



How we helped deliver Domino's Pizza direct to your post box

While 50 per cent of its sales may come through online channels, Domino's Pizza still relies on mail to drive customers to its online ordering system. Direct mail also gives franchisees a direct channel to the customers in their territories.

Customer: Domino's Pizza Enterprises Ltd

Website: www.dominos.com.au

Number of stores: 447 stores in Australia

Industry: Quick-service restaurant

Challenge: Acquiring new customers and retaining existing ones for each franchisee, through weekly mail communications.

Solution: Unaddressed direct mail for acquiring new customers and addressed direct mail for customer retention.

Results:

- Approximately 81 million direct-mail pieces posted per annum, all managed by a small team at Domino's Direct.
- ROIs of up to 10 per cent.

Background

In terms of both store numbers and sales, Domino's Pizza Enterprises Ltd is Australia's largest pizza chain. The company is the master franchise holder of US-based Domino's Pizza Inc. and it owns and operates the brand in Australia, New Zealand, France, Belgium, the Netherlands and Monaco.

Ross Allen, general manager of Domino's Direct – the Australian company's direct-mail division – says: "Domino's Pizza wants to create a sustainable future. We want to deliver value to our staff, customers, shareholders and stakeholders. We listen to our customers, use fresh ingredients and care for the environment and our communities. We are a corporate citizen of Australia, not only a pizza company; it's part of our make-up."

The pizza company's core customer demographic is men between the ages of 18 and 39. However, Domino's has made a number of changes to its range to broaden the brand's appeal. "Our target market is people who eat!" says Allen.

A cornerstone of the brand is its innovation and business leadership. An example of this forward-thinking approach was the launch of the brand's online platform in 2005, well ahead of the curve. "A lot of work went into going online," says Allen. "Now, online orders make up 50 per cent of sales. The challenge is to stay ahead and stay in touch with our customers."

Domino's Pizza case study – unaddressed and addressed direct mail

The challenge

With such a huge potential customer base, the challenge for Domino's is how to get the message out to as many people as possible. At the same time, the company also needs to customise its messaging in individual franchise territories.

Allen explains: "We run national promotions, which are communicated online and on TV. However, the pricing varies from store to store, because each outlet has different pricing structures."

Consequently, franchisees need a channel to communicate their prices. They also need a way to acquire new customers in their territory and turn existing customers into regular, repeat customers.

The solution

Domino's Pizza has a long-standing relationship with Australia Post, so it makes sense to leverage the tried-and-trusted mail communication channel to target customers in different franchise territories.

"We communicate with customers online first, as it's the most cost-effective way, then use print to supplement the digital communications, as a final driver to get customers to use our services," explains Allen. "We send out 80 million unaddressed direct-mail pieces and one million addressed direct-mail pieces per annum."

Not only does mail allow Domino's to customise the pricing for each franchisee, it also delivers that all-important cut-through. "With email, people can push the communications aside fairly quickly or they might even be directed straight to junk mail," says Allen. "With a printed mail piece, they have to interact with it and handle our message."

According to research* conducted in April 2012, 43 per cent of respondents preferred to receive print mail communication from local restaurants and takeaways they hadn't dealt with before. Only 7 per cent preferred email. "Our unaddressed direct-mail piece for customer acquisition might be an A4 flyer folded to DL or even a postcard, with the details of the current national promotion and the franchisee's pricing," says Allen.



In the same survey*, among respondents in the 18–39 age bracket, addressed direct mail achieved read rates of up to 81 per cent. "The addressed direct-mail piece is much more targeted, encouraging existing customers we haven't seen in a while to order again," says Allen. "Head office manages all the customer information on behalf of the franchisees. We work with each franchisee to put in their individual pricing and tailor their mail communications to accommodate their budget constraints."

Domino's Pizza started using a centralised online booking system for its unaddressed mail more than a year ago. This Australia Post business tool allows Domino's to book and manage all its unaddressed mail campaigns online. Domino's has 24/7 access, and geographical maps help the team to target suitable delivery areas for each store. "With 447 stores and up to 12 booking waves for each store, we are talking a lot of bookings!" says Allen.

The results

Domino's direct-mail communications are part of an integrated, multichannel campaign. Allen estimates that Domino's gets a ROI of 1.5–3 per cent for its unaddressed direct mail and a ROI of 6–10 per cent for its addressed direct mail.

"We send out weekly direct mail," he says. "If our mail marketing pieces don't go out, it affects the franchisees' sales immediately and they'll call and ask what happened. It's that responsive."

Domino's is always looking to improve response rates. It has now turned its attention to the data used for mail, looking at creating a single, clean database for even more effective communication.

"We have separate data systems for online and print that we are integrating," says Allen. "We're working on a CRM project to clean up and enhance our data."

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For more information, visit auspost.com.au, call 13 11 18 or speak to your client sales executive.

This customer story is based on information provided by Domino's Pizza Enterprises Ltd and illustrates how one organisation has used Australia Post's Unaddressed and Presort Mail services. Many factors contributed to the results and benefits described. Australia Post does not guarantee comparable results elsewhere.

* Australia Post Consumer Omnibus Mail Findings, April 2012