



ANALYTICS CLUB



RMIT BUSINESS ANALYTICS CHAMPION

SEASON 4

R-BOOLEAN ACES

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EXECUTIVE SUMMARY

CONTEXT OBJECTIVE



used to be leader of the pizza market in Vietnam.

The **VIP segment** has not made any purchases recently.

Wants to **identify reason** for their leaving and make appropriate **promotion strategy** to incentive sales and retain customers.

KEY INSIGHTS

Issues

- 1 Sales amount and bill counts of VIP segment both **declined**.
- 2 Sales - **marketing tools reduce effectiveness** in attracting customers.

Reasons

- 1 **Miscommunicate** between customers' needs and Pizza Hut's offerings.
- 2 Not having a clear **brand voice** to define themselves among the intense competitive landscape.

Opportunity

Behavior reforms:
Customers are more **aware of defining lifestyle, with bonding and sharing**.
More willing to **pay higher for branded quality**, little luxury products, novel culinary experiences and favor space for check-in, and gathering.

RECOMMENDATIONS

Reposition with direct touch to customers.

BIG IDEA:
Celebration Your Pride

From **short to long run**, how big idea helps satisfy the needs of VIP segment and Pizza Hut in general.

Recommendation on signature store:
First market buzz from big idea formulation to make first association between brand and customer perceptions



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Ipsos



CUSTOMER BEHAVIORS

OVERVIEW

[1] During 2021-2022, there was a **downward trend** regarding the bill counts and sales revenue

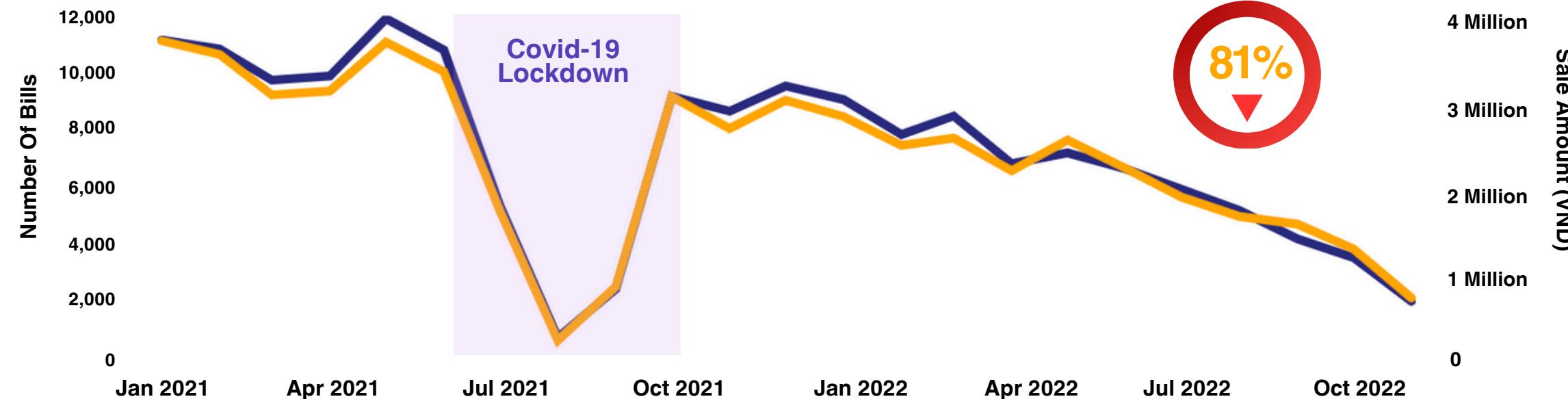


Figure 1. Bill counts and sales revenue over the given period

[2] A standard Pizza Hut bill typically caters to **one or two individuals**.



BRAND OFFERING

Price ranges between 150,000VND - 400,000VND for a pizza



CUSTOMERS WILLINGESS TO PAY

The amount per bill **decreased by 7%** over time, about 322,000 VND on average

[3] Pizza Hut target the **young labor force** (Millennials and Gen Z) aging 20-35 through their campaigns

Pizza Hut's "Vi Ngon Pho Phuong" campaign

Vietnamese Gen Z celebrities Hieu Thu Hai and Trang Hy promote the dish's authentic Vietnamese flavor and modern twist in "The Moi Ngon" MV.



Pizza Hut's "Làm Chủ Miếng Ăn, Làm Chủ Cuộc Đời" campaign

Millennials and Gen Z desire to control their own lives, and that includes their food choices.

WHAT IS THE VIP SEGMENT'S FAVORITE AT PIZZA HUT?

[1] **Pizza** made up the majority of our sales, amounting nearly **78%**

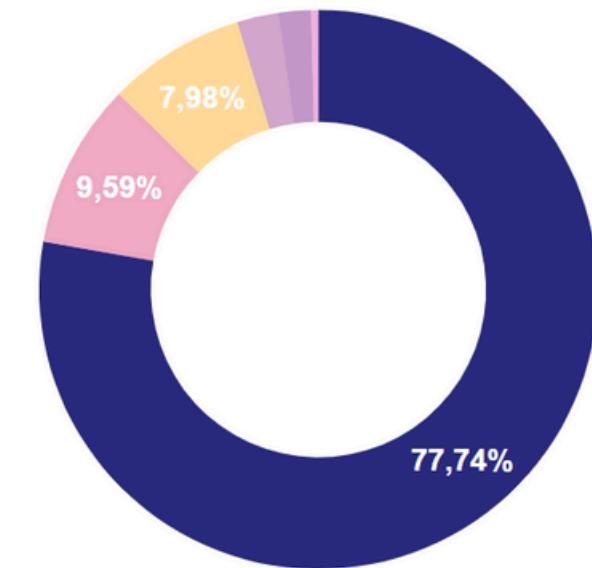


Figure 2. Sales revenue by categories breakdown

[2] The **pan crust** stands out as the **top choice** among customers

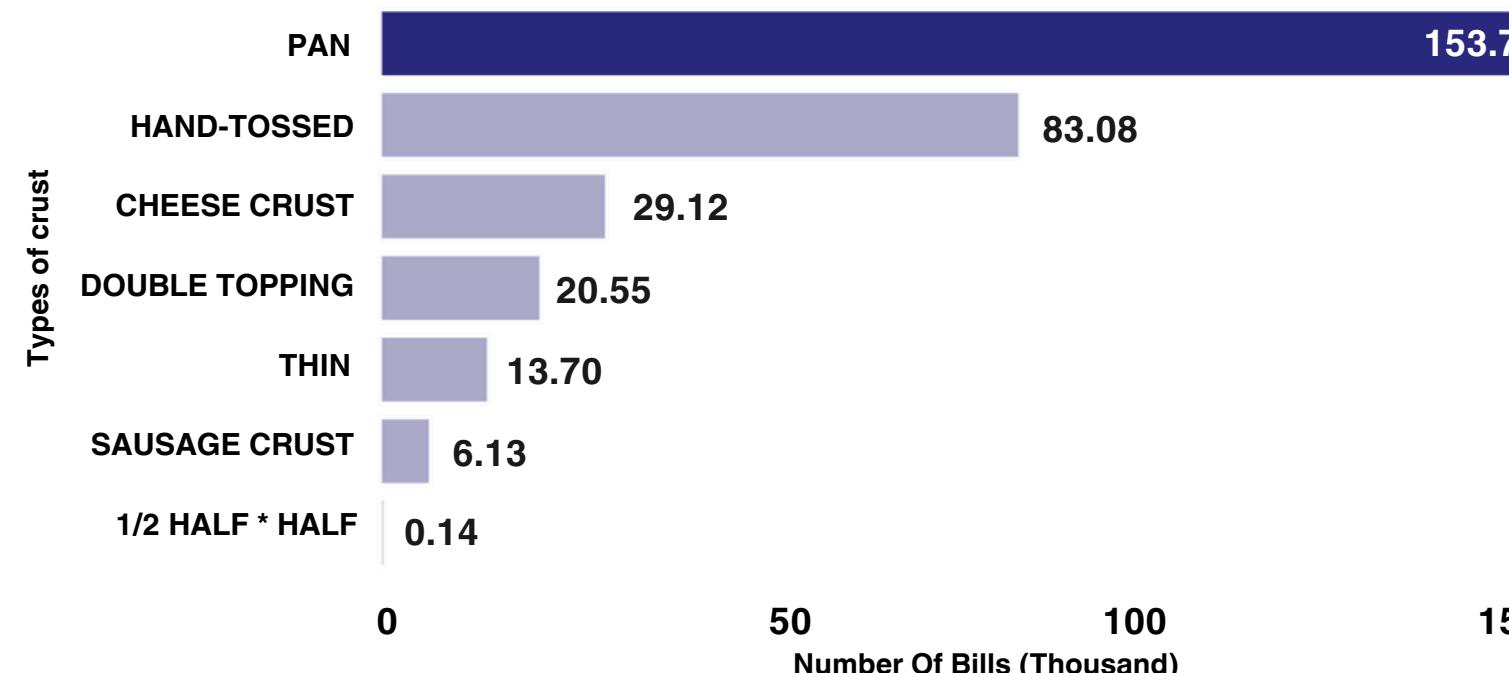
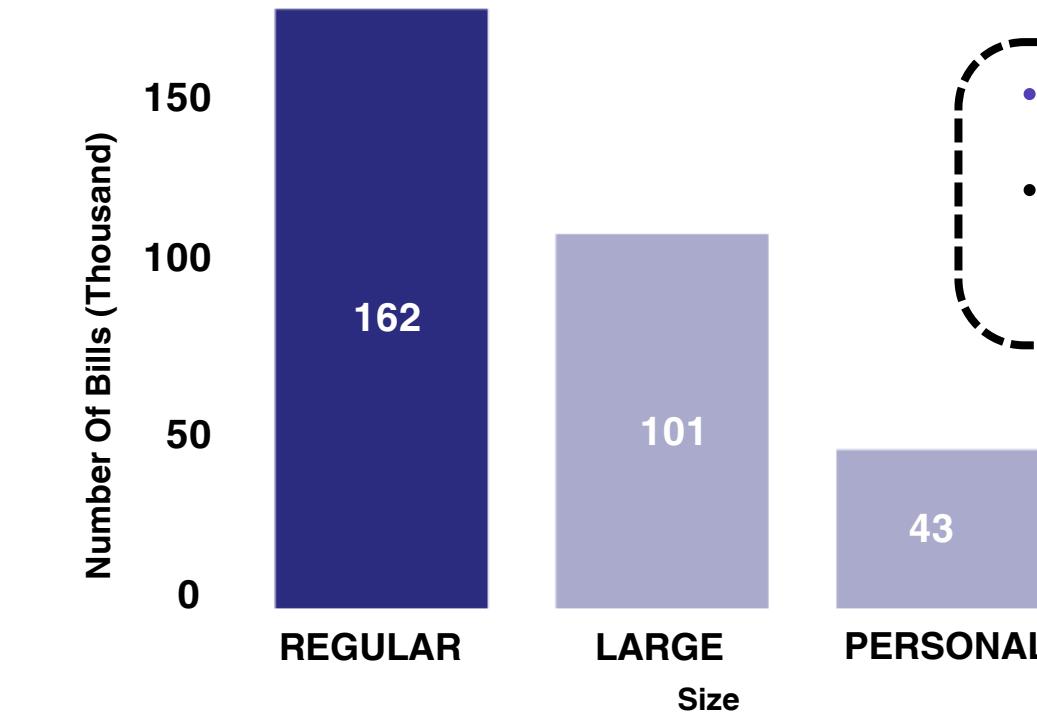


Figure 3. Types of crust preferences measured by sales amount

[3] There is a predominant preference among customers for the **regular size**



Source: Hanson (2009)

- Medium-sized portion **strikes a balance between too much and too little.**
- Offering **value for money** while allowing individuals to **enjoy a well-proportioned serving.**

Figure 4. Size preferences measured by bills

[4] Among top pizza flavors, customer's most favorite flavor is **Seafood Pesto**

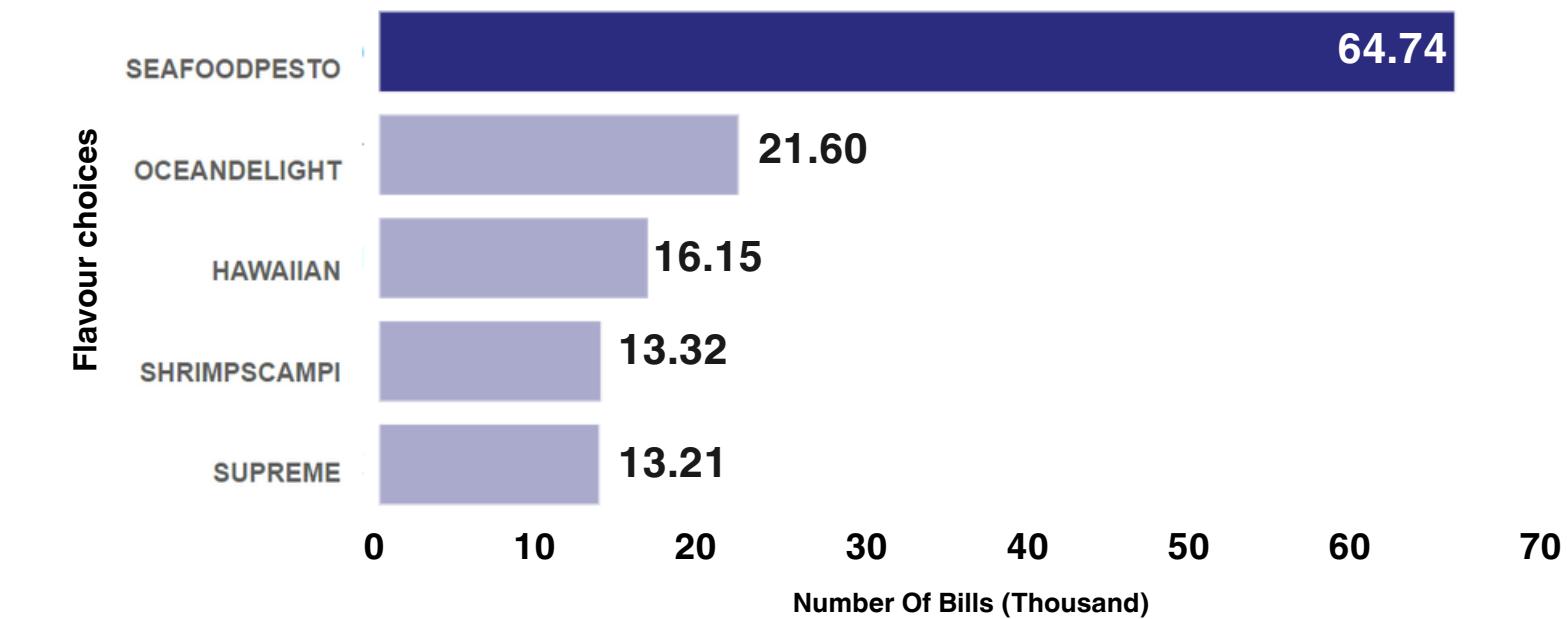


Figure 5. Flavour preferences measured by sales amount



What are the menu options customers favor the most at Pizza Hut?

	Pizza	Chicken	Rice	Pasta	Fries	Meat	Salad	Drink
Categories								
Flavour	<ul style="list-style-type: none"> Seafood pesto Cheese Lover 	<ul style="list-style-type: none"> BBQ Spicy sauce 	<ul style="list-style-type: none"> Fiesta seafood Spicy prawn 	<ul style="list-style-type: none"> Bolognese 	<ul style="list-style-type: none"> Crinklecut french fries Cheesy pops Calamari 	<ul style="list-style-type: none"> Italian sausages 	<ul style="list-style-type: none"> Tuna bacon 	<ul style="list-style-type: none"> Pepsi 7up Mirinda
Size	<ul style="list-style-type: none"> Regular 	<ul style="list-style-type: none"> 4 pieces 	-	-	-	-	-	<ul style="list-style-type: none"> Bottle 1.5L
Crust	<ul style="list-style-type: none"> Pan 	-	-	-	-	-	-	-
Favorite combination	Regular pan seafood pesto	BBQ chicken wings (4 pieces)	Fried rice fiesta seafood	Pasta bolognese	Crinklecut french fires	Italian sausage	Tuna bacon salad	Pepsi bottle 1.5L

FINDINGS

Customer preferences for flavour mostly are:
seafood, and cheese.



Recognizing the **flavour, and combinations preferences** enable Pizza Hut to **implementing suitable combo** that satisfy the customers' needs.

VIP PICKS: THE STORY OF COMBO AND PROMOTION THAT STEAL THE SPOTLIGHT?

[1] **Promotion** is the most preferable options...

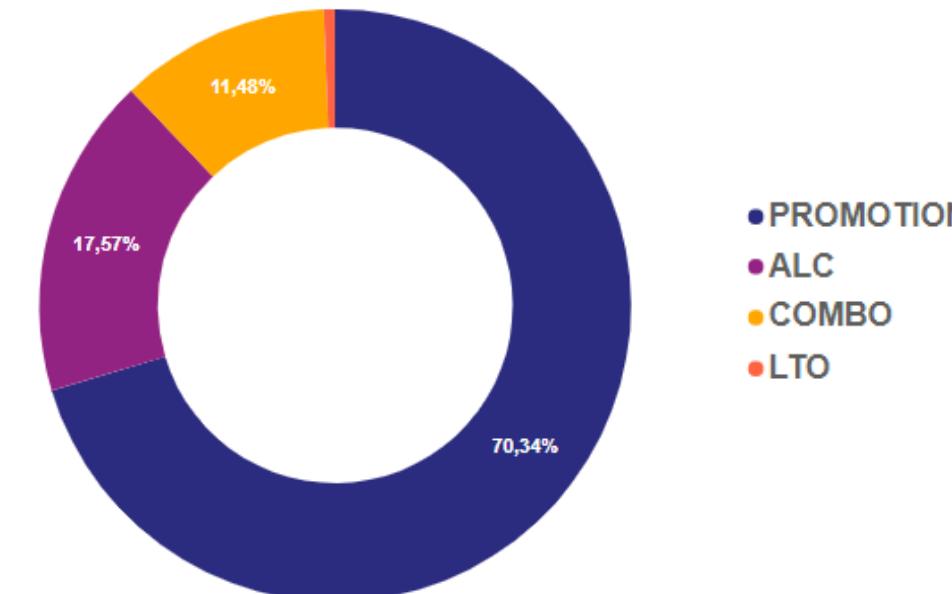


Figure 6. Bills break down by special menus

[2] The **Buy-1-Get-1 promotion** contributed the highest revenue, while 'My Box' emerged as the most favored combo among customers

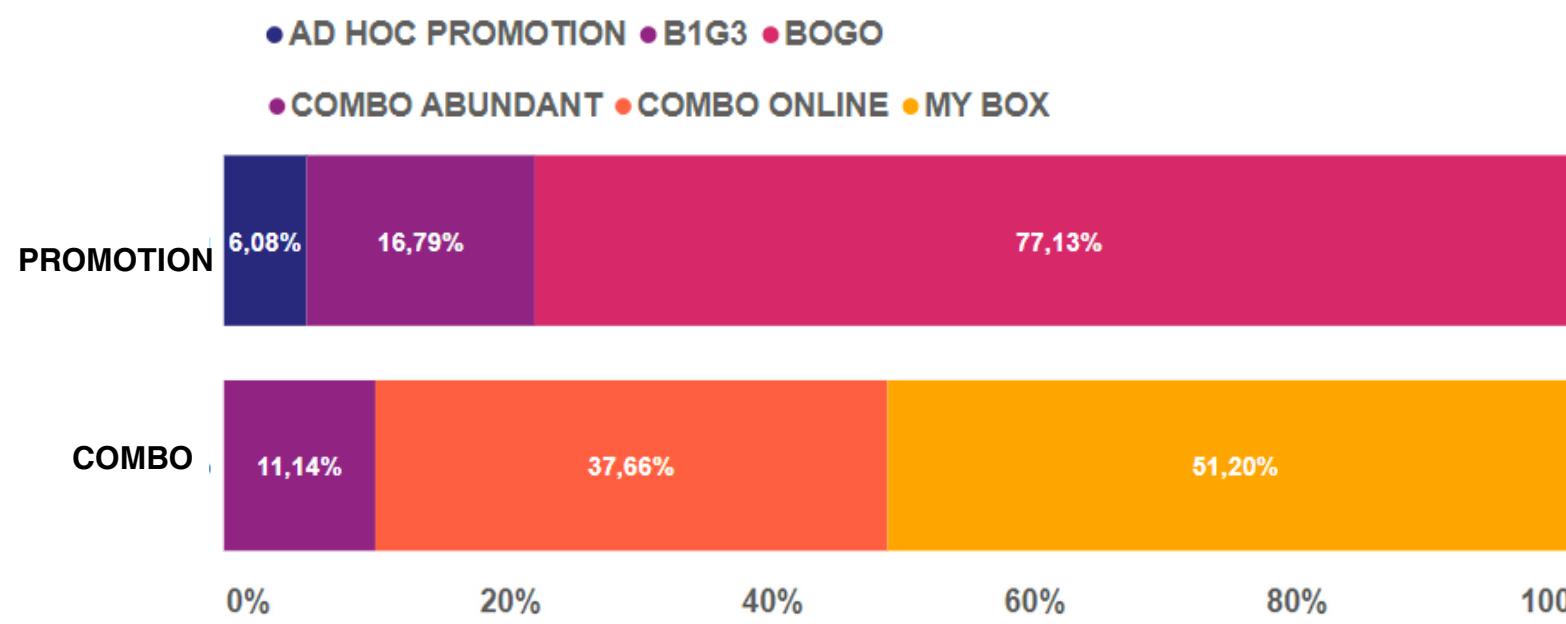


Figure 8. Highest preferences are of Promotion and Combo

[3] **BOGO Regular 2020** is the top contributor to BOGO promotions...

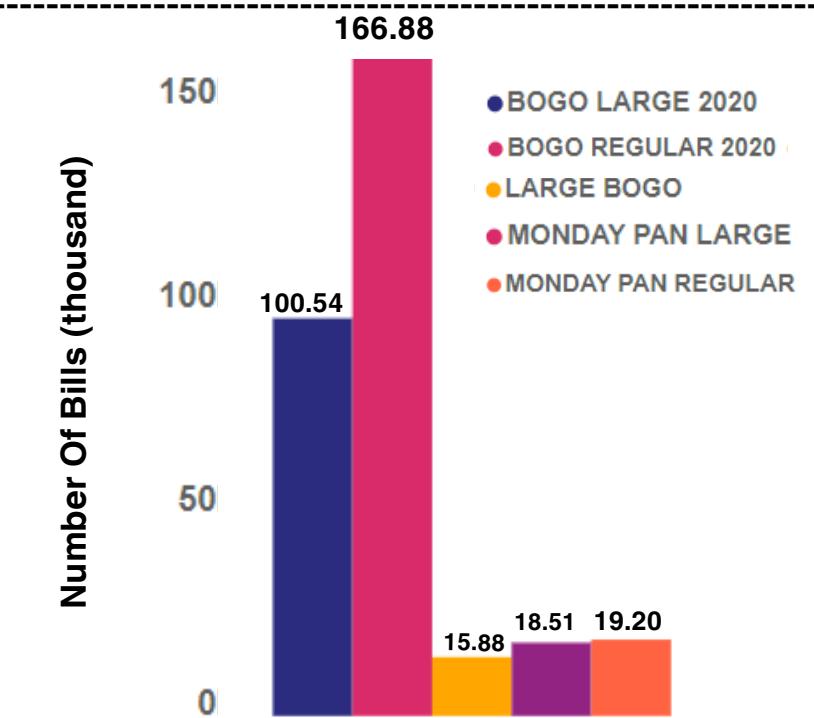


Figure 7. Bills contribution by Promotion

[4] **My Box** that ordered from AGGR options contribute **less proportion** than other platforms, which are Store, Call Center, Website,...

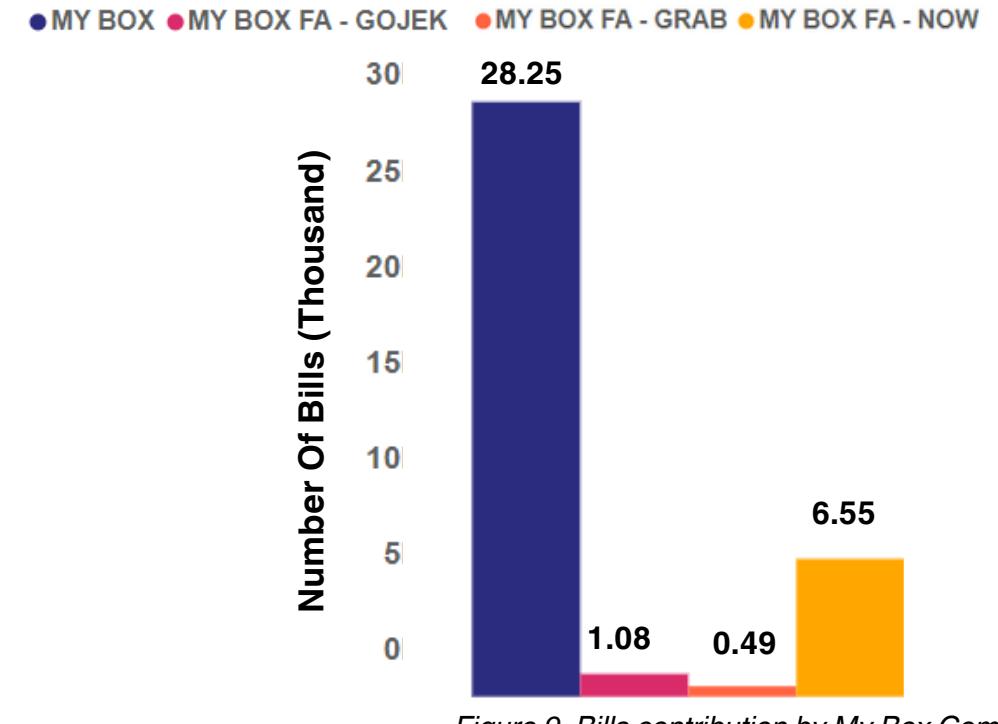


Figure 9. Bills contribution by My Box Combo

WHAT ARE THE MOST-PREFERRED VOUCHER SCHEME BY VIP SEGMENT?

[1] Even though the total number of bills not using vouchers is higher, **customers pay more when vouchers are applied**

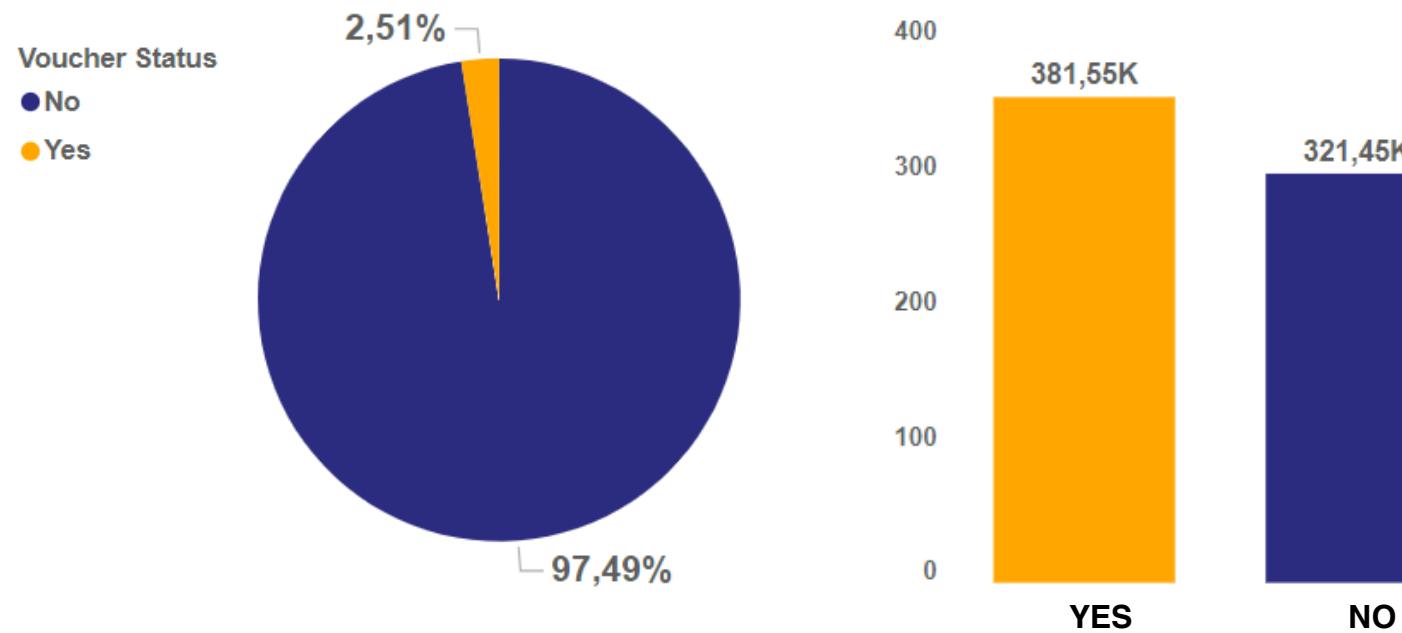


Figure 10. Voucher status overview

[2] Though total bills decreased, **bills with vouchers** witnessed a threefold uptrend in quantity

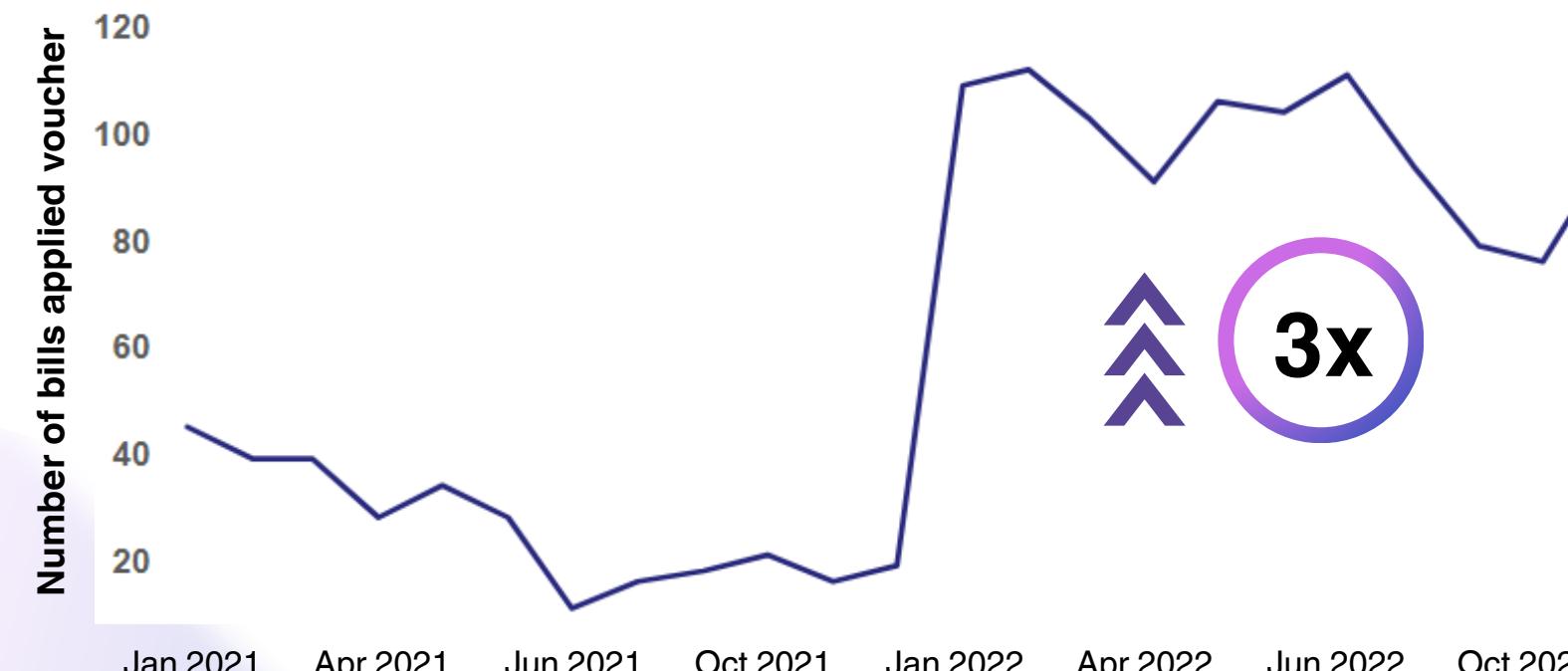


Figure 11. Overall billcounts and billcounts with vouchers overtime

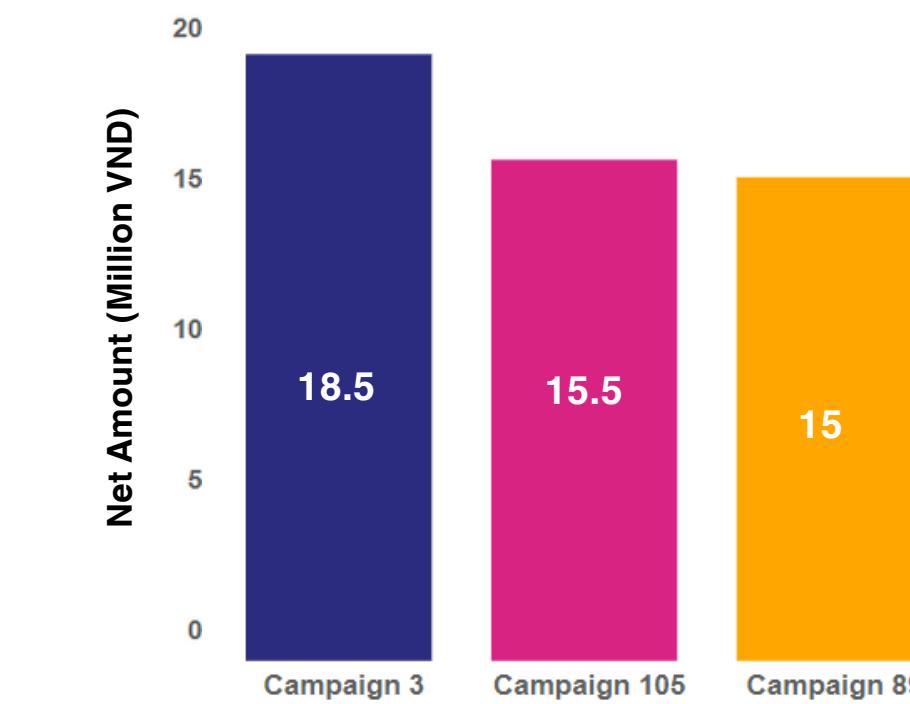
[3] **Voucher** is likely to make customer return to Pizza Hut...



of customers use voucher when paying bill(s) are repeat customers

This segment values and takes advantage of voucher offerings, contributing to their decision to return for additional transactions.

[4] **Top 3 campaigns** with highest amount, there is a typical **voucher value** and required minimum range



Voucher type used the most

- Voucher value: 100,000VND
- Minimum spent requirement: 250,000-350,000VND

Figure 12. Top 3 significant campaigns

Customer Behavior

Recent Disappearance

Reccomendation

BESIDES, WHAT DETERMINES CUSTOMER PURCHASING BEHAVIOURS?

[1] Occasion-Based Behavior: Pizza Hut's bills number jumped on special day, **at over 800 bills**, while there were about **200-400 bills** in normal days

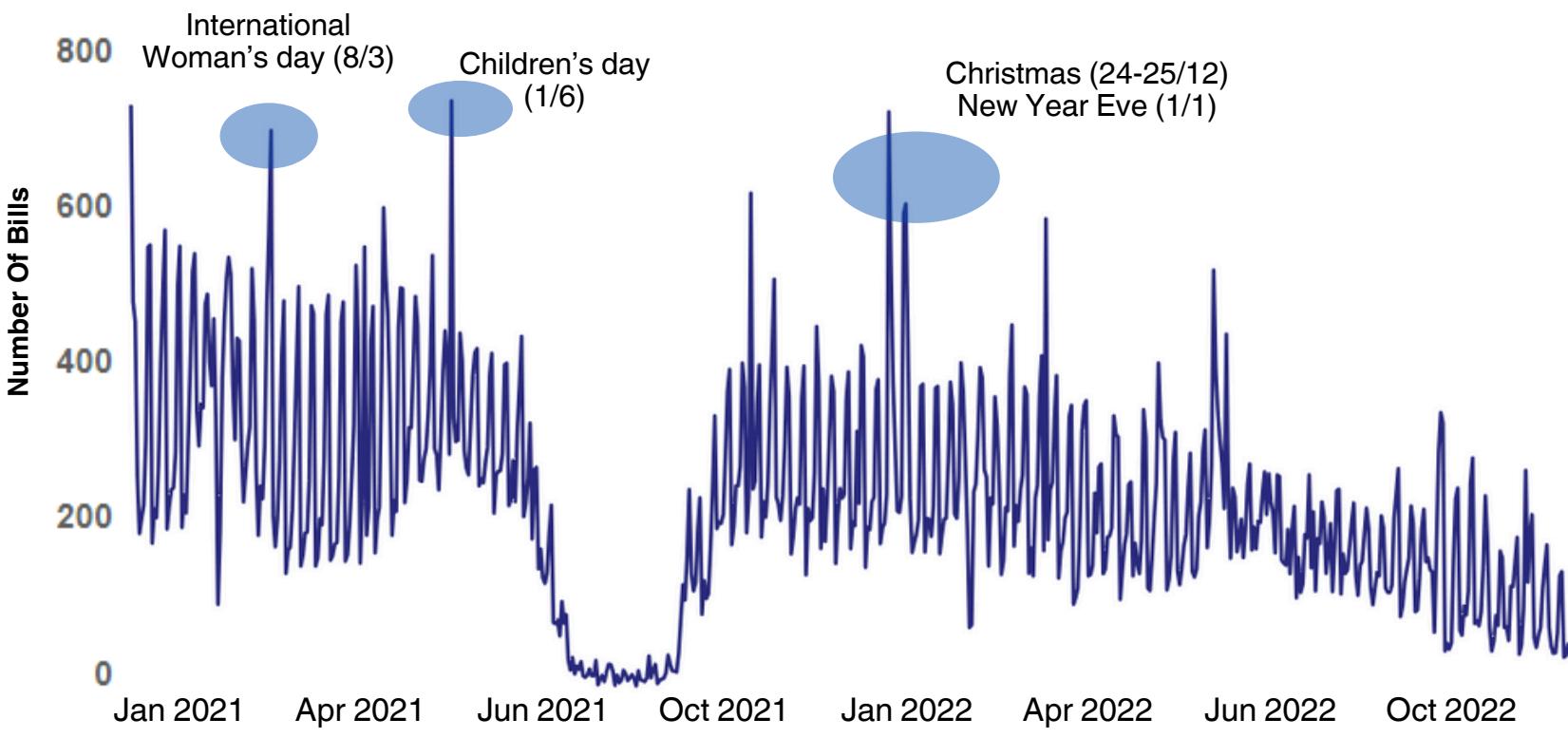


Figure 13. Sales amount overtime

[2] People choose to eat at pizza hut mostly for **lunch and dinner** during **normal days**

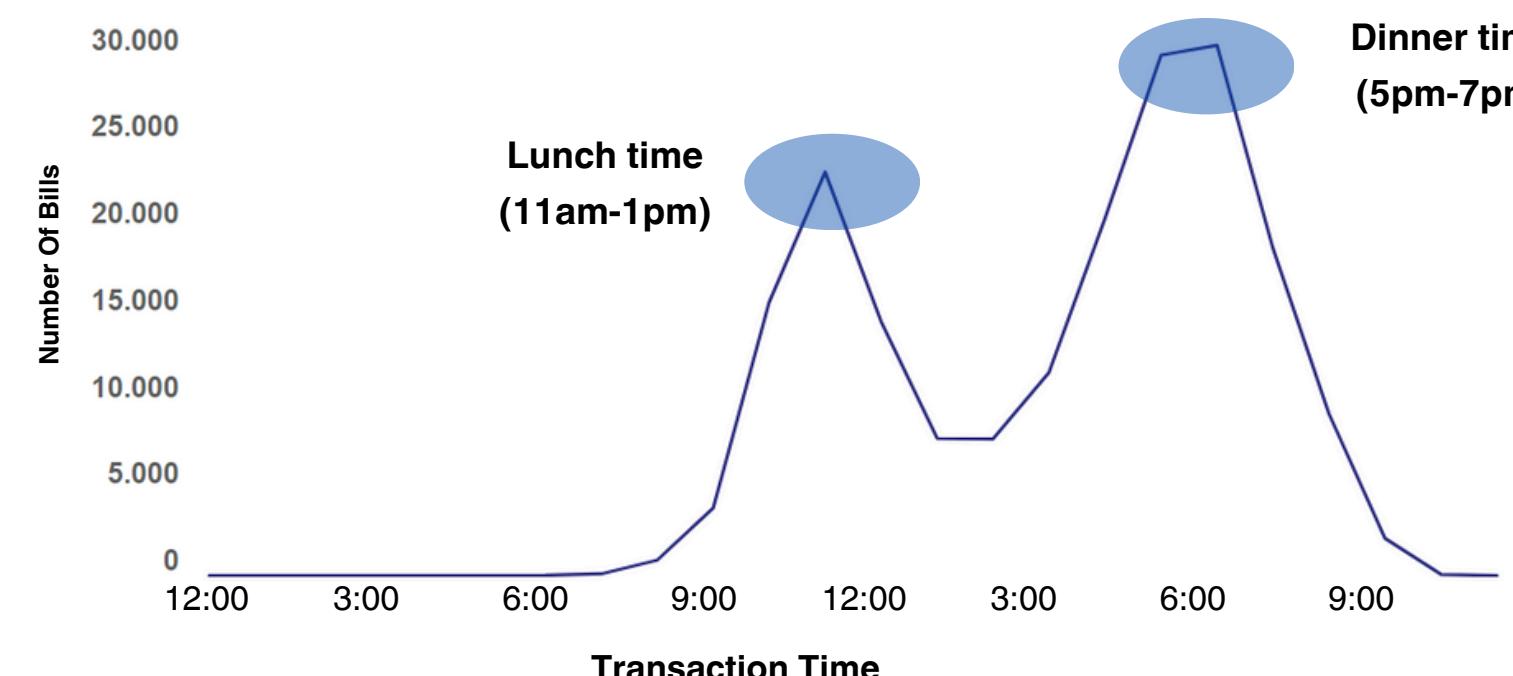
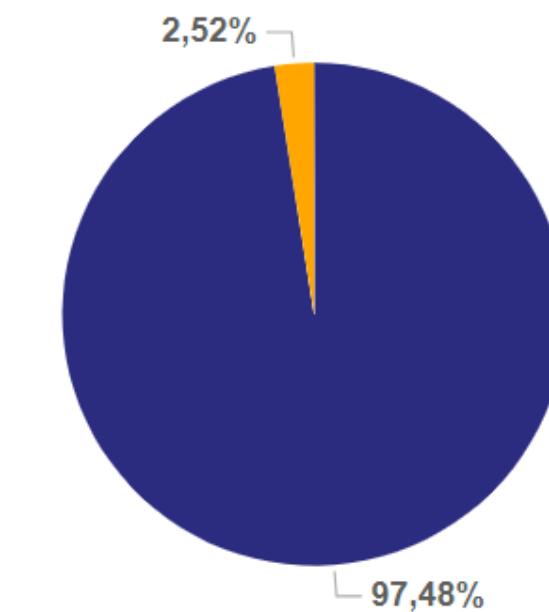
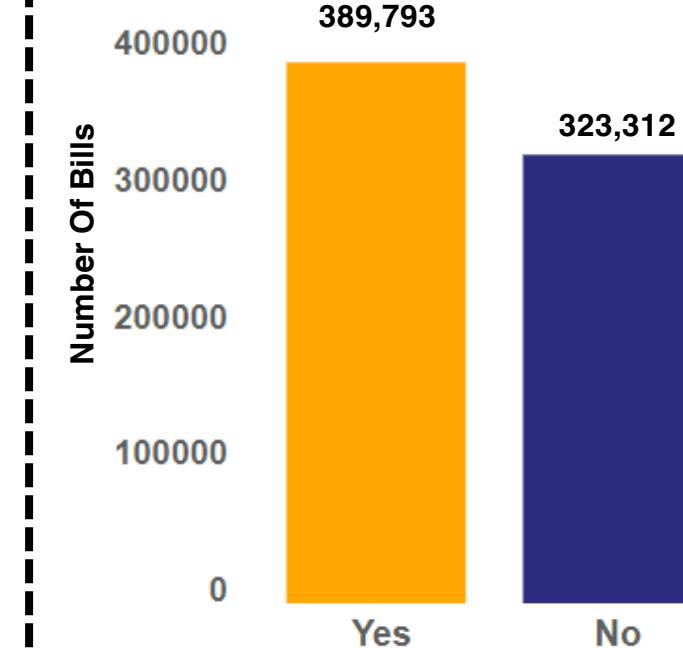
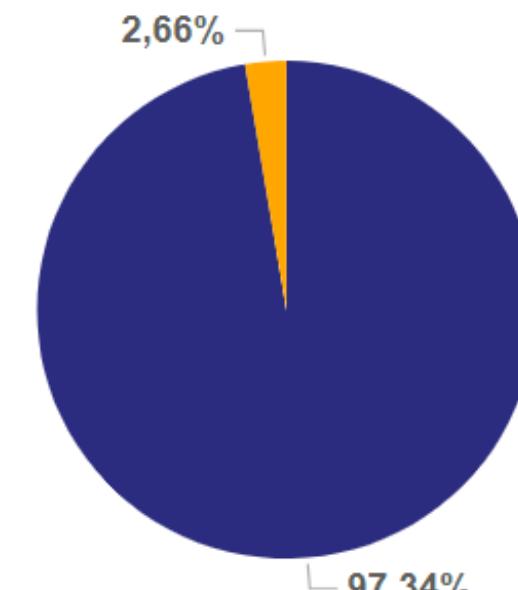


Figure 14. Customers' visit timeframe

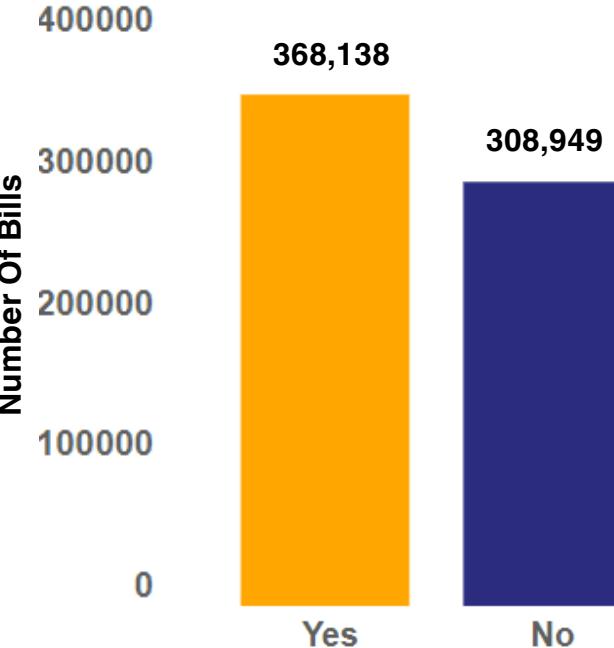
The same pattern in both lunch and dinner time is that bills without vouchers predominated, however, **customers have a tendency to spend more when vouchers are redeemed**



Voucher Status
● No
● Yes



Lunch time (11am-1pm)



Dinner time (5pm-7pm)

BESIDES, WHAT DETERMINES CUSTOMER PURCHASING BEHAVIOURS?

[1] Pizza Hut offer a wide range of channel options where **Store** is the most popular order place, followed by **WEBSITE AND CALL CENTER**...

- AGG-SHOPEEFOOD
- APP
- CallCenter
- Other
- STORE
- WEBSITE

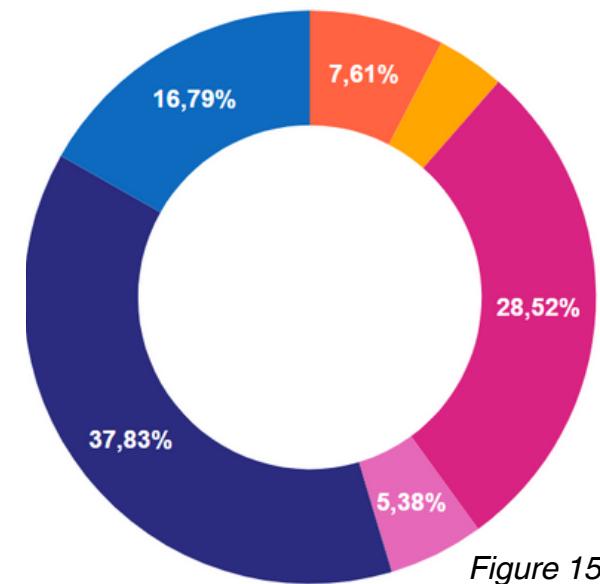
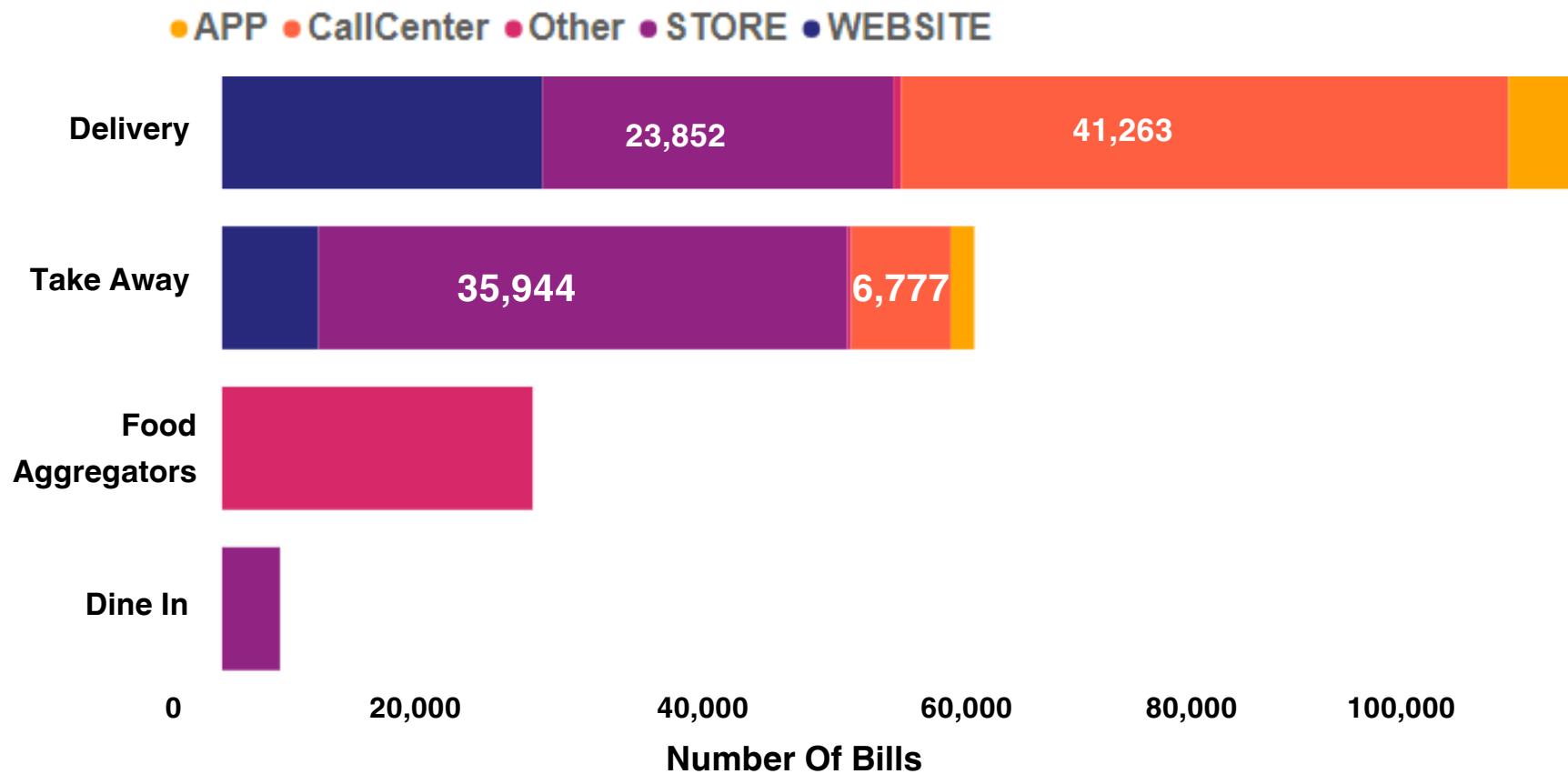


Figure 15. Pizza Hut's order places

37.83%
of total bills were taken
place from Store

[2] However, Pizza Hut's Customers come to Store the most but choose **Take Away or Delivery over Dine In**



Why customers do not choose to Dine in at Pizza Hut?

1 Busy schedules and hectic lifestyles might lead customers to opt for **quick and convenience**

Increased preference for Takeout or Delivery

2 Wide availability and convenience of digital ordering platforms

Assisting customers to order remotely

3 Applying **digital vouchers** on online platforms such as Grab or Now provide **auto-applied**, not require to check the expire date and carry-buy which is effort-demanding to customers

More convenient customers' experience



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RECENT DISAPPEARANCE

2021

Customers behavior reforms

Main concerns of customers shift to Vaccination, Disease, Family, Income, Necessities (daily food materials, sanitizer, supplements etc.)

More **aware of defining lifestyle** and **entertainment** services which triggered from the strong shift in economic conditions and **consciousness of being towards their livelihood**.

Family: **valuable time**, and paying attention to others' health conditions => **Bonding, sharing** and will pay for family products

2022



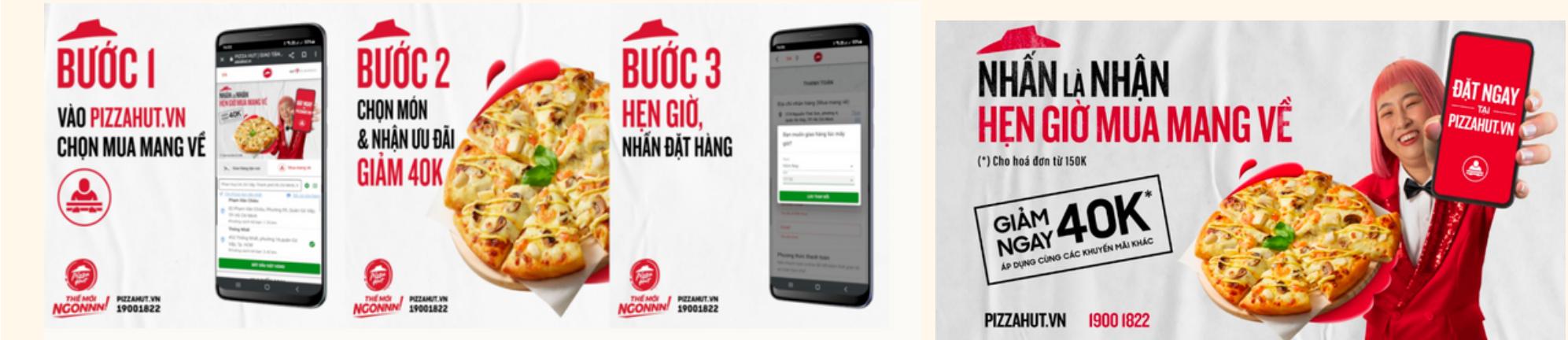
They are more **willing to pay higher** for branded quality, little luxury products with **space for check-in, gathering**.



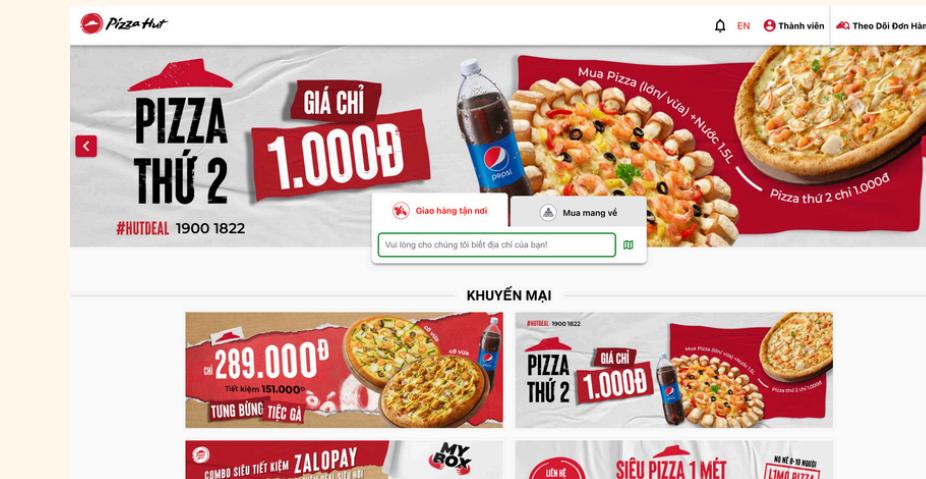
They **prioritize self-esteem**, seeking exclusive culinary experiences that resonate with their self-centered identity needs. Feel like **the need to compensate** for the time lockdown.

Pizza Hut

- **Chatbot assistant** to maintain seamlessly online ordering,
- Enhanced the **delivery platforms** through "Click to pick - with adjusted time".



- Implemented several marketing communication activities under efforts of '**repositioning**'
- Pizza Hut implemented several **marcom activities** to make the image more appealing to the young, IMC usage reach higher than the competitors (Dominos, Pizza Company)





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Customer Behavior

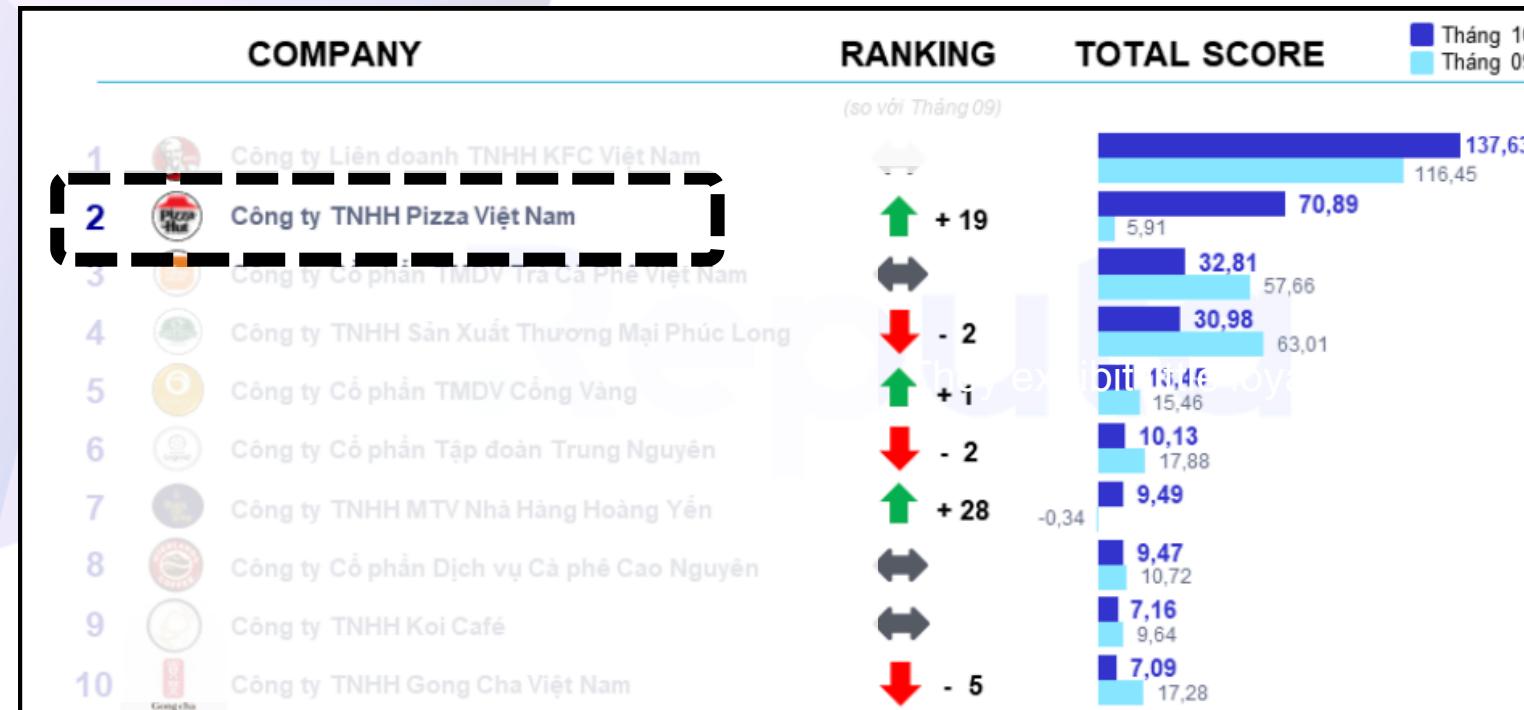
Recent Disappearance

Recommendation

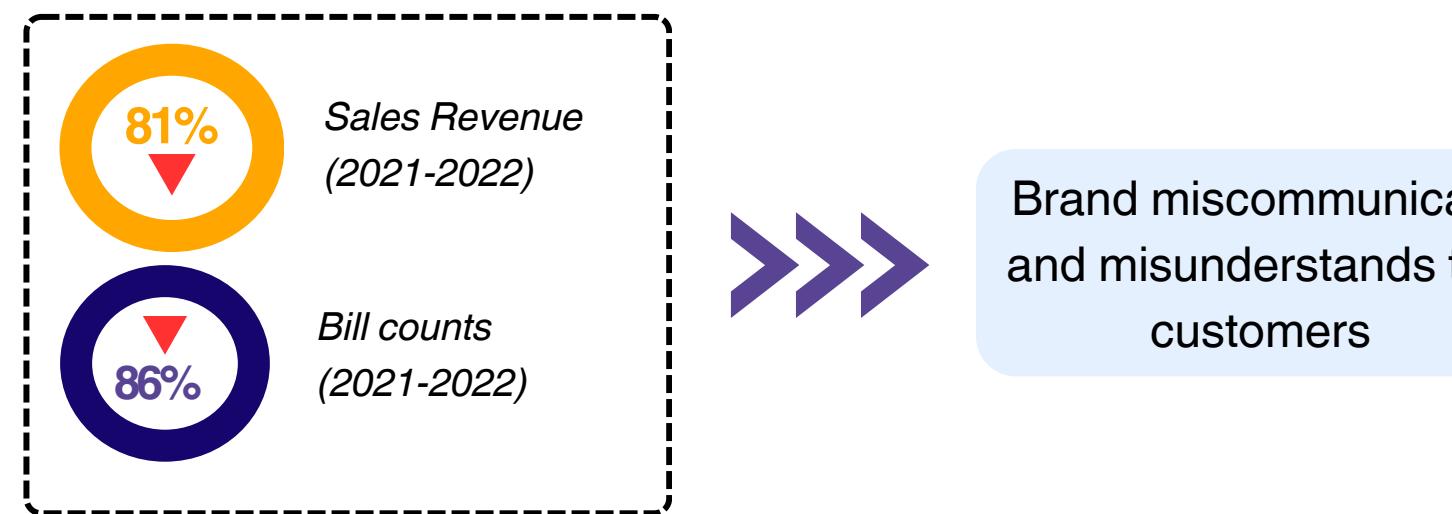
WHY VIP SEGMENT HAS NOT MADE PURCHASES RECENTLY?

Timeframe: 2021-01-01 to 2022-11-25

[1] Even being ranked in the top 2 F&B companies with **highest popularity on social media...**



[2] **VIP segments** provide most constructive feedback recently witnessed disappearance, dragging sales revenue of Pizza Hut slumped



[3] Brand **miscommunicate and misunderstands** the customers, probably due to...

- 1 Subjective factors: Consumers perception changed after COVID-19
- 2 Objective factors: Pizza Hut offers merely young, local-integrated products
- 3 Pizza Hut's left behind the short-term market buzz, for instance

While **other competitors** released campaign of Pizza combining with Vietnamese's traditional dishes in 2019-2020, **Pizza Hut** lately released their "**Pizza Banh Xeo Tom Nhay**" in 2022



2019

2020

2022

[4] Pizza Hut mainly focuses on **short-term promotional strategies** raised

- 1 Mismatching between changing customer behaviors trends and Hut's offerings
- 2 Not having a clear brand voice to define themselves among the intense competitive landscape

Pizza Hut miscommunicates and misunderstands its Target Audience while IMC tool's outcome* could not convert to higher sales even with local, cultural and customer behavioral integration



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RECOMMENDATION



REPOSITIONING RECOMMENDATION WITH CUSTOMER-DIRECT ENGAGEMENT PLAN

IS IT REALLY NECESSARY TO REPOSITION?



[1] Currently, Pizza Hut is also wants to **adjust customer perceptions** on the brand: switching from young-children to **Gen Z, millenials with single life** and in working population of urban areas



[2] As examined, Pizza Hut is **losing its core audience** (VIP segment) with an unfavourably decreasing trend of sales revenue from this segment



[3] There is a **disconnection** between **marketing messages** with topics Pizza Hut customers bring up. Customers do not feel the relevance to business (functional - emotional benefits)



[4] The **industry shakeups** towards the correlation between brand with clear identity and meaningful voice with customer behavior shift

“One of the biggest mistakes a manager can make is to assume the best results come from competing to be the best. Competing to be unique is much more effective strategy!” - Micheal Porter

REFERENCE CASE STUDY

Viettel

- Use rebranding attributes: changing logo and products/ services to align with the repositioning its customers perception towards the company
=> Successful switching from Telecommunication Company to Techonology Services Company

Macy Dept Store

- Macy repositioned to address the evolving retail landscape, adapt themselves into the digital age, and appeal to a broader demographic.
=> Financial performance improved, and Macy became well known for having the latest styles in fashion, beauty, home.

Apple Inc.

- Apple brand positioning narrows in on the brand's potential benefit clusters of functional and emotional benefits.
=> Successfully gain back market power with keywords: “Simplicity” that associated with product, sales - marketing preferences.



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REPOSITIONING RECOMMENDATION WITH CUSTOMER-DIRECT ENGAGEMENT PLAN

BIG IDEA: CELEBRATE YOUR PRIDE



[1] Based on **insights of the target audience**: High self-esteem and value self achievements



[2] Based on the **existing brand image** of Pizza Hut (masculinity, fast, exciting, fun, headspace of connection, colorful)



[3] The idea can be **relevant to F&B industry, customer perception and brand image** for long-term branding strategy



[4] **Differentiate Pizza Hut** from other competitors (Domino's - Technology; Pizza Company - Italian Taste)

Message:

Every moment and achievement in your life can be the pride and a meaningful celebration. Pizza Hut believes every prides of you: identity, milestones, memories, worths wholehearted celebration!

KPI

Short Term (3 months):

- 40% awareness from TA (Gen Z & Millenials, key cities, culinary savvy)
- Top 3 discussion topic on social media
- 10% sales growth
- 10-20% VIP come back

Middle Term (1-3 years):

- 60-70% awareness from TA (Gen Z & Millenials, key cities, culinary savvy)
- 20%-30% sales growth
- 10%-20% increase in Frequency score

Long Term (5-10 years):

- 80%~90% TA acknowledge brand keyword "Celebrate your Pride"
- 10% increase membership subscription
- 20% increase in retention rate



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Customer Behavior

Recent Disappearance

Recommendation

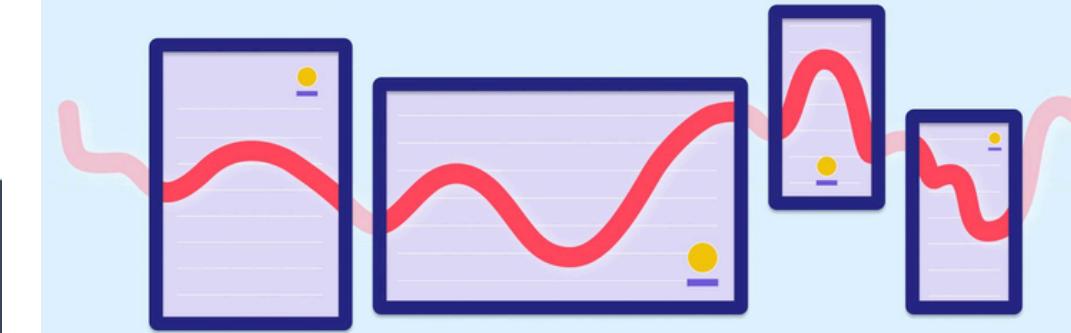
RECOMMENDATION EVALUATION: “FAR MORE THAN JUST CAMPAIGNS”

SHORT TERM



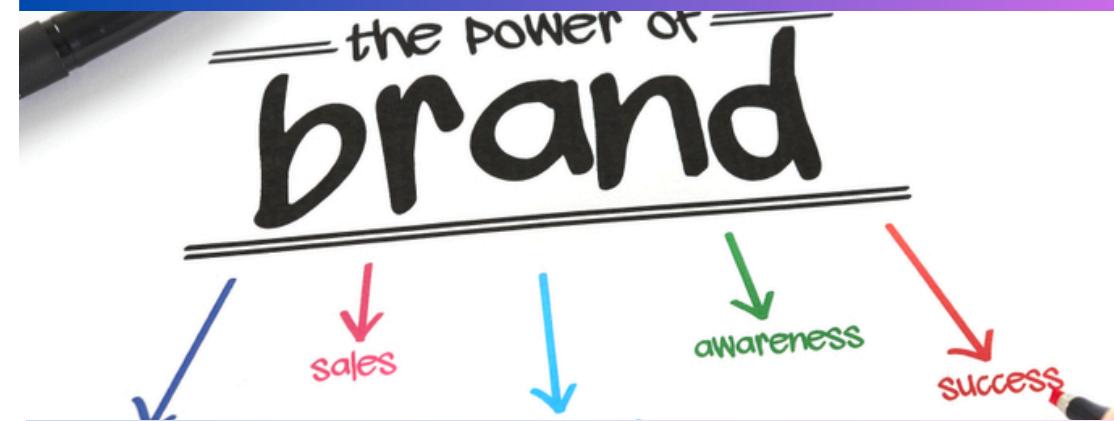
- Utilize rich IMC Tools Property of the Brand to construct various Marketing Campaigns to promote the signature store-themed celebration
→ **Leverage brand awareness on first movement of buzzing the market to surprise customers perception on PH**
 - Directly align products and services with the first market buzz and the data-conducted customers' preference on product/voucher scheme.

MIDDLE TERM



- With an orientated brand message, the R&D department will align with the theme of Celebration/ Pride to renovate more themed flagship stores, menus, and campaigns.
- Promotions are the brand's strength to leverage during campaigns to consistently convey the brand's message to customers.

LONG TERM



- Exclusively associate with “Celebration” or “Pride” keywords through constructed brand story (e.g. the case “Chill” of Strongbow - Appendix).
- Shape customers' perceptions when consuming company's products (from “fast food” → **food for celebration**)
- Develop dine-in chain specified for celebration purposes
- Industry pioneer in making celebration services become built-in products and fast-food services with clear relationship with designated customer segment



Awareness



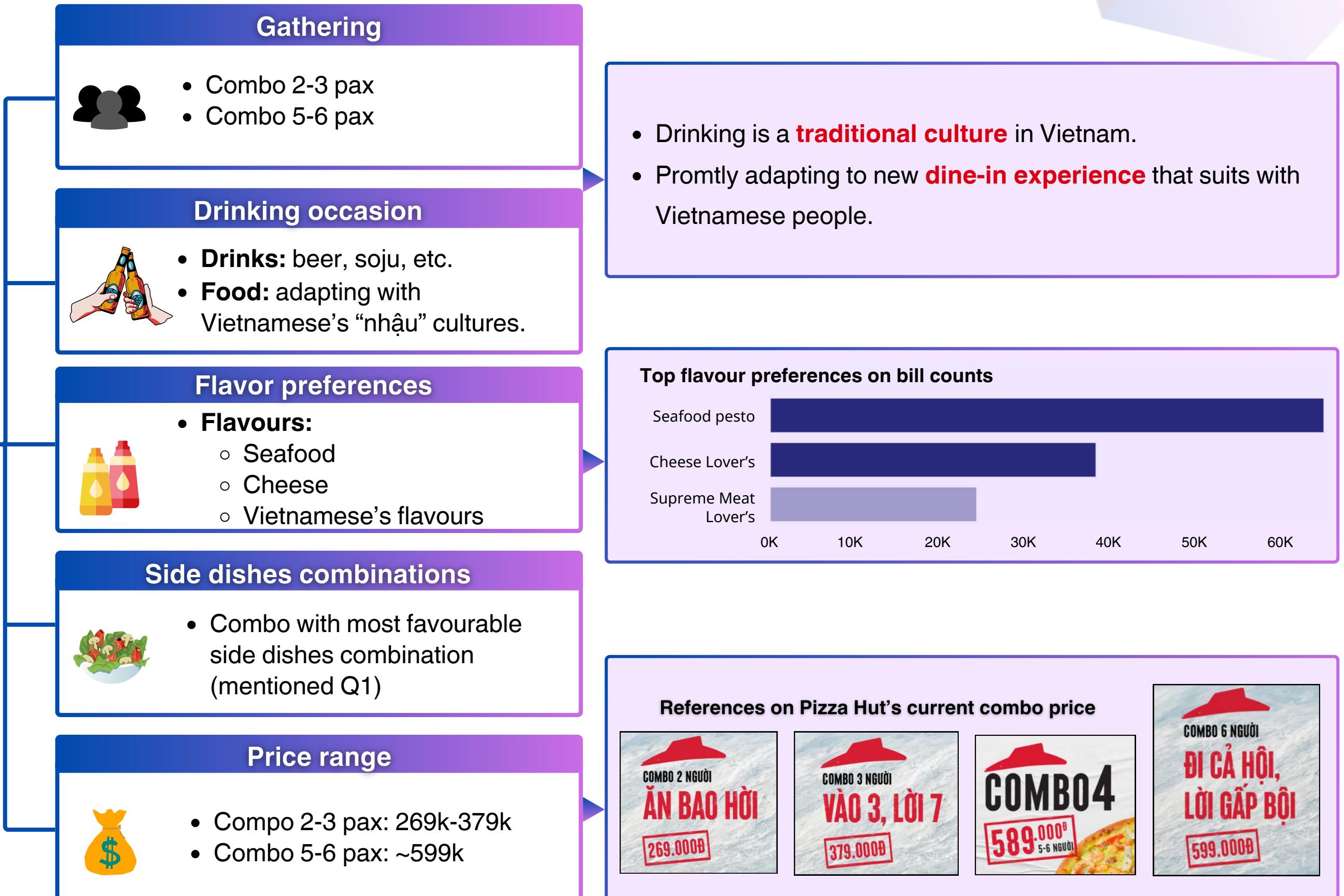
Decision



Retention

RECOMMENDATION: PRODUCTS AND COMBO STRATEGY

DRINKING GATHERING COMBO





RECOMMENDATION: COMBO DETAILS

COMBINATIONS

Pizza



Size: Regular
Flavour: seafood or cheese

Side dishes



OR



OR



OR



Italian Sausage
Pasta bolognese

Appetizer



OR



Tuna salad
Crinklecut french fires

Drink



OR



OR



OR



OR



RECOMMENDATION: COMBO SAMPLES

COMBO 2-3 PAX



COMBO 2-3 NGƯỜI

Nhậu thả ga,
không lo về giá

359.000Đ



COMBO 5-6 PAX



COMBO 5-6 NGƯỜI

THÊM BẠN THÊM VUI

569.000Đ



BUILDING A SIGNATURE STORE UNDER 'CELEBRATION' THEME

1

OBJECTIVE



To create a signature store that appeals to an **older demographic** and **reinforces Pizza Hut's position** as a **casual dining destination**, and create a **market buzz** serving the '**dine-in**' for **celebration needs**.

2

TARGET AUDIENCE



Adults **aged 18 and up**, seeking a relaxed and **upscale dining experience** with an emphasis on socializing and enjoying beers.

3

THEME STORE



- Fun
- Bustling
- American-styled

4

MENU AND FOOD OFFERINGS

- A curated menu featuring **premium pizzas, appetizers, and main courses** tailored to the preferences of older adults.
- Offer a **wide selection of craft beers from local and regional breweries**, along with classic cocktails and non-alcoholic beverages.
- **Highlight seasonal and locally** sourced ingredients to emphasize freshness and quality.

5

MARKETING AND PROMOTIONS



1. **Host regular events and promotions** that appeal to older adults.
2. **Most-favored voucher scheme:** Higher minimum requirement comes with higher voucher value, with:
 - Minimum spent within under **322,000VND** (average spent each bill)
 - Typical voucher value **100,000VND**
 - Total **released voucher value (cost) less than 20%** of expected sales amount
3. Utilize **social media platforms** to showcase the store's upscale atmosphere and offerings specifically tailored to older adults.

6

CUSTOMER SERVICE



By implementing these strategies, Pizza Hut can effectively establish its signature store as a premier destination for **socializing and celebrating** navigating **an older demographic**.

7



STORE DESIGN

A centre-located and spacious atmosphere with warm lighting, comfortable seating with both outdoor and indoor space.

Designated areas for:

- **Casual Dining:** Football watch parties, After-work, game night, etc.
- **Occasion celebrations:** Birthday, corporate parties, anniversaries, etc.





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THANK YOU



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