**IT STRATEGY ON DOMINOS**

**INTRODUCTION:**

Domino’s pizza restaurant history began in 1960 with just one location. Back then, Domino’s was called Dominick’s. Two brothers named Tom and James purchased it for just $900! After being renamed, The Pizza Chain began to open, one in 1967 and another in 1968. in the next 10 years Domino’s opened 200 more locations. Domino’s became the fastest-growing pizza restaurant in the united states in 1985. Just 11 years later, in 1996, Domino’s launched their website. Since then, Domino’s continued to open new pizza restaurants while innovating online and off.

**Challenges and Opportunities:**

In the 90’s, Frozen pizza had their biggest break through Rising crust, Customers started choosing cheaper alternates like the Digiorno Pizza over the fresh options from Dominos, Pizza hut or Papa John’s. With the fresh pizza market shrinking, the competition growing between fresh pizza chains grew even fierce. Pizza Hut even sued Papa John’s for false advertising. Papa John’s long claimed it is makes better pizzas by using better ingrediencies.

In the early 2000’s, China and India were the new battle fields from these 3 American pizza chains as the started to open franchise in order to expand overseas. Another big problem for dominos was that its pizza was getting forgettable by cutting corners and in ingrediencies in order to keep its pizza’s cheaper. Collection of small ideas to cheapen on ingrediencies added to a bad idea. Customer satisfaction survey showed customers weren’t satisfied. Dominos got creative and introduced new dishes to the menu like the cheesy dots in 2004, But new menu wasn’t helping dominos with its deeper problem. Things got worse when a YouTube video from 2009 got viral, where Domino’s employees were tampering with food.

Dominos knew it had to get bold. In late 2009 it launched an AD Campaign, what customers already knew – “Domino’s pizza wasn’t good”. It had carboard crust and ketchup like sauce. The commercials told its customers that they totally reformulated its recipe with a brand-new sauce and Garlic infused Crusts. As a result, Customers were buying the Ad Campaign and Domino’s Pizza. In fact, the Campaign was so successful that Pizza Hut later mimicked it in 2014 when it changed its own pizzas.

For Decades pizza and Chinese food was the only take out foods but that’s changing, with Uber, Grubhub and other 3rd party delivery businesses delivering everything from a pizza to a Pastry and that’s bad news for pizza chain companies like Domino’s after all they build their business on fast delivery. The pizza chain’s same-store sales dropped over the past year still dominos has seen much worst, at the height of the financial crisis it’s same-day sales shrank to a minus 6%.

In 2007, Domino Rolled out its online and mobile ordering sites. In 2008, Domino’s introduced the Pizza Tracker, an online application that allows customers to view the status of their order in a real time progress bar. Not only has Domino’s managed to bring in more than 60% of its business through digital channels, it convinced a generation of pizza lovers that the company really does get them. In 2015 half of the orders came from online platforms like the mobile app and internet. In 2016, 31% of all pizza ordered online was from Dominos. Data collected from customers like, Ordering preferences and payment, testing with customer data is all collected In-House. So, it is safe and can’t be sold to 3ed party vendors.

**Business Context and Innovations:**

Domino’s was the first to start a delivery services and the 30 mins delivery or free set it apart from its competitors which began in 1973. By 1998, Dominos had thousands of stores and had an annual sale of 3.2 Billion Dollars. The Owner, Tom Monaghan sold the company for a whopping 1.1 billion to an equity firm called Bain capitals in 1998. Domino’s has grown from that one pizza restaurant to more than 5,600 Stores in the U.S. 2004 Brandon took dominos public which at that time was the market leader at pizza delivery.

Among the company’s innovations:

* An app to track the pizza, while en route to you.
* A Siri-like voice recognition system, which can order pizza via voice command.
* Zero click ordering.
* The ability to order on just about any digital device and platform.
* Revolutionizing the chains delivery services.

In an era where amazon and alphabet are being testing drones for delivery. Dominos has been testing its own drones and was the first one to delivery pizza in a drone in NZ. In 2015, Domino’s unveiled a pizza car that can carry 80 pizzas, sides, 2-liter bottles of soda, and dipping sauces. It also has a 140-degrees Fahrenheit oven on board and is more fuel efficient than a standard delivery car. In 2016, Domino’s cooperated with Starship Technologies and applied self-driving robots to deliver pizzas in specific German and Dutch cities. In 2016, Domino’s in New Zealand delivered the world’s first pizza delivery by unmanned aerial vehicle using the DRU Drone. Introduced Self driving car in Huston, USA 2019 for delivery of pizza and also In 2019 an AI was introduced into loyalty program, which allows user to scan the pizza to get points and to redeem a free pizza for the next order.

The spotlight of technology combined with better pizza has increased the sales for 1.5 Billion in 2010 to 3.43 Billion in 2018. In 2017 it overtook the rival Pizza Hut Chain. Since 2010 the stock prices have shot up by 3,200% in 2019 from as low as 2.44$ for a share during the financial crisis during the late 2008.

Domino’s next strategy is trying to shave even more time from the delivery, their plan is to open 2000+ stores by 2025. More location does not necessarily mean more sales, but it does reduce the delivery time.

**Information Technology SWOT Analysis (Strength, Weakness, Opportunities, Threats)**

**Strengths:**

1. **Strong network of Channel:**

The IT networking of Dominos is superb covering almost worldwide with 220,000 employees and owning 11,629 restaurants. Which means that any authorized IT personnel could get all the information about all the restaurants and employees from all around the world by sitting in any place and any changes, innovations, or new information would be reflected in one go.

1. **Digital ordering:**

Because of digital platforms for ordering with utmost simplicity like ordering a pizza with just with an emoji. Dominos started selling more than 50% of revenues online and achieved the tile ‘e-commerce company that sells pizza’. It also required fewer employees to manage phone calls for ordering then before, creating significant labor saving.

1. **Digital utilities**:

Using Digital utilities such as ‘3D Pizza Builder’ which gives customers more realistic view of their "final pizza will look like" as they can also customize their various toppings and sauces, the Pizza Tracker allows customers to have immediate updates of their orders, latest version of the Domino's mobile app even allows to scan and detect your pizza. Additionally, the company’s tracking apps dispersed more information at the end of the supply chain, providing detailed delivery information, reducing complaints. Finally, the platforms gathered more detailed information regarding user trends better, allowing them to predict demand.

1. **AnyWare platform:**

Using artificial intelligence like DOM which is a virtual assistant for ordering Dominos food or we can just say Siri version of Dominos that allows ordering through a numerous digital devices and platforms be it android, windows or iPhone device in just one go or a click. This has made Dominos not just a pizza company, but also a marketing and technology company.

1. **Transparent Relationship with customers**:  Twitter feed on its home page that included every tweet - positive or negative; moving from professional food photos to photos of actual pizzas that are often sent in by customers, posting comments from Twitter on a billboard in Times Square "good, bad, or ugly" and putting cameras in a Domino's stores with feeds online so customers could see what was happening in the store has built trust and loyalty, both for consumers and within the company which acts as one of the core strength of Dominos.

**Weakness:**

1. **Competitors:**

Huge competition by counterparts, for eb: Papa Johns which followed the online model and has been recognized to make better sales via digital orders.

1. **Investment in Technologies**:

The investment in technologies is not up to the mark with respect to the vision of the company.

1. **Pizza tracker and promise of fastest delivery:**

As the customers now could know from pizzas getting into oven, tracking its way till its delivered, it makes customers more anxious to get it delivered soon as promised but most of the times customers are unaware of the congestion due to traffic that leads to road rages.

1. **IT management:**

With increasing number of people in IT department, management of the teams and IT department is not that impressive.

**Opportunities:**

1. **Innovation:**

Dominos should focus on its Robotic unit which may be the only identifiable differentiating value proposition for both customers, and the company along with that it should thrive for new innovations and developments in IT to stand out among its competitors.

1. **Data Analytics**:

Opening more stores, serving customer needs and creating new marketing strategies according to data analysis on customer preferences and demographic habits.

1. **Loyalty points**:

By using the data from digital marketplace, it can create a loyal customers base by giving discounts and offers to the frequent buyers instead of just offering extra scan points to the customers.

1. **Delivery service**:

With the use of advanced technologies like image processing, artificial intelligence and other IT utilities or applications working as one single unit for tracking of pizza, delivery experience could be made better by advancement in delivery service and letting customers know about traffic and weather conditions on the route. This would attract more customers and enable to save employee cost and manual hazards.

**Threats:**

1. **Data Privacy:**

There is always a risk of data leakage through online apps and digital utilities.

1. **Technological faults**:

With digitalization, technological glitches like one which happened in the year 2009 where the company had to give away nearly 11,000 free medium pizzas.

1. **Competitors**:

Competitors like Papa John’s always impose a threat to overpower the market online.

1. **Consumer buying behavior**:

Customers behavior in online channel and moving to another one with other attractive innovations could be a threat to the existing one.

**Mission**:

*Domino’s pizza believes in countering hunger and pizza craves with utmost simplicity following the path of digitalization which enables smooth, reliable and fastest pizza delivery along with maintaining trust and loyalty with the customers which will not leave any customer unsatisfied.*

**Vision**:

*Reaching out worldwide, not afraid to fail, operate with speed, making efficiency and customer satisfaction 24/7 as utmost priority by making best use of technology in the business activities and thriving to incorporate technological innovations alongside maintaining privacy and integrity of customer data.*

**IT Strategic Goals and Objectives**

**Goal One:**

Innovate, Invest and incorporate in advancement of technologies and digitization of

business goals to lead the market.

**Objectives:**

**1.1**: Knowing the target market and improvising on deliveries by having broader or deeper technological capabilities. For example, the company can stay competitive in an era of artificial intelligence (AI) by implementing Voice assistant-enabled ordering and having kiosks that help you opt-in to facial recognition will help customers to place their customized orders quickly and effectively without any delays.

**1.2:** Due to rising in labor costs, employee retention and acquisition, and prolonged economic expansion has led to a tighter labor market for business. Investing in latest technologies by business management and providing opportunity for young talent to showcase their skills will keep the employees motivated and confident for showcasing new ideas for the company. This investment will minimize the employee turnover, maximize team tenure and create a high performing team.

**1.3:** With consumers’ pent-up demand for pizza restaurant services, incorporating emerging technologies like service-enhancing items such as tablets at the table, self-service electronic kiosks, and wearable technology for restaurant servers will focus on improving customer service, making ordering and payment easier, and offering more convenient takeout and delivery options.

**Goal Two:**

Build Real-time Applications to support faster insights, better business decision making, reduce costs, improve organizational efficiency, and minimize complexities.

**Objectives:**

**2.1:** Implementation of big data and predictive analytics will offer ample time to identify potential issues and run what-if scenarios. Using the real time applications to implement predictive strategies, utilizing advanced statistical and data mining algorithms will help the company reduce downtime saving the time of both the restaurant and the customers and improve the bottom line.

**2.2:** Real-time data and [analytics](https://www.iofficecorp.com/blog/which-fm-metrics-should-you-be-tracking) will help the business identify patterns behind what is available and how it is being used for current productivity and build a workforce that runs efficiently and at top speed. For example, real time apps will help the organization develop a strategy to improve space allocation if any specific restaurant seems congested hindering delivery, keep a handle on all the assets and devise a [preventative maintenance plan](https://www.iofficecorp.com/blog/www.iofficecorp.com/blog/7-items-to-consider-for-a-well-thought-out-preventive-maintenance-strategy) that will save the restaurant in maintenance costs and realize a reduction in downtime.

**2.3:** Empowerment of employees plays a vital role to help eliminate churn costs and for improved organizational efficiencies. Listening to their feedbacks, offering support and encouraging a flexible, environment collaborative workplace will prevent disengaged workforce and employee turnover. Gathering huge volumes of data and providing insights to the management to take the right decisions can be accomplished using real time applications.

**Goal Three:**

Customer relationship management and customer service in an efficient

and cost-effective way.

**Objectives:**

**3.1:** Data Management and analytics will help the restaurant to analyze the preferences of the customers. Using technology, it can help the business to find the best quality products according to different demographic regions and being inclined towards a more eco- friendly perspective, greater emphasis on global flavors/cuisines, enhanced availability of healthful items and healthful children’s meals, and the exploration of new food sourcing options.

**3.2:** Customers are more inclined to affordable and healthy food choices. Hence, marketing automation using technology will allow the business to streamline and automate their processes, leading to improved efficiency and keeping the costs low for the customers by not compromising at the quality end of the product.

**3.3:** Self-service optimization where the customers can interact with the business on what they want. This method would help customers place their orders without servers, place their own orders and waitstaff are available upon request. This could be achieved through advanced technology where the business provides the facility for the customers to build their relationship with the restaurant and appreciate the dining experiences.

**3.4:** Encouraging employees to embrace new ways of improving customer treatment by providing tools and training to deliver better service. Excellent service paired with quality food is a base plan to keep diners returning.

**Goal Four:**

Implementation of a caring digital marketing service provided securing the privacy of the customers using the power of technology.

**Objectives:**

**4.1:** Communicating with customers through online channels and here technology plays a pivotal role. Maintaining transparency with customers through social media, apps and cameras, blogposts, webinars, infographics etc and engaging potential diners in conversation about food and retaining customer base.

**4.2:**  Building on features in the app providing weather and parking/traffic delay updates to the customers would avoid anxiety in customers. Providing prompt updates to the customers in events of delays through apps can put the customers at comfort.

**4.3:** Maintaining customer privacy involves handling and protection of non-public personal information that individuals provide to your restaurant during various transactions or interactions. Privacy Legislation with respect to customer and consumer data, especially for marketing, has moved to the forefront of higher risk areas, and it could have a financial impact on restaurants. Hence, the restaurant should utilize technology to the utmost of priority of maintaining customer privacy.

**4.4:** Implementing several loyalty programs will mostly likely make the customers to return to the restaurant. Establishing digital and mobile strategies for restaurant loyal program will demonstrate a huge opportunity to build customer loyalty and increase customer retention. This would act as a tribute to the customers for longer association with the restaurant and act as means of market strategy where customers are more interested in discounts and savings to today’s world.

**Conclusion:**

 IT strategic planning with meticulous goals is very important for any organization to achieve its goals by keeping the spirit of mission alive and marching towards the IT vision. Especially, with the boom and advancement of technology in every sector leading to the digitalization of every task in the last few decades, it has become even more important for companies like Dominos to execute their IT strategies carefully which have a lot of competitors in the market and having an IT department, thriving to make the Robotic unit strong which may be the only identifiable differentiating value proposition for both customers, and the company. The most important parts of the IT strategies are to maintain the quality and flow of IT services continually that aligns with the business model, get ready for any future changes while maintaining ethics of IT, privacy and integrity of customer data. Therefore IT strategy should be capable of minimizing the threats, improvising the business for maximum revenue and maximizing the opportunities.

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