

# Domino's, Social Media, & Leveraging Twitter

## Domino's: a Case Study of social media and leveraging Twitter (or not)

I want to write today about Domino's Pizza, an international franchise restaurant and pizza restaurant with delivery. Their website is <https://www.dominos.com/en/> \*

The company was founded by Tom Monaghan in 1960 and now has an annual volume of USD 1.8 billion and 220,000 employees worldwide. Previously the company specialized in pizza. Indeed its name was Domino's Pizza, but then it started to also sell pasta, sandwiches, and bread –changing its name in 2012 to just Domino's.

One reason why I have selected this company to write about is that it has a great story of success—mainly due to its capability of leveraging technology. The main strength of Domino's has been its ability to deliver a pizza within 30 minutes after the order was placed. It was counting on its speed to deliver the pizza before that time frame for customer satisfaction. A few years ago they were offering discounts or even free pizza in the event the order was delayed more than 30 minutes—they believed in their slogan, and they stood behind the pledge.

### The Mobile App

In a digital world, like the one we live in today, Domino's has captured the importance of technology. As we know, the importance of e-commerce has been growing, and this is also true for food. Domino's created a very advanced app and managed to have 50% of its orders now made via mobile devices—the first of its kind to have that type of success

with mobile app order placement. The company even has a tracking feature that is able to tell you exactly at what point in the process your pizza is. Being a food business, it has quite a broad market. The core target market is the one related to lifestyle. Usually, families in which both parents work full time, commute more than two hours per day. They are starving after a long day at work and have very little time to dedicate to cooking. Capitalizing on the need to have the food ready, Domino's utilized a brilliant marketing strategy by having an app that is able to track a customer's pizza, thus making it easier to be able to order on the way home and find the pizza right on time when arriving. What a lovely feeling to be able to reach home together with a hot, delicious meal ready and waiting.

The company now tries to maintain its reputation by leveraging technology. To do this, it partnered with the creators of Apple's Siri technology to create a voice assistant to order a pizza; the name of the assistant is Dom (get it?). In 2014 Dom was launched, and it was a huge success relative to reaching and engaging audiences and in promoting social media discussions about it.

[http://industry.shortyawards.com/nominee/7th\\_annual/o4H/dom](http://industry.shortyawards.com/nominee/7th_annual/o4H/dom) \*

## **Let's consider some Domino's competitors:**

### **Pizza Hut**

The company link is <https://order.pizzahut.com/home> \*

Pizza Hut, according to Wikipedia, has more than 600,000 stores in just the United States and more than 500,000 around the world. They also sell pizza, pasta, and similar food as Domino's, and of course, they also have a big chunk of the pickup and delivery market.

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## **Papa John's**

The company link is <http://www.papajohns.com/company/> \*

It was founded in 1984 by John H. Schnatter. It has \$1.4 billion in annual revenue and 20,000 employees. It's mostly a takeout and delivery business, but in a few locations, it also has some places to sit and eat, but not to the extent of Domino's or Pizza Hut. Papa John's does not serve pasta. They serve pizzas, breadsticks, and wings and thus has fewer options than the first two companies analyzed.

## **Little Caesar's**

The company link is <https://littlecaesars.com/> \*

It was founded in 1959 and is the third largest company for pizza delivery after Domino's and Pizza Hut, according to Wikipedia. Also, Little Caesar's was among the first to use a new kind of speed cooking conveyor oven, the "Rotary Air Impingement Oven" as described in [U.S. Patent 5676044](https://en.wikipedia.org/wiki/Little_Caesars) ([https://en.wikipedia.org/wiki/Little\\_Caesars](https://en.wikipedia.org/wiki/Little_Caesars)) \*. Their menu is mostly based on pizzas and breadsticks, and they don't serve pasta and other dishes.

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## **Domino's has social media. They have:**

- Facebook account <https://www.facebook.com/Dominos> \*
- Twitter account <https://twitter.com/dominos> \*

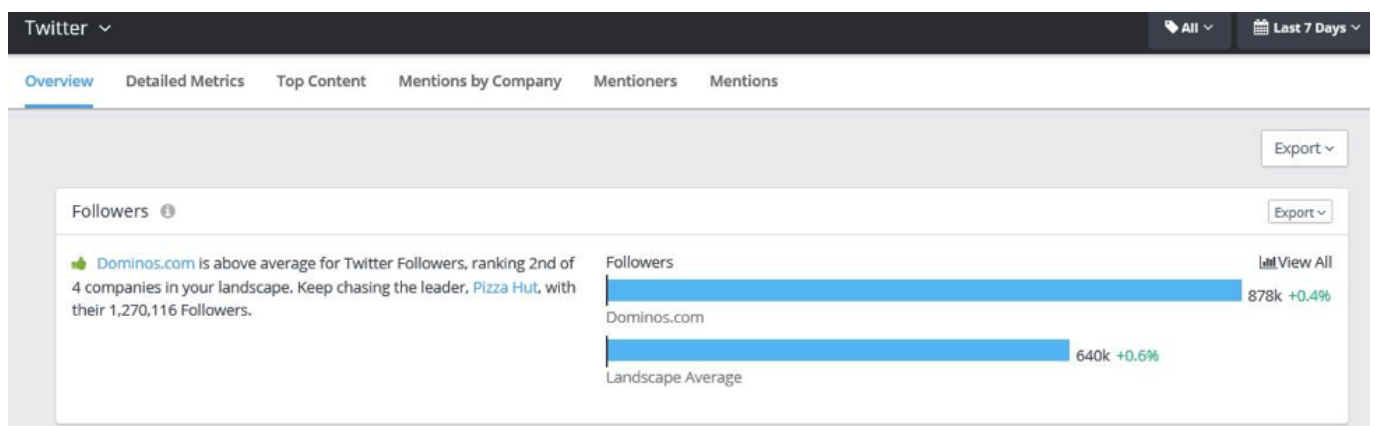
▪ Google plus account  
<https://plus.google.com/+dominos/videos> \*

Strangely, they do not have a YouTube or an Instagram account.

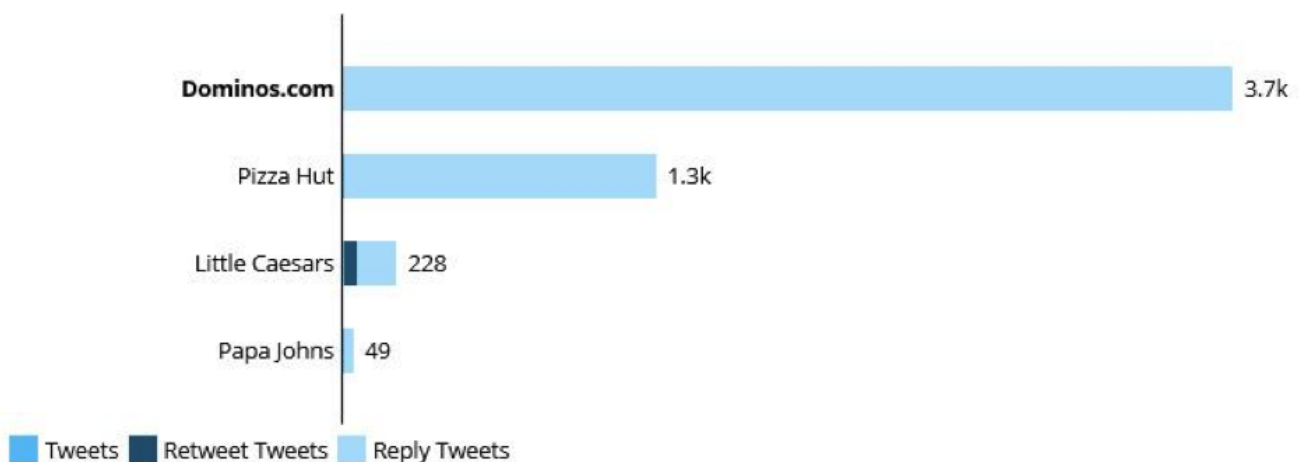
### Specific to their Twitter...

I recently monitored their Twitter account for 7 days using Rival IQ.

The Twitter account has 878K followers. In the 7 day period, this increased 0.4% according to our analysis.

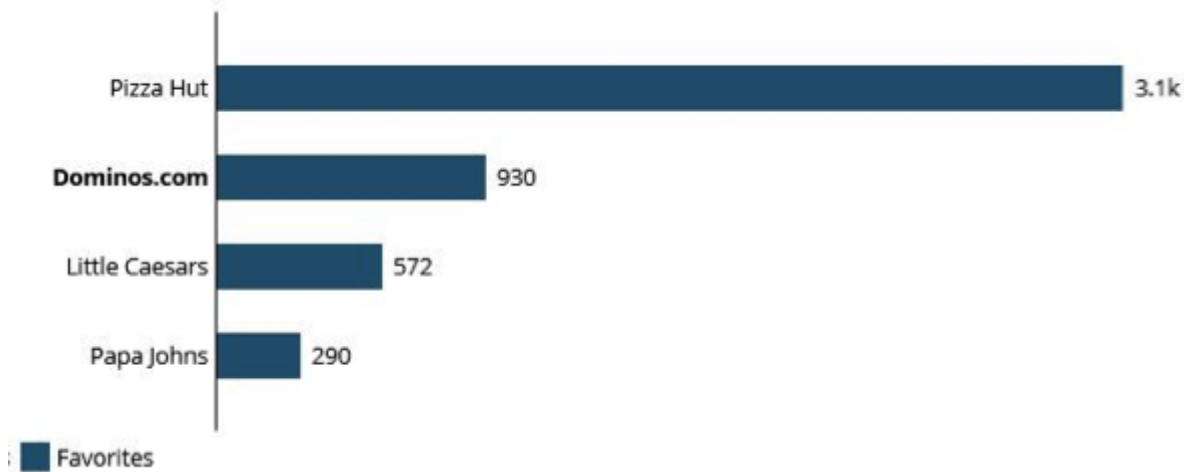


Domino's has many tweets compared to its competitors. As you can see from the graph below, it has almost three times the number of tweets of Pizza Hut.



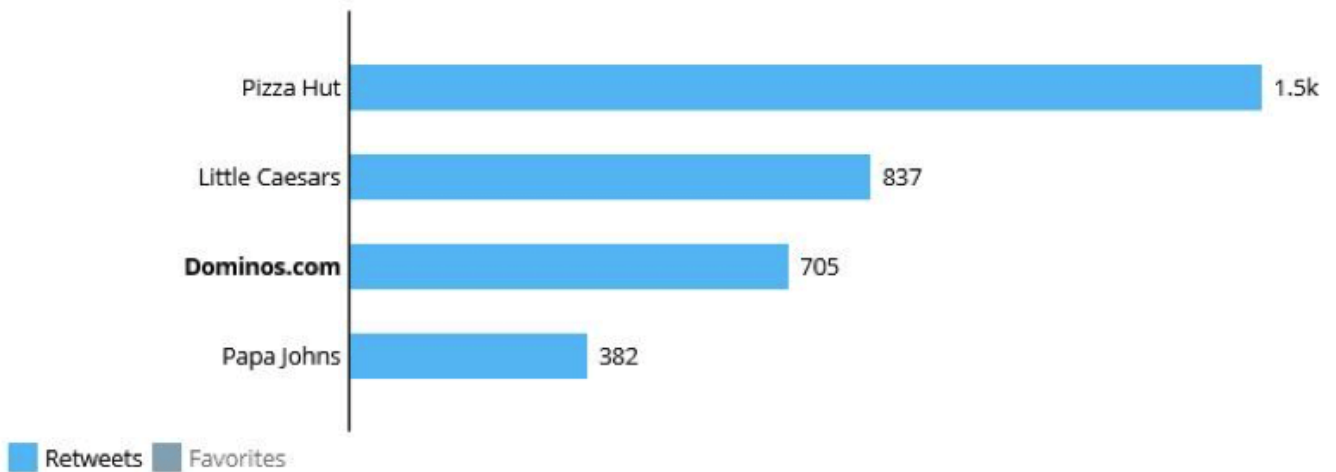
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However, it does not appear to have a lot of engagement. Engagement is much more important than the number of tweets. As you see below, favorites are fewer, as are retweets.

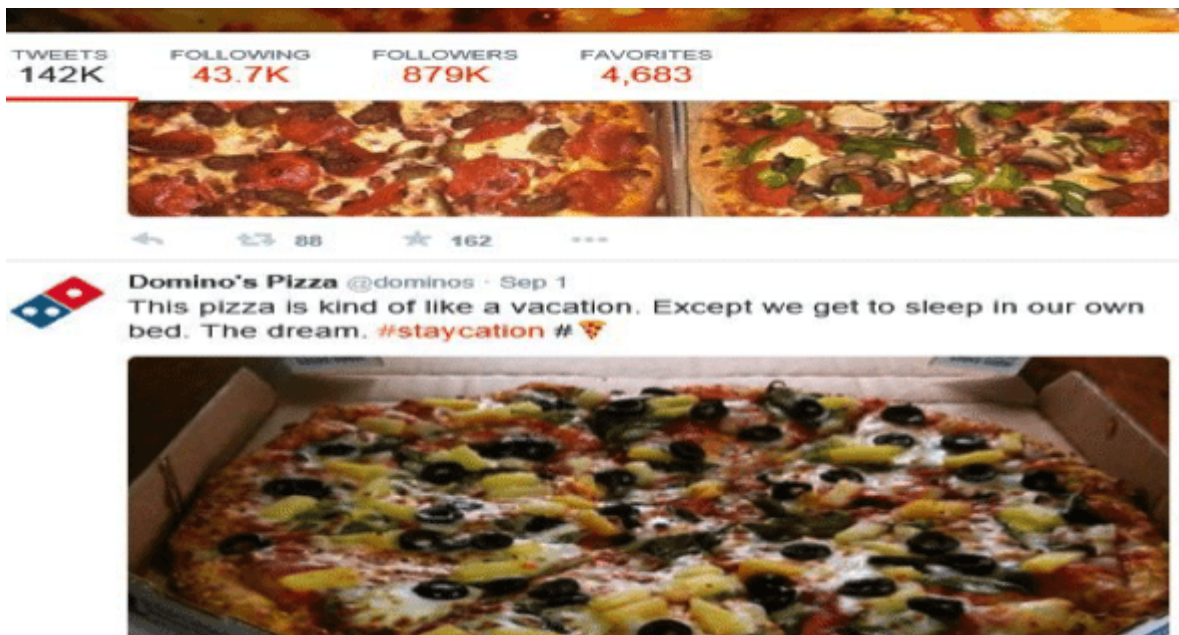


It looks like Domino's has more than eight times the followers of Little Caesar's and three times as many as Papa John's. It is not often mentioned and does not get many retweets as seen in the images below.

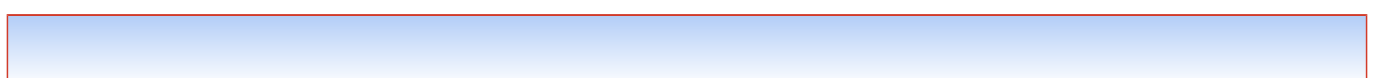
It appears that most of the tweets do not get attention. What I noticed is that the more the tweet contains rich communication (picture, audio, and video), the more likely it is to get engagement. So an appealing image of a pizza has a higher chance of getting retweeted. However, if the tweet has poor graphics than it is likely to get the same kind of engagement as that without a graphic. Most of Little Caesar's mentions, despite a smaller base of followers (100K against the 879K of Domino's), did get much engagement during the week due to a #LCPizzaParty campaign launched to bring pizza to Justin Bieber fans, which included pictures and sending tweets about it. This brought a lot of engagement and many retweets and mentions. This proves that even with having a smaller audience, a company can be very successful in engaging with the audience. Perhaps it goes to the old saying regarding quality over quantity.



Domino's has not posted many tweets that are content rich. However, they have started to do so recently—even while I was doing this study. Domino's account is tweeting more pictures than it ever did in the past, as seen in the screenshot below. In this case, they did indeed get more retweets and mentions than before.



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## The Analysis:

The data shows that even if the competition's audience is huge, and the number of tweets is even larger—here it was about 4k a week—the tweets themselves are not very engaging and thus do not have a substantial effect. Other competitors with a much smaller audience obtain much more attention from customers—excluding tweets, but those tweets are more engaging. If Domino's would launch a Twitter campaign or involve celebrities like Little Caesar's has done, this could spur more engagement. The LC campaign for Bieber Believer fans was ingenious!

Let's look at the touch points of this brand, (whether it happened during, before and after the purchasing cycle) for Dominos. In particular, it can be:

1. the time in which the delivery will arrive and promised punctuality (a massive brand strength as its target market wants to get a hot pizza to eat right away).
2. Also the ordering experience and how pleasant or how easy the experience of ordering the pizza was can be another touch point.
3. And then there is the product itself and how good the pizza is—how tasty it is.

What it looks like is that one of the more important touch points, delivery, does not perform as it should judging from the social media complaints that Domino's receives. Unfortunately, social media is used to communicate inefficiently by the operations services. Most of the time, all of these negative mentions bring up negative perceptions of the service, even if it is really limited to a few cases. This can always happen, but the way it is depicted on social media skews the perception.

I recommend adding testimonials or launching a campaign to tweet constantly that pizzas arrive on time —accompanied them

with images of satisfied customers or even short videos. Maybe make a public pledge again that should the pizza be late they provide it free of charge or something similar. It needs to be significant, though—to the point that people see it as a real value-added pledge. Often we see that social media can be a magnet for what has gone wrong. This is often the case for reviews—those who are not happy are more likely to complain whereas those who are satisfied are less likely to say so. This is where social media can be compelling. This company, like many others, should institute a program that effectively solicits those other reviews—the more-satisfied-than-not. In this way, I think they can leverage the satisfied customers in ways that communicate well to potential customers.

*\* External links will open in a new browser window/tab.*

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## Price Discrimination

Price discrimination may sound strange to people, but it's a strategy used by companies to take advantage of the willingness to pay by different groups of people.

Large companies and great marketing strategists use this technique. Smaller companies do not really employ it, so I would like to dig in a bit more and give an overview on the benefit of price discrimination.

It's a very sensitive topic, so if you apply this to your company's strategy, make sure you do it in the right way, because if poorly managed it could prove to be anti-productive, but if well managed it can really drive your



profits through the roof.

In marketing, pricing strategy is really important. The choice of a price needs to be thoroughly analyzed and cannot be dealt with superficiality.

If you have a maximum price for which different segments are willing to pay, do you set up a lower price in order to make everybody happy?

If this is how you conduct your business, you might lose a big opportunity, not only to make much greater profits but also to generate a competitive advantage in comparison with other brands.

The ability to get the best price from the richer client and to offer a better deal to other groups may sound unfair, but it's used constantly in brands not only to increase profit but to create even more loyal clients and enhance the brand advantage .

*Allow me to explain:*

What is clear is that clients that buy a different product will have different prices. But we need to understand what happens when the product is the same but the price is different. An example is a student discount; the same product at an adult price. Or think about an airline, train a bus trip or even hotel accommodations.

Some of those services are the same, for example, an economy class for an adult will be the same service that will cost the same money to the company but it is sold for a much lower price. So in this case companies take advantage of another market segment with less spending ability. If you think they were doing it because they feel sorry for the students and they want to make them travel then you are very naïve J, but I need to admit it's a good

excuse so don't complain about it.

The Internet gives us a chance to negotiate with individual prices. I think such approach is similar to Alibaba.com who gives an attractive price range, but then they negotiate with the individual buyers.

This reminds me of an old trick of a Chinese supplier who would let me choose two products at different prices to assess my knowledge and my approach to them before giving me a price. Testing me gives him an edge on my willingness to pay, my perception of quality and my attitude towards certain products. With the Internet, brands can get information on demographics, interests, age, etc.

## **First Degree**

Companies that negotiate prices individually use a tool called first-degree price discrimination and it's easier to apply to e-commerce brands.

## **Second-Degree**

Second-degree price discrimination is considered more like an indirect method.

Second degree implies that firms offer different deals, (in quality and quantity) and consumers self-select based on their willingness to pay and their tastes. In this instance, you can be more generic; you don't need to know everything about your consumer. You can select groups that prefer different products.

This can be done through:

- **Nonlinear pricing**

This means you can have a more expensive price for the first quantity and then a lower price if you buy more

products or use more of the services of the company.

This quantity discount is used by many brands, mostly telecommunication companies. They offer different products that allow a bigger discount based on how much you use the product.

#### ▪ **Versioning**

Firms offer different versions of their product, so a lower quality can have a cheaper price and allow targeting a segment with a lower income.

However, you need to be careful not to make the mistake of making the product substandard (which sometimes costs more money) and sell it at a reduced price. An example can be some software versions if you think about it. Sometimes you can buy software with a limited functionality for a cheaper price. In this case, the company had the premium version but then spent money and time to make it less functional in order to appeal to consumers with less ability to spend.

They spent more money and they are receiving less revenue for their product.

#### ▪ **Bundling**

Some consumers prefer some product more than others, and sometimes firms can bundle products together making an attractive price for buying several products together. This is also used to promote a new product. This can reduce consumer heterogeneity (which I am not sure is a good thing in a centric customer world) and in this manner you can sell more products to more segments and increase profit.

Rather than decrease prices for example to attract more buyers, you can bundle products together at an attractive

price but not so low as you would need to in order to sell to people not really interested in the product.

For example, you are selling a specific product X , Y , and Z:

Your buyer group 1 is willing to pay \$50 for X, but not interested in Y, unless it is really cheap.

You could bundle X and Y at \$65 in order to sell more of Y without dramatically lowering the price. You could eventually keep selling Y for \$35 to another group interested in that product and willing to pay more, or in this way, the new group could also eventually be interested in buying product X bundled with Y because it seems attractive as a price.

## **Intertemporal Pricing**

Another issue to touch on very quickly is Intertemporal pricing. This is basically the increase or decrease of prices in relation to time.

Unfortunately, in high technology or innovative products prices tend to be higher at the beginning and lower as time goes by. So you are punishing the Innovator or the early adaptor – the people who really buy at the beginning and help the diffusion of the product.

If you don't know what I am referring to please look at the graph below and refer to Theory Diffusion of innovation of Everett Roggers.

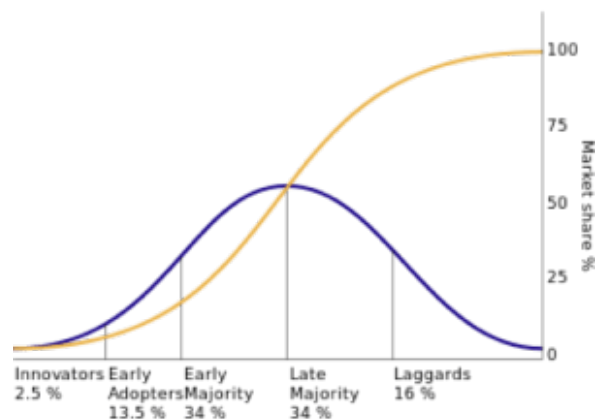
[https://en.wikipedia.org/wiki/Diffusion\\_of\\_innovations](https://en.wikipedia.org/wiki/Diffusion_of_innovations) \*

## **Price Discrimination**

Many consumers that catch the fact that the price of an item may cost less in the future may delay the purchase. This is an

issue. It is also inconsiderate to lower the price of an item. It can represent a lack of loyalty toward some customers.

All my real estate investors know that we (the developers) tend to the inverse strategy when we sell a planned project. We increase the price as we sell more units or as we advance in the process of construction. This is great and helps the early investors gain profits compensating them for the initial trust.



Antonio Velardo price discrimination graph

*\*As an external link, this will open in a new browser/window.*

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# Charitable Campaign: Helping Seniors Improve Their Quality of Life

Good evening. This is just a short note here to discuss something very important. I love writing. I love sharing my

experiences so that others can learn from them and hopefully have success also. It was once said that with great success comes great responsibility. This is not something that I have hid from or take lightly. I actually take great care and responsibility realizing that there are many in my very own community that requires assistance, right here in Fort Lauderdale. I would like to do what I can and I have been working very hard to that end. This great and noble cause has been one of the reasons it has been hard for me to blog on here the way I enjoy too.

Anyhow, I want to welcome all those who know someone 65 or older in this area to contact me. No games, no scam. Share their story, or help them to share their story with me also, so that I can help. I realize that many people above the age of 65, especially those in real need, do not often have access to a computer or perhaps even basic computer skills. This is where I will rely on my friends and visitors, to nominate someone and share his/her story and help spread the word so that together we can have a great impact and help our cherished neighbors, friends, and family. This is important to me, and I know it is important to many of you also. Let's act quickly and help all those as quickly as we can. I encourage everyone to do the same, especially those who are in a greater position to do so—this is our responsibility, our duty I think, to do so. I will look forward to these requests, and to helping as many of those in need in our area here in southern Florida as I can.

Thank you, and have a good evening.

Read more:  
<https://www.digitaljournal.com/pr/2487539#ixzz3VvWJcxE4> \*

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# Business Angel

**Hello!** I wanted to touch base quickly here via my blog and my social networks and extend an invitation. I am a firm believer that opportunity breeds opportunity, and that hard work is the key to success. Hand and hand, these two elements have often led to amazing inventions, products, businesses etc. I love to be a part of new ideas, of creative, fresh ways to do things. It is cliché, yes, but thinking outside of the box has become a cliché for a reason...because of its importance. Put the old ways to bed and share your new ideas with me, let me help you incubate them and bring them to life!

My invitation today is for all you entrepreneurs or small business owners and operators or those of you who have a cool idea. If you have a product or service, or idea or business, or just an idea that you think may be the next big thing, and you are looking to bring things to reality or to take them to the next level, fill out the form and shoot me your idea. If you have a formal plan and layout, that is awesome. Share it with me and I would love to review it. If you are not yet that formal in your process or idea, that is ok too, still feel free to reach out to me. I am always looking to lend a hand and help elevate entrepreneurs and creative thinkers where possible! I am lending money and offering mentor-ships too.

I can't wait to [hear from you](#) and consider your ideas!