Case Study:

Domino's Pizza streamlines franchise planning using Location Intelligence

Accurate address data is the key

As the Domino's brand grows, managing franchise territories has become more complex. When a franchisee invests in a new business, the contract will set out the territory and number of homes within that territory. Franchise areas and associated purchase prices are determined by the number of reachable households, overlaid with socio-economic data. One of the major issues that franchise businesses encounter is territory disputes. To minimise this risk Domino's must ensure that the territory data is accurate and up to date.

Business challenge

Historically, Domino's has used Australian census data to determine territories. As the census data is only updated every five years, the data quickly becomes out of date and does not keep up with rapid changes in the urban landscape. As well as causing territory disputes, a lack of accurate data can also negatively impact franchisees' businesses through lost customers and poor customer service. A lack of up-to-date data can also make a business less attractive to potential new franchisees.

> " With some areas rapidly expanding and developing, it is vital that Domino's has an up-to-date view of its franchise territories so we do not miss out on new opportunities."
>
> - Wayne McMahon,
>   Chief Information Officer

Client profile
Domino's Pizza Enterprises Ltd
dominos.com

- Largest pizza chain in Australia in terms of both network store numbers and network sales
- Has locations across six countries, with more than 1,500 stores
- Employs approximately 26,000 people and makes more than 60 million pizzas a year
- Largest franchisee for the Domino's Pizza brand in the world
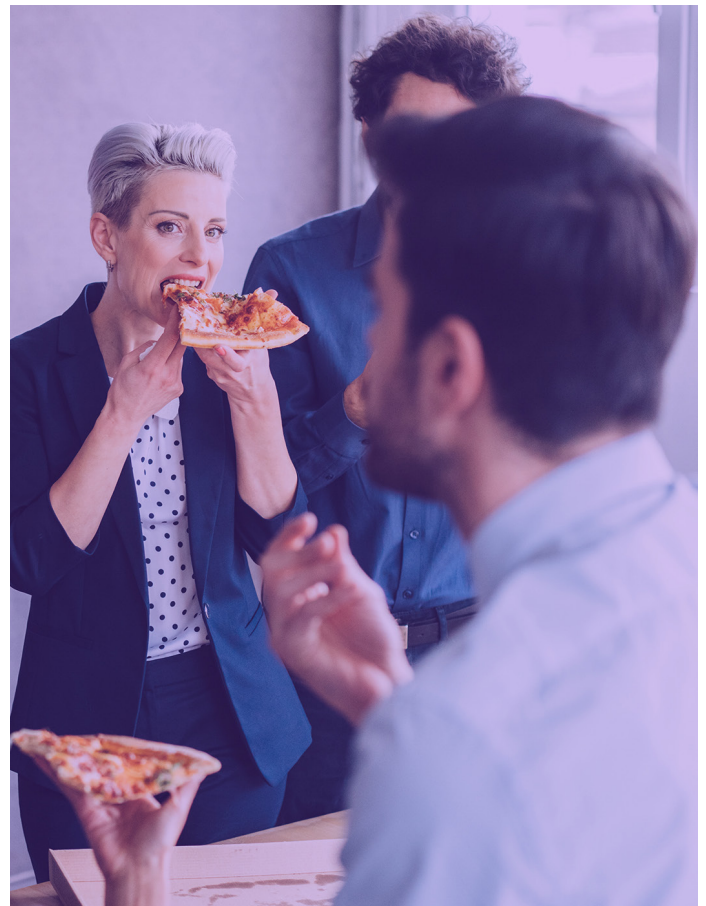
Solution

Previously, to determine serviceable addresses within a territory for a new franchise, Domino's would take the UBD® street directory data, plot the territory and manually add all the streets to a spreadsheet that was then sent to the store to use as a reference. This process would take around two weeks to complete and was rarely ever updated.

Only listed addresses are permitted to be serviced by the franchised store. This could lead to potential revenue loss and a poor customer service experience as well as a negative impact on the Domino's brand. Staff would often enter new address details into the system themselves, which were then shared with the main Domino's database. This resulted in a lot of incorrect or incomplete data.

Precisely implemented a custom Location Intelligence solution that lets Domino's quickly and easily govern its territories in order to achieve its five key objectives: increasing store revenue, improving customer delivery reach, enhancing the customer experience, boosting productivity and reducing the legal risks associated with territory disputes.

Territory disputes: Precisely provides extensive, certified address validation technology. This ensures the most up-to-date and accurate data is being fed into the franchise process, avoiding issues further on in the tender and franchise management processes.

Territory creation: The solution now means addresses within a territory are determined within minutes, as the system automatically lists all addresses within a boundary. A new list is generated every quarter (or on demand), allowing for territory adjustments due to fluctuations in the number of houses in a territory.

Delivery reach and data quality: The solution has also increased Domino's delivery reach by providing up-to-date street information from a validated source. The ability to keep up to date with any new builds, demolitions and changes to building use allows more targeted communications. This saves money on wasted direct marketing to addresses that no longer exist.

Customer delivery: The solution integrates the new address information with Domino's telephone and online delivery services. When an address is entered into the system, it now directs a customer to the nearest store.

Benefits

Implementing the Precisely solution has benefitted Domino's by:

- Streamlining the process of planning franchise territories and reducing the associated time requirement

- Allowing Domino's to manage and update territories more quickly and easily reducing the amount of revenue lost through 'dead' or unknown addresses

- Improving the customer ordering experience

- Improving internal productivity by removing barriers to processing orders

Technology used
To simplify Domino's territory identification and allocation, a custom solution was developed which included the following products:
- MapInfo Pro
- Spectrum Technology Platform
- StreetPro

"We are confident the changes we have implemented will not only help improve productivity but will also deliver an increase in revenue for both Domino's and our franchisees."

- Wayne McMahon,
  Chief Information Officer

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