

## **NEW TREND IN MARKETING : A STUDY WITH REFERENCE TO HOME DELIVERY**

**Maindargi Varsha Vivekanand**

Associate Professor and Head, Dept. of Accountancy, Kamala College, Kolhapur.

**Abstract** - Easy access to the internet and mobile communications helped support demand, as consumers now have more-convenient means for ordering from home. Busy consumer lifestyles, growth of multinational corporations in commercial hubs, workers staying away from their hometowns have resulted in increased demand for home delivery services, especially in major cities such as Mumbai, Delhi, Bangalore. With increasing disposable incomes together with hectic work schedules there is a change in consumer food habits and lifestyle trends. Pizza home delivery is an evolving concept in India. It has been very successful in urban areas but premiumisation is still underdeveloped. The present study is an attempt to study the position of pizza home delivery and the prospects and threats for pizza home delivery.

**Key words** – premiumisation, chained, hubs, Birizza.

### **1.0 INTRODUCTION –**

Busy consumer lifestyles, growth of multinational corporations in commercial hubs, workers staying away from their hometowns have resulted in increased demand for home delivery services, especially in major cities such as Mumbai, Delhi, Bangalore. With increasing disposable incomes together with hectic work schedules there is a change in consumer food habits and lifestyle trends. Also there is increasing congestion levels and longer waiting times at many restaurants. People are preferring home delivery instead of eat-in and cooking. In 2013, 100% home delivery/takeaway recorded 13% current value growth to reach Rs. 2.0 billion in 2013.

### **1.1 Objectives of the study**

- To understand the trends in Pizza Home delivery
- To analyse the prospects and threats in pizza home delivery
- To offer conclusions and suggestions

## 1.2 Trends in Pizza Home Delivery –

Pizza home delivery is an evolving concept in India. It has been very successful in urban areas but premiumisation is still underdeveloped. Chained players such as Pizza Hut and Domino's Pizza dominated 100% home delivery in 2013. Chained 100% home delivery accounted for a 58% value share of the overall category in 2013. Though independents continued to account for a smaller share, their combined value share grew in 2013. Companies are trying to attract new consumers by providing value for money products. For instance, Global Franchise Architects (India) launched Pizza Toast in November 2013, which is a product that complements pizza well. The product is enriched with a twist of veggies, mozzarella cheese and fresh aromatic Italian herbs. It was launched at a price of Rs89. 'Yum' Brands, Cheesy pizza launched through Pizza Hut, with the product having cheese in every bite and even the crust is loaded with cheese. The product is one of the cheesiest pizzas in the country and targeted towards consumers who love cheese. This was launched at Rs. 299 only. Pizza Hut also launched a new product called Birizza, which is a mix of pizza and biryani. This product was launched in April 2014 at a starting price of Rs. 99 only.

Easy access to the internet and mobile communications helped support demand, as consumers now have more-convenient means for ordering from home. Cashing in on this opportunity, Domino's Pizza launched a mobile ordering application from which consumers can order from anywhere, at any time, via their mobile phones. Pizza Hut launched a new brand, Pizza Hut Delivery (PHD Express) to increase its online sales. Other prominent brands such as KFC, McDonald's and Subway also provide home delivery services. KFC provides a 20% discount on online orders.

The following table gives the status of of Home Delivery of Pizza.

Description	Years					
	2008	2009	2010	2011	2012	2013
Home delivery outlets						
100 % Home Delivery	124	124	128	146	208	260
<b>Chained Pizza Delivery</b>	124	124	128	146	208	260
<b>Independent Pizza Delivery</b>	-	-	-	-	-	-
Sales ( No. of transactions in thousands )						
<b>100 % Home Delivery</b>	2897.2	2868.2	2982.9	3513.0	4818.3	5187.7
<b>Chained Pizza Delivery</b>	2897.2	2868.2	2982.9	3513.0	4818.3	5187.7
<b>Independent Pizza Delivery</b>	-	-	-	-	-	-
<b>Sales (in Rs. millions)</b>						

<b>100 % Home Delivery</b>	<b>593.4</b>	<b>637.9</b>	<b>701.7</b>	<b>853.3</b>	<b>1,058.5</b>	<b>1,149.1</b>
<b>Chained Pizza Delivery</b>	<b>593.4</b>	<b>637.9</b>	<b>701.7</b>	<b>853.3</b>	<b>1,058.5</b>	<b>1,149.1</b>
<b>Independent Pizza Delivery</b>	-	-	-	-	-	-
GBOCompany Shares in Chained 100% Home Delivery/Takeaway ( % food service value )						
<b>Domino's Pizza</b>		<b>39.2</b>	<b>39.3</b>	<b>39.5</b>	<b>40.8</b>	<b>45.4</b>
<b>Yum! Brands</b>		<b>34.5</b>	<b>36.6</b>	<b>40.4</b>	<b>42.5</b>	<b>38.2</b>
<b>Global Franchise Architects Co Ltd</b>		<b>10.7</b>	<b>8.7</b>	<b>8.1</b>	<b>7.1</b>	<b>7.5</b>
<b>United Restaurants Ltd</b>		<b>3.9</b>	<b>4.2</b>	<b>3.5</b>	<b>3.3</b>	<b>2.9</b>
<b>Indage Restaurants Leisure Ltd</b>		<b>7.1</b>	<b>6.1</b>	<b>5.5</b>	<b>3.3</b>	<b>2.7</b>
<b>United Pizza Restaurants Pvt Ltd</b>	-	-	-	-	-	-
<b>Amazon Food &amp; Beverages Pvt Ltd</b>	-	-	-	-	-	-
<b>Others</b>	-	<b>4.7</b>	<b>5.2</b>	<b>3.0</b>	<b>3.0</b>	<b>3.3</b>
<b>Total</b>		<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>

\* *Source:Euromonitor International from official statistics, trade associations, trade press, company research, trade interviews, trade sources*

### 1.3 Prospects and Threats for home delivery of Pizza

- Home delivery is expected to increase in popularity over the forecast period as consumers are looking for convenient options. Late working hours and chaotic traffic is driving sales of home deliveries
- Home delivery also works well for food operators. This type of outlet requires a smaller space, which translates into lower and cheaper rentals and consequently, lower capital investment (rental deposit, interiors, furniture). In addition, ongoing operational costs (staffing, utilities, etc) are also lower.
- 100% home delivery is expected to perform well due to consumers looking for the convenience of having food delivered to their homes at no additional cost.
- Different pizza brands are advertised in Indian newspapers every day and are expected to act as constant reminders for pizza fans.

## **Threats**

The two most important threats to 100% home delivery/takeaway are expected to be cost components, staff salaries and utility costs.

Pizza, however, has become a great favourite, especially among Indian children and teenagers, which has caused concern among their elders. The younger generation is facing more issues about obesity and illness compared to previous generations.

Health-conscious and weight-watching consumers opt for home-made pizzas, which can be modified according to their desires.

## **1.4 CONCLUSION –**

In spite of the above threats Pizza Hut has plans to scale up its delivery business in 2015. Of the 50 new Pizza Hut stores that Yum! Restaurants India will open close to 33 will be delivery outlets. Jubilant Foodworks has plans to invest close to Rs2.5 billion to add 125 Domino's Pizza stores and 18 Dunkin' Donuts outlets. Half the new stores will be in the major cities, but the company will also open new pizza shops in 15 new cities.

## **BIBLIOGRAPHY**

1. Passport - Euromonitor International – Oct. 2014
2. Passport – New oceans, new consumers, new opportunities – Aug. 2014
3. Related websites