytoday operations of the company.A year later, the company named David A. Brandon Chairman and Chief Executive Officer.

Current era

In 2004, after 44 years as a privately held company, an employee of Domino's Pizza rang the opening bell at the New York Stock Exchange and the company began trading common stock on the NYSE under the ticker symbol "DPZ".

Industry trade publication Pizza Today magazine named Domino's Pizza "Chain of the Year" in 2003 and did so again in 2010. In a simultaneous celebration in 2006, Domino's opened its 5,000th U.S. store in Huntley, Illinois, and its 3,000th international store in Panama City, making 8,000 total stores for the system. Also that year, the Domino's Pizza store in Tallaght, Dublin, Ireland, became the first in Domino's history to hit a turnover of \$3 million (€2.35 million) per year. As of September 2006, it has 8,238 stores which totaled US\$1.4 billion in gross income.

In 2007, Domino's introduced its Veterans and Delivering the Dream franchising programs and also rolled out its online and mobile ordering sites. In 2009, Domino's introduced the Pizza Tracker, an online application that allows customers to view the status of their order in a simulated "real time" progress bar. In addition, the first Domino's with a dining room opened in Stephenville, Texas, giving the customers the option to either eat in or take their pizza home. Since 2005, the voice of Domino's Pizza's national phone ordering service 1-800DOMINOS has been Kevin Railsback.

In a 2009 survey of consumer taste preferences among national chains by Brand Keys, Domino's was last — tied with Chuck E. Cheese's. In December that year, Domino's announced plans to entirely reinvent its pizza. It began a self-flogging ad campaign in which consumers were filmed criticizing the pizza's quality and chefs were shown developing the new product. The new pizza was introduced that same month, and the following year, Domino's 50th anniversary, the company acquired J. Patrick Doyle as its new CEO experienced a historic 14.3 % quarterly gain. While admitted not to endure, the success was described by Doyle as one of the largest quarterly same-store sales jumps ever recorded by a major fast-food chain.

RESEARCH A research design in which the major emphasis is on determining the frequency with which something occurs. For example, How often users access the Internet in a given month. The focus of descriptive research is to provide an accurate description for something that is occurring.

Primary sources

The primary data was collected through questionnaires. They were filled using the scheduled method of data collection by the researcher. Primary data is a data which have been collected originally for the first time. in

other words, primary data may be outcome of an original statistical inquiry, measurement of facts or a count that is undertaken for the first time. For instance data of population census is primary. Primary data being fresh from the fields of investigation is very often referred to as raw data. In the collection of primary data, a good deal of time, money and energy are required.

The following are the method of collecting primary data:

- ✦ Collection directly by personal investigation.
- ✦ Collection indirectly by oral investigation.
- ✦ Collection by questionnaires and schedules.
- ✦ Collection from statistical reports of correspondents and from local sources.

Secondary sources

The secondary sources were used only for collecting information regarding the sample, they were however not used for analysis. Secondary data is data that has already been collected and examined earlier by other investigators. Secondary data can either be published or unpublished data.

The following are the method of collecting secondary data

- ✦ Publications of the central, state ,or local governments

CONCLUSION Going through the analysis of response from the survey conducted, it is concluded that Dominos is able to be and retain at top among all the fast food chains like Nirula's, Subway and Burger King,Sbarro.

Dominos is also preferred over Pizza hut, McDonald's and KFC. Dominos is providing its customers good quality food products. Though not wide but its product line is quite impressive. It includes meals for both Vegetarianand NonVegetarian and satisfies both section of customers.

Dominos is also providing its customers a well provided and comfortable ambience.

It has been rated as 'very good' by its customers in terms of Taste and Variety of food and promptness of delivery.

Dominos maintains its consistency in taste and quality.

Customers are also satisfied with its prices and promotional and advertising activities.

Prices are affordable by all and Dominos also satisfies its customers by continuously introducing value for money offers

Summarising all points we conclude that Dominos is growing fastly by satisfying its customers by providing quality and maintaining consistency and also has an impressive strategy of marketing the products in the form of Marketing Mix Elements.

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