Domino's Pizza India: growing offline presence in an online world?

Swapna Pradhan

F ebruary 2022: The management at Jubilant Food Works Limited (JFL) was happy with the journey of the Domino's Pizza (hereinafter referred as Domino's) brand in India. JFL held the exclusive right for developing and operating the Domino's in India, Sri Lanka and Bangladesh. The brand had started its journey in India in 1996 and, in January 2022, the milestone of opening the 1,500th Domino's restaurant had been achieved [1]. The Domino's name had become synonymous with pizza in the country. Its strong focus on leveraging technology and product innovation had enabled Domino's emerge as the market leader in the organised pizza market in India.

The Indian market over the years had evolved with respect to consumer buying habits and competition. The growth of cloud kitchens [2] and the rapid increase of food aggregators [3] had eaten into Domino's market share created with front-end technology and home delivery options. The March 2020 pandemic had led to nationwide lockdown for the first few months, severely impacting, among others, the quick service restaurants (QSRs) [4], which formed an integral part of the food industry. Significant changes were witnessed in the year 2020 in the business operations of QSRs. Contactless dining and takeaways became the new norm. Additionally, the growth of food delivery apps and cloud kitchens accelerated the online food ordering.

At Domino's, the online ordering (OLO) further strengthened and increased to 98.4% of delivery sales in FY2021. At the same time, JFL opened 134 new Domino's outlets, of which 100 outlets were opened in Q3 and Q4 of 2021 (Jubilant FoodWorks Limited, 2021). This was in fact the highest number of outlets opened by Dominos in any quarter. While the industry reports were clamouring technology platforms as the next-generation competitive battlefields for the food chains operating in the country, yet Domino's was anchoring its future success on new physical retail outlets. Was this approach correct? Should they revisit their strategy? What should they do to strengthen their market penetration?

Foodservice market in India and key players

The onset of liberalisation in the early 1990s made India an interesting emerging market. A large number of international brands such as McDonald's, Kentucky Fried Chicken, Domino's Pizza and Pizza Hut entered the market. The Indian market was characterised by the presence of a large unorganised sector, strong ethnic cuisine and Indian QSR chains such as Nirula's, Halidiram's, Bikanerwala and regional QSR brands (refer Exhibits 1 and 2). Gaining acceptance in the market was the primary objective and most brands adapted the product offerings to cater to the Indian taste and palette. The focus was on creating product awareness and substantial investments were made in procurement and building supply chain efficiencies (refer to Exhibit 3). Stores were typically located in the large metros and Tier 1 cities [5].

Swapna Pradhan is based at the Department of Marketing and Retail, Prin. L.N. Welingkar Institute of Management Development and Research, Mumbai, India.

Post 2000, a growing Indian economy fuelled the growth of QSR segment and the focus shifted to driving footfalls, emphasising on offers and introducing product variants. The QSR sector gained momentum on account of various factors, including a favourable macro-economic environment, demographic dividend, growing internet penetration, changing consumer consumption patterns, etc. The QSR brands had started to penetrate the new markets of Tier 2 cities. As compared to the mature markets, the Indian market offered immense market expansion and growth potential. Indian QSR chains such as Faasos, Goli Vada Pav and others also expanded. Consumer's propensity to increased eating out (Punamiya and Sheth, 2021a) was complemented with the diversity in the types of cuisines being adapted.

The growth in digitisation, the availability of varied payment options and improved geolocation led to the growth of restaurant listing companies in 2008, and 2014 onwards, there was an accelerated growth of food service aggregators (Punamiya and Sheth, 2021a). The entry of food tech [6] start-ups brought about a significant transformation in the Indian QSR segment. The cloud kitchen model emerged as a strong business model. The concept gained popularity for its pocket-friendly dynamics such as low capital investment, quick turnaround times, limited human resources, target-driven marketing, ease of customer acquisition, etc. Product was the only key factor which drove branding for a cloud kitchen. Brands such as Faasos leveraged the opportunity by launching multiple brands from the cloud kitchen format (Rakheja, 2021). Not to be left behind, QSR chains such as McDonald's had already investigated the interplay between technology and fast food and launched the Experience of the future stores in 2017 (PTI, 2021).

The pandemic and subsequent lockdown accelerated the overall acceptance of technology among the consumers, the growth of cloud kitchens and overall online food delivery segment (Punamiya and Sheth, 2021a). Technology was at the forefront with Web-/kiosk-/mobile app-based ordering, and the use of artificial intelligence and the Internet of Things [7]. Driven by convenience, hygiene and safety became significant from the consumers' perspective. In December 2020, Wendy's announced a tie-up with Rebel Foods to develop and operate approximately 250 Wendy's cloud kitchens pan-India (Srivastava, 2020).

Industry experts predicted hybridisation (a mix of online and offline) models to become the norm in the industry as large format restaurant owners were exploring plans to set up and operate out of cloud kitchens. It was increasingly becoming clear that the pandemic had led to a change in the economics of the restaurant business, with technology playing a key role (Mittal and Bhalla, 2022).

Domino's Pizza in India – the journey

Domino's entered India in 1996 and, in the initial five years of its launch, opened only 50 stores (Kaushik, 2011), largely in the metros. The focus was on understanding the market, adapting the menu to Indian sensibilities and building a robust supply chain. The internal product development team constantly interacted with customers, the marketing team and the market research team to seek feedback on food products and new product ideas.

Having gained an element of acceptability in the large metros, the year 2000 saw Domino's embark upon an expansion spree, aimed at increasing the number of outlets to 100 and moving into Tier 2 towns (Kaushik, 2011). While the expansion did not go as planned, it led to a revamp in strategy focused on building operational efficiencies, staff training and building infrastructure to fuel growth. The focus was on improving service levels, increasing frequency of consumption, investing in brand building and differentiating the brand. In 2004, the "30 minutes or free" (Jubilant FoodWorks, 2022) delivery proposition was launched and its success helped position Domino's as the pizza delivery expert. A need was now felt for expanding the store network.

During the period 2006–2012, Domino's took a calibrated approach towards store expansion with its store count increasing to 500 outlets and presence in 70+ cities (Gupta and Kanodia, 2019b). The subsequent years till 2016 saw an aggressive effort to reach out to customers not only by expanding the store network but also by becoming the first brand in the country to launch the OLO platform (Jubilant FoodWorks, 2022) and the Single National Same Number (Jubilant FoodWorks, 2022) to facilitate consumer convenience. A new restaurant design "Pizza Theatre" was adopted to improve the dine-in experience (Jubilant FoodWorks, 2022). In early 2015, Domino's formed an association with Indian Railway Catering and Tourism Corporation Limited (Jubilant FoodWorks Limited, 2015) to deliver pizzas at railway stations. While this helped expand the reach, multiple value-based offers were also introduced, which enabled the brand to break into the sub INR 50 category. This brought into its fold a new segment of consumers who could enjoy pizza.

While 1,000 restaurants (Jubilant FoodWorks, 2022) were inaugurated in 2016, the same store sales growth [8] (SSSG) suffered, from around 20%–25% in FY13 to a negative 2% in FY17. Domino's received a setback when it lost INR 6,200 crore [9] (approx. $820m) in market value (Bhushan and Somavanshi, 2016). This was attributed to multiple factors, including the growth of many food start-ups and technology-enabled food-related applications which offered a vast choice to customers. This, together with an increase in the price of the pizza and lowering of quality of the pizza, did not go well with the customers. The management decided to go in for the much-needed product improvement and a change in strategy.

The new strategy focused on the key pillars of product improvement, value for money, seamless customer experience and superior technology. In 2017, Domino's introduced the Everyday Value proposition and launched the Super Value Menu, in small towns, with a focus on affordability. This was supported by an aggressive 360-degree marketing campaign with the tagline "Aapne Kaha, Humne Kiya" (You suggested, we listened). The positioning was chosen to reiterate that, the new product upgrade was an outcome of insights gained from customer feedback, market research and restaurant observations.

Domino's focused on enhancing multiple customer touch points through the Domino's Mobile App, the dine-in experience and reimagining the store ambience. The Domino's Late Night delivery was launched across 7 cities and 52 restaurants and "Domino's on-the-Go" outlets were launched at Metro stations in select cities [10]. Over the years, the brand had built an interesting portfolio of products and offered products other than pizza such as pasta, sides, deserts and even cold drinks to its customers.

While Domino's had leveraged technology to its advantage, the increase in the number of food-related applications and the increase in the number of new restaurants listing thereon had enabled a large choice to be available to the customers. Its unique proposition in terms of fast and easy food delivery was under attack and at the same time the choice to the consumer had increased dramatically.

Consumer-focused marketing

Since the early days, the Domino's marketing strategy was based on an understanding of the key elements of consumer behaviour and identifying opportunities. The aim was to establish a distinctive image in the minds of the customers of quality, reliability, value for money, variety and customer service. At the heart of the marketing strategy was the focus on understanding the changing consumer tastes and preferences.

Three distinct marketing channels were formed as a part of the company's marketing efforts (Jubilant FoodWorks Limited, 2010). The first was the national marketing campaigns on television, in print and on radio, often in regional languages. Innovative new product developments and launches were at the heart of such campaigns. Local store marketing aimed at increasing customer penetration by targeting new customers and increasing

frequency of repeat orders was also allowed. This included address mapping of the entire delivery area to precisely identifying key demand areas for a store as well as intensive coverage of households and corporates within a store's sales area using store-specific door hangers and fliers.

Customer relationship management and "one to one" marketing policy was adopted. The details of customers' transactions from the point of sales software system were used to send customised communication, including mobile text messages and offers, relevant to each consumer (Jubilant FoodWorks Limited, 2010). This worked towards maximising returns from individual customer relationships by increasing the frequency of orders. The pioneering "30 minutes or free" proposition helped the firm build an image of being a reliable brand. Over the years, the brand moved from campaigns focused on creating awareness, to highlighting the functional needs and subsequently to connecting with consumers at an emotional level.

Keeping the changing consumer dynamics in mind, a new digital team was formed to improve customer experience in various ways, including upgrading digital assets, driving data analytics, developing restaurant technology and strengthening digital marketing (Jubilant FoodWorks Limited,2017/2018). JFL invested in a number of digital technologies to help enable delivery optimisation and transformation of voice experience, including pioneering work in applying voice recognition technologies to managing orders (Jubilant FoodWorks Limited,2016/2017a). In a market where food delivery had become common, Domino's strived towards maintaining its dominance and had reduced the delivery time for over 60% of online orders from 30 to 20 min (Tandon, 2022). It was also experimenting with a loyalty programme for select customers (Punamiya and Sheth, 2021b).

Located at the right place

A key element which helped growth at Domino's was the ability to open and operate most of the new stores profitably. A robust store location selection process which took into consideration various factors such as location visibility, presence of competition, household, corporate and other institution count enabled choosing of the correct location for the outlet. This was followed by a return-on-investment analysis calculation based on projected sales and profitability and this helped determine the financial feasibility of the store. The project management system ensured that standardised equipment was purchased from selected vendors. All these processes enabled a reduction of the store opening time to between 35 and 45 days on average from the date of possession of the premises.

While Domino's continued to focus on home delivery and takeaway, it experimented with a flexi format akin to a small kiosk. This served as an additional order-taking station, located away from restaurants but in high footfall areas. The orders taken were serviced by nearby restaurants. All of this was possible with the help of a robust supply chain and operational excellence.

Building operational excellence

The network of Domino's stores was managed by JFL without subfranchising. JFL believed that a key aspect of its business which distinguished it from its competitors was the focus on bringing cost efficiencies at each level. A statement of profit and loss was maintained at the store level and costs attributable to the store were charged to the same. The store managers acted as the chief executive officer of the store and had the freedom of taking actions which would help increase sales or reduce costs. They were also responsible for maintaining the records of cash flow, sales, expenses and the store performance. Their compensation was driven by the store's sales and profitability. The implementation of Six Sigma approach helped reduce wastage, improve processes and reduce costs.

As employees were a critical link with the customer's, emphasis was placed on training. Each store employee and manager underwent one and three months training, respectively. The training programme was structured to provide a growth path for all the employees. Apart from conducting class room training for its store employees, JFL had a structural leadership development initiative called JALDI (Jubilant Accelerated Leadership Development), which aimed at developing the next generation of leaders (Jubilant FoodWorks Limited,2016/2017a, as accessed 20th October 2021).

The standardisation of the internal processes, including employee training programmes, was a key contributor to sustained growth. Technology was leveraged for training with the help of a Web-based learning management system through dedicated computers across the country. This enabled standardisation and consistency and a quick roll-out of new training programmes, including product launches, and ensured integrated career progression within the organisation. A Web-based learning platform Percipio was launched with learning content across 3,000+ topics to enable learning on-demand for employees. Company introduced Digital Capability Academy, DigiNEXT – an elaborate and graded learning curriculum to enable employees to assess, develop and demonstrate digital skills on real-time basis.

A mobile-based attendance system HRIS – Uniq was introduced (Jubilant FoodWorks Limited,2019/2020). The HRIS tool automated several dashboards and reports via the Power BI tool, enabling the leadership team to access real-time data and make swift decisions (Jubilant FoodWorks Limited,2020/2021; refer Exhibit 4). In 2021, employees began their journey towards digital skilling. This was a part of JFL's capability building strategy with a focus on introducing continuous learning. It enabled employees to learn anytime, anywhere and have access to learning programmes and resources 24 × 7. A total of 100+ digital learning journeys were designed in-house in partnership with business leaders and were rolled out to employees (Jubilant FoodWorks Limited,2016/2017b).

At the organisational level, JFL leveraged Wipro Energy Management System for driving efficiencies in energy consumption. Technology had played a key role in ensuring that the average delivery time for an order was only 22.50 min (Domino's Pizza opens 600th outlet in India, 2013).

A robust supply chain

JFL worked towards building strong relations with each of its business partners to ensure a seamless supply of quality ingredients. In 2021, JFL operated 12 distribution centres (Jubilant FoodWorks Limited, 2021) for the manufacture, storage and distribution of ingredients. Automation was enabled at its supply chain centres, through hand-held devices that enabled automated and efficient inventory movement (Jubilant FoodWorks Limited,2016/2017a, as accessed 20th October 2021).

To enable consistency in quality, the procurement process was centralised, frequent technology upgrades were implemented and increased automation took place. A multiple vendor policy for key ingredients helped minimise reliance on a single vendor. A stringent selection and monitoring process was adopted not only for new suppliers but also for the existing suppliers based on the key performance indicators for quality and food safety [11].

Best practises from the global counterparts were adapted wherever possible and JFL facilitated its business partners in obtaining certifications such as HACCP [12], which helped in the quality process (Jubilant FoodWorks Limited, 2014). Six Sigma was implemented across functions with a rigorous data-driven approach. This helped achieve cost efficiency, especially for logistics optimisation, lead time and wastage reduction (Jubilant FoodWorks Limited, 2014). A fleet of refrigerated trucks helped in delivering raw material and ensured that the ingredients were supplied in a temperature-controlled environment, which was monitored during transit to ensure quality and minimise wastage

([Gupta and Kanodia, 2019a]). Third-party suppliers were required to meet the quality standards to ensure food safety.

To tightly control processes while staying agile, JFL used SAP Ariba for consolidating and controlling all sourcing activities. It implemented the fleet management software LogiNext for automated delivery route planning, real-time tracking of trucks, temperature monitoring, etc., which enabled restaurant managers to track the supply trucks on the mobile platform ([Jubilant FoodWorks Limited,2017/2018]).

As Domino's embarked on its journey to transform into a strong food-tech company, it invested in data science and technology and digital infrastructure to improve customer experience and operational efficiencies. The mobile app was improved with various features such as advance ordering, GPS rider tracking for better visibility of orders, single-page checkout and an in-built digital wallet. Dashboards were installed in all restaurants to enable the restaurant managers to see information in real time, including driver score card, delivery times, etc. A new progressive Web app featuring a chatbot, which enabled easy chat and delivery status updates without any human intervention, was launched. Investments were made to enable personalised promotions, payment and ordering experience. The Hindi version of the app, launched in 2019, played a significant role in enabling ([Gupta, 2019]).

In December 2021, Domino's formed a partnership with customer engagement platform to enable it to "consolidate the customer profile, and purchase data collected from all its stores and other online channels and gain a 360-degree view of each customer through 50+ tracked attributes" ([Domino's Pizza India Taps MoEngage Omnichannel Customer Engagement Tech, 2021]).

Emerging stronger with every disruption

In the year 2021, Domino's dominated the Indian QSR segment with about 19% market share in terms of outlet count and 21% in terms of revenue ([Punamiya and Sheth, 2021b]). While India was the largest market for Domino's outside of the USA, the consumer landscape in India had changed rapidly and the growth of aggregators and cloud kitchens had made the market extremely competitive (refer exhibit 5). The online food delivery market in India was expected to expand at compound annual growth rates of 30.55% (based on revenue) and 10.19% (based on the number of users) during the 2020–2024 period, to generate a revenue of INR 1,334.99bn and develop a user base of 300.57m by 2024 ([Research and Markets, 2020]). Players in the QSR market were seen gearing up for the same. Either they had launched their own food delivery apps or had partnered with the aggregators to bolster its home-delivery model.

The management at JFL believed that the demand for QSR would increase rapidly in the country given the possibility of closure of 30%–35% of conventional restaurants ([Vyas, 2021]). This led the company to raise the store addition target for FY22 to 150–175 from earlier 135 as it believed that there would be a greater demand for trusted brands (refer Exhibit 6). The management believed that the domestic market had the capacity to absorb 3,000 Domino's outlets as compared to the earlier estimate of 1,800–2,000 outlets ([Vyas, 2021]). In the first quarter of FY22, it added 20 new Domino's stores ([Vyas, 2021]). Was the management correct in strategising its future success on new physical retail outlets?

Notes

1. Domino's Pizza achieves a milestone of 1500 restaurants in India, February 01, 2022, India Infoline News service https://www.indiainfoline.com/article/news-top-story/domino%E2%80%99s-pizza-achieves-a-milestone-of-1500-restaurants-in-india-122020100411_1.html

2. Cloud kitchens – commercial cooking facilities that have no physical dining space and cater only to delivery orders placed online. Cloud kitchens, are also known as dark kitchens, ghost kitchens, virtual restaurants, or restaurant-as-a-service (RAAS), are kitchens, which focus exclusively on takeaways.

3. Food "aggregators" list neighbourhood restaurants and allow diners to order through their websites. They feature location-specific listing of restaurants, with menus, providing customers with convenience and choice of food.

4. Quick service restaurants (QSRs): These are restaurants focused on speed of service, affordability and convenience and include the dine-in/takeaway/delivery sub-formats.

5. The classification of Indian cities is typically done on the basis of the population, wherein Tier I includes cities which have a population of more than 1 million people. Tier II comprises cities which have a population between 1 and 4 million and Tier III and IV comprise cities with less than 4 million population.

6. Food tech includes companies which use technology and the internet to sell products and services in agri-tech, food science, online food delivery and online grocery.

7. https://www.business-standard.com/article/companies/mcdonald-s-ups-the-ante-in-quick-service-restaurants-117030901179_1.html

8. SSSG is the performance comparison for the established stores of a retail chain over a given time period, such as a fiscal year or quarter or a calendar year or quarter, comparing revenues for the current period to the same period in the past. It is often seen to determine the effectiveness of the management of a retail chain in producing revenue growth from existing assets.

9. 1 US$ = 75.6306 INR.

10. (2015, February 15). Pizza on the go: Now Domino's delivers straight to your berth. Retrieved from www.firstpost.com/business/pizza-on-the-go-now-dominos-delivers-straight-to-your-berth-2120479.html, as accessed 20th August 2021.

11. Corporate Presentation, 2017. https://www.jubilantfoodworks.com/Uploads/Files/32akmfile-Jubilant-FoodWorks-Limited-JFL-Corporate-Presentation.pdf

12. Hazard Analysis Critical Control Points (HACCP) outlines good manufacturing processes for all food sectors. It is especially suitable for primary producers, manufacturers, processors and food service operators.

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Exhibit 1. The foodservices market in India

Figure E1

Source: Punamiya and Sheth (2021a) as accessed 21 October 2021

Exhibit 2. Organised food service market in India
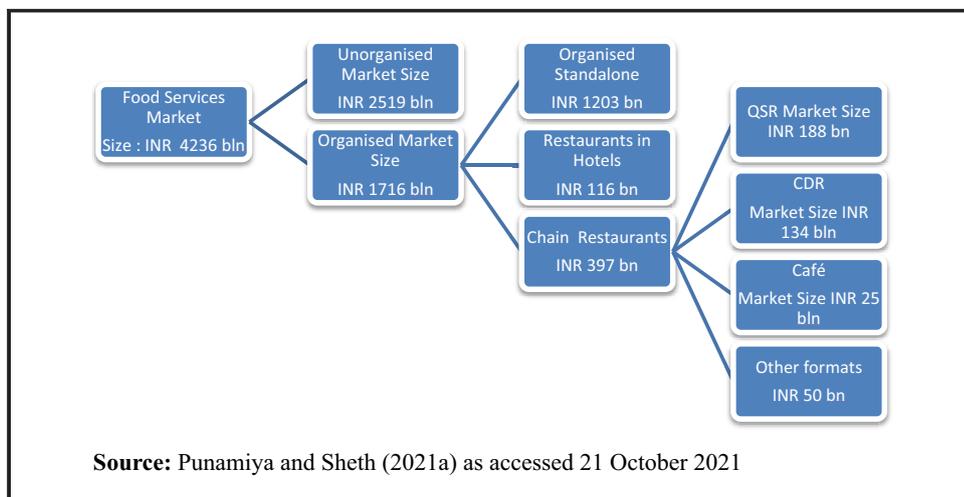
Table E1

Breakup of the organized food services market/Year	FY2020 (Rs bn)	FY2025 E (Rs bn)	CAGR% FY20–25 E
Organised food services market in India	1,601	3,274	15.4
Organised QSR sub-segment in India	348	825	18.8
Chain QSR	188	524	22.8

Note: CAGR = Compound annual growth rate
Source: Punamiya and Sheth (2021a)

Exhibit 3. Key players in the QSR segment in India

Table E2

Brand name	Domino's	Pizza Hut	Smokin's Joes	Oven story – rebel foods	KFC	McDonalds	Burger King	Local players – Joeys, Cafes, etc.
Business format	QSR	Full-service restaurant	Full-service restaurant	Cloud kitchen – only delivery	QSR	QSR	QSR	Full/limited service restaurants
Product portfolio	Veg/non-veg pizzas (3 size variants) along with sides, desserts, drinks	Authentic Italian offering	Pizzas, breads, sandwiches, drinks, burgers	Pizza, breads, dips, pasta, desserts, side drinks	Chicken bucket, veg/nonveg rice bowls, burgers, beverages, fries, popcorns	Burgers, wraps, desserts, beverages, sides	Burgers, beverages, sides	Varies from full cuisines, to speciality restaurants. Diverse portfolio
Target market	Tier 1, 2 and few Tier 3 cities, Youth eating non-conventional food Income class: A, B	Tier 1 upper class Income class: A	West part of India (Maharashtra and Goa); Tier 1, 2 and 3 cities	Tier 1, 2, Youth who prefer ordering online Income class: A, B	Tier 1, 2, Non vegetarian youth Income class: A, B	Tier 1, 2, 3 Youth and kids Income segment: A, B, C	Tier 1, 2 Income segment: A, B	Usually for Millennials who love hanging out with good ambience
Positioning	Quick, affordable and great at taste	Premium positioning – Great ambience, authentic Italian pizzas	Hot and fresh pizzas	Delivering STANDOUT pizzas – different tastes, customised portion sizes	Offering finger-licking good chicken	Serving customer with quick and affordable meals on the go	Aim of serving quality burgers in customisable meals and better than competition	(varies)
Price	Odd pricing followed; Singles start at 69/-; Combos go up to 1,499/-	Premium pricing	Affordable to premium pricing starting at 99/- going up to Maha pack of 1,800/-	Competitive pricing to Domino's with more Combo offerings	Competitive pricing for products; For signature chicken items, price is up by 5%–10% against competitor	Penetrative pricing, burgers starting at 30/-	High priced for burger category	Usually on premium ending because of dine in ambience and experience eating
Point of differentiation	30-min Delivery	Dining ambience with fresh offering	Glocalised menu	Semizza (half pizza options) and customisation on combos	Diverse and authentic chicken range	Quick meal options	Fresh buns and patty with customised meals	Localised taste and dine-in experience
Presence – offline	Tier 1, 2 and few Tier 3 cities ~1,360 stores in 293 cities	Tier 1 and few Tier 3 offline/ online, ~430 stores	~42 stores (present only in west India)	Presence in 49 cities; cloud kitchen-based	~454 Restaurants in 100 cities	~481 Outlets in Tier 1, 2 and some Tier 3 cities	~261 Stores in Tier 1 and 2 cities	Yes
Online presence	Yes, Domino's has a very strong application of its own	Yes	Yes	Delivering to 49 cities through Zomato, Swiggy and own app	Yes, KFC App also through aggregators	Yes, through app and food aggregators	Yes, but only through food aggregators	Varies

Source: Compiled by the author from various published sources

Exhibit 4. Technology integration at Domino's India

Figure E2

Customer Facing
Mobile App, Chatbot, OLO
CRM
Voice Recognition
GPS Tracking
Personalised promos

Logistics and SCM
Handheld devices
SAP Ariba
LogiNext

People Facing
• LMS
• Digi Next
• HRIS

Wipro Energy Management System

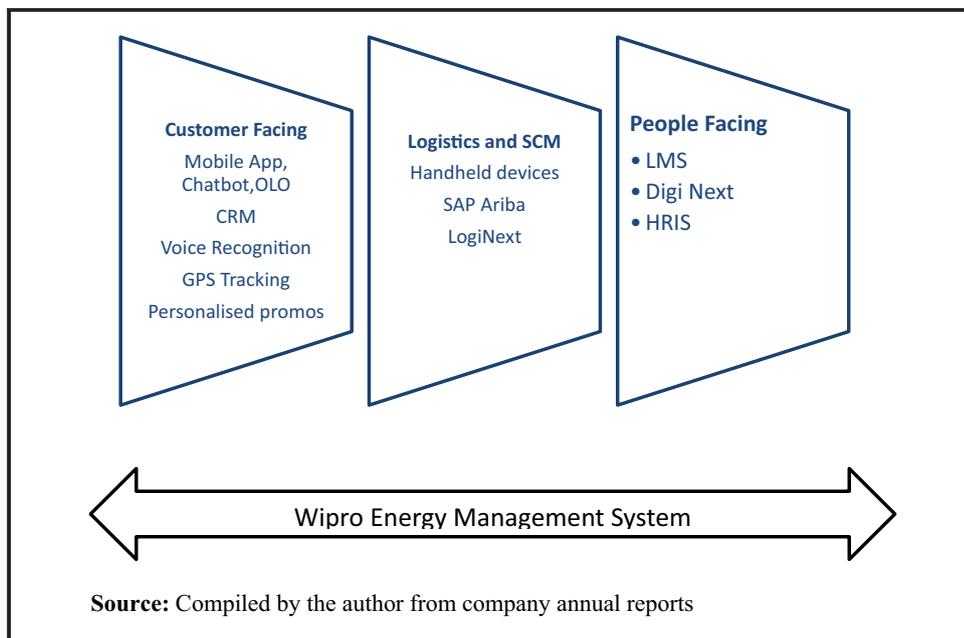**Source:** Compiled by the author from company annual reports

Exhibit 5. Changing consumer dynamics of the Indian market

Key changes witnessed in the Indian consumer market:

Growing level of urbanisation: A key factor which has impacted the growth across multiple sectors has been the growth in urbanisation. According to reports, urbanisation in India has increased from 28% in the year 2000 to 34.5% in the year 2019 and is expected to rise further to 37% by the year 2025. It is believed that the spending on discretionary products is much higher in urban areas.

A large young population: The median age in India in the year 2020 was estimated at 28.7 years. A growing working population augers well for the food services business, as it is believed that the disposition towards outside food and eating out is higher among this segment. The working age population in India had risen notably, from 36% in FY2000 to 49.8% in FY2019.

According to reports in the press, many research studies have highlighted the fact that the millenials (15–34 years) have lower willingness and lack of time to cook, which leads to an increased disposition towards convenience. They are believed to have a higher willingness to experiment with respect to food and cuisines and eating out. India has the highest number of millenials in the world, with ∼34% of its population comprising them. In FY20, the millenials in India ate out ∼2×/month and ordered in ∼1×/month. The change in the propensity to consume non-home cooked meals (i.e. outside food) has increased over the past few years, not just in urban areas but also in smaller cities.

Table E3 Frequency and average spends on outside food in India												
	Eating out						Ordering in					
	Frequency/month			Spending/outing (INR)			Frequency/month			Spending/outing (INR)		
	FY2014	FY2017	FY2020	FY2014	FY2017	FY2020	FY2014	FY2017	FY2020	FY2014	FY2017	FY2020
Mega Metros	5.7	6.1	6.3	992	998	1,039	1	1.7	2.1	410	486	495
Mini Metros	5	5.3	5.5	752	829	861	0.9	1.4	1.9	360	410	433
Tier 1 and 2	4.3	4.6	4.8	612	674	706	0.6	0.9	1.1	263	299	316

Growth in online ordering and delivery options: The growth in options for OLO and increased digital literacy bundled with the increased usage of smart phones played a key role in consumers transitioning to the OLO. The outbreak of the pandemic and the subsequent awareness and need for enhanced measures of safety and hygiene saw a shift in consumer preference towards the organised sector.

According to the report "Demystifying the online food consumer", variety in cuisines (35%) was a key reason for recurrent use of online food ordering apps, followed by good discounts and convenience. On being satisfied with the service and becoming habitual, they were more discerning about value – this behaviour was observable independent of town class, social status, age and gender.

The study highlighted that peer or network advocacy (52%) played a critical role in drawing people to try online food ordering for the first time. This was followed by advertisements (19%) that emerged to be a strong driver in metros and amongst the higher income groups across the country. The report highlights the fact that lack of trust in the app was a key barrier to usage. Delivery charges (18%), food quality concerns (13%) and lack of customisation (10%) were the other reasons why customers had, so far, not experimented with online food ordering.

Source: Punamiya and Sheth (2021b), Jubilant Foodworks Limited (2019/2020) and Boston Consulting Group (2020).

Exhibit 6. Key milestones in the growth of Domino's Pizza in India

Table E4

Year	No.	Key milestone	Campaigns/positioning	Menu enhancements/offerings
1996	Launched the first Domino's Pizza outlet in India			
1998			Launched the Hungry Kya campaign	
2004			Launched the 30 min or free campaign	
2008	181	Achieved monthly sales of 1 million pizzas	Launched the campaign "Khushiyon Ki Home Delivery"	Introduced pizza mania priced at Rs 35
2009	241			Introduced Domino's pasta and choco lava cake
2011	378	Launched single national number for ordering		
2012	465	Launched online ordering in India. Also enabled Advanced ordering		New restaurant design Pizza theatre
2014	726			Expanded into meals for kids, through launch of Junior Joy Box, Lebanese rolls, Spicy baked chicken, Calzone pockets and Fresh Pan Pizza
2016	1,026	Opened 1,000th restaurant in India		
2017	1,117	Launched Domino's late night delivery offering pizza delivery until 3 a.m.	Launch of Every Day Value Offer and All New Domino's Campaign	Launched all-veg menu (using ingredients such as water chestnut flour, white millet flour and sabudana) during Navratri. Choco Pizza is dessert pizza, with chocolate topping (starting Rs 199). Launched Quattro, Formaggi Burst Crust (mix of four cheese flavours). Burger sized but with a pizza-style crust bun with melted cheese (Rs 105–145). Launched pizza mania extreme range (Rs 60–155)
2018	1,134	Emerged as the largest market for DP outside of the USA		Introduced specialty chicken range in sides category; chicken wings and chicken meatballs (Rs 109–149). Made changes to the core product by offering softer crust, new tomato sauce and more cheese topping. Launched 5 Add-ons: Taco Mexicana, Crinkle fries, Crunchy strips, Potato cheese shots and Brownie Fantasy (Rs 59–155). As a healthier food option, multigrain crust made of five seed grains and four super seeds was launched
2019	1,227	Piloting delivery from 30 to 20 min	Dil, Dosti, Domino's positioning	10 new pizzas under the cricket themed pizza campaign "World Pizza League". Launched a range of "All New Masala Pizzas" to offer more Indianised variety to our customer. Launched value-added beverages under the brand name "Thirsteez". Launched fountain machines in more than 500 restaurants to drive more variety for consumers and higher margins
2020	1,373	Zero contact ordering, delivery and takeaway. Partnered with FMCG majors to launch "Domino's Essentials" for delivering everyday grocery essentials		
2021				2 Pasta pizzas and 3 pastas

Note: DP = Domino's Pizza
Source: Compiled by the author from https://www.jubilantfoodworks.com/about-us/milestones and multiple Jubilant FoodWorks Annual Reports

Corresponding author

Swapna Pradhan can be contacted at: swapna.pradhan@welingkar.org