



*DOMINO'S "SPECIAL" DELIVERY:
GOING VIRAL THROUGH SOCIAL MEDIA (A)*



AGENDA

The Social
Media Crisis

Video &
Culprits

Company
Background

Key
Questions

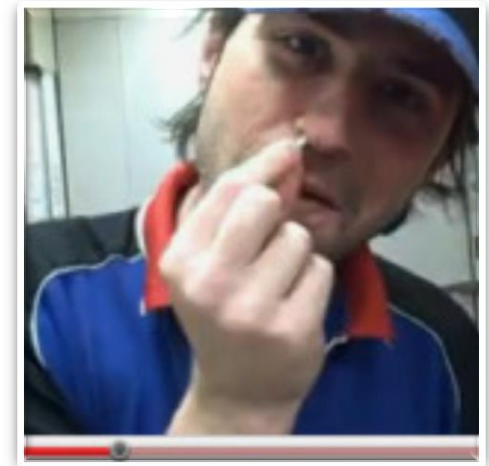
MONDAY AFTERNOON CRISIS

⊙ 4:30 p.m., Monday, 4/13/2009

VP of Communications, Tim McIntyre, receives alert that vulgar videos featuring Domino's Pizza employees contaminating food have recently been posted on YouTube.

⊙ Total of 5 videos:

- ⊙ Dominos Pizzas Special Ingredients
- ⊙ Sneeze Sticks
- ⊙ Poopie Dishes
- ⊙ Dominos Pizza Buger
- ⊙ Dominos Pizza Part 1



THE “OPUS PIECE”



THE BLOG SITES

Within hours of surfacing, two prominent blog sites posted links to the videos to “protect the public interest.”

Good As You

- Goodasyou.org: GLBT activist group
- Mission: Investigate any organization/media outlet/personality in regards to discriminatory language/actions

THE CONSUMERIST

- Consumerist.com: 38th most popular blog site in the world
- Highlights “persistent, shameless gaffes of modern consumerism;” empowers consumers by informing and entertaining them about top consumer issues of the day

Sources:

http://www.goodasyou.org/whats_this/

<http://www.consumermediallc.org/index.html>



THE CULPRITS

- ② Two tech-savvy readers from The Consumerist used geomapping investigative tools to identify the location of the store in Conover, NC. One of them then called the store to ask if Kristi was there.
- ② **By 11 p.m.** Domino's had positively identified the video's director, Kristi Hammond, and star, Michael Setzer:



Kristi Hammond
Director & Narrator

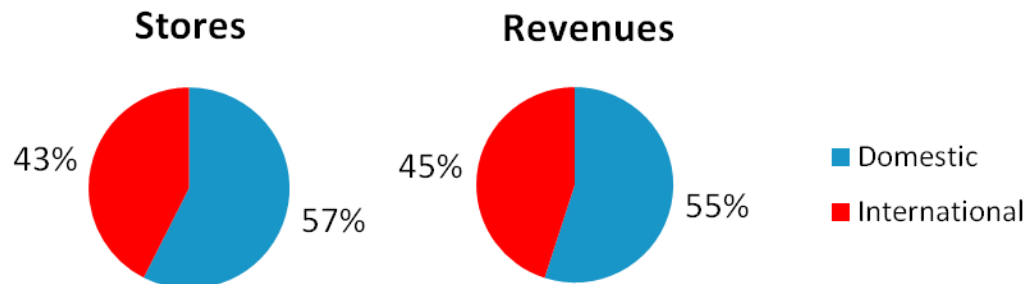
Michael Setzer
Actor

Sources:
Personal Interview with Tim McIntyre



COMPANY BACKGROUND

- ① Founded in 1960 by Tom Managhan
- ① Now the world leader in pizza and sandwich delivery
 - ① 125,000 employees in 60 countries
 - ① \$1.4 billion 2008 revenues
 - ① NYSE: DPZ



FRANCHISE RELATIONSHIPS

- ◎ Franchises are “primary driver of company’s growth”
 - ◎ 90% of U.S. and 100% of international stores are independently owned
 - ◎ Half of franchisers own only one location so store is sole source of livelihood
- ◎ Division of labor:
 - ◎ Franchisees: determine menu prices, hiring/firing
 - ◎ Corporate: provide training, operations manuals, advertising support, brand standards



Sources:
Domino's Pizza 2008 Annual Report
Personal Interview with Tim McIntyre



CORPORATE COMMUNICATIONS AT DOMINO'S

- ⊙ VP of Communications: Tim McIntyre
 - ⊙ Reports to EVP of Communications, who reports to CEO
 - ⊙ 25 years with company, high levels of trust with senior management
- ⊙ Communication team responsible for work in all media channels (except graphic design):
 - ⊙ Handles PR internally
 - ⊙ Partners with external agencies for advertising and new media strategy
- ⊙ New Social Media team formed one month prior to crisis; planned to launch online presence one week after videos surfaced



PIZZA INDUSTRY

- ⊙ Highly competitive QSR (quick-service restaurant) sector
- ⊙ Top players comprise 47% market share:
 - ⊙ Domino's Pizza
 - ⊙ Pizza Hut
 - ⊙ Papa John's
- ⊙ No single customer accounts for >10% of total sales, so individual repeat customers are vital for survival
- ⊙ At-home delivery model necessitates high level of trust with customer



SOCIAL MEDIA GOING VIRAL

- ⊙ “Viral” describes Internet content that is quickly popularized through sharing by users
- ⊙ 84 of 119 million U.S. households (71%) will have broadband connection by 2010
- ⊙ Reach of most popular sites:
 - ⊙ **YouTube** = most widely viewed video service in U.S. with 100 million unique viewers (1/09)
 - ⊙ **Facebook** = 350 million active users (50% logged on every day)
 - ⊙ **Twitter** = 7 million members (1382% growth rate as of 2/09)

Sources:

Mintel report, “Social Networking and Connectivity in the Digital Age - US - January 2008.” Section called, “Demographics and Trends.”

http://academic.mintel.com.proxy.library.nd.edu/sinatra/oxygen_academic/search_results/show&/display/id=294369

Research by comScore. Posted by emarketer.com in the article, “YouTube Hits 100 Million.” 18 March 2009. Dec 2009.

<http://www.emarketer.com/Article.aspx?R=1006981>

“Press Room: Statistics.” Facebook.com. Dec 2009. <http://www.facebook.com/press/info.php?statistics>

Carlson, Nicholas. “Twitter Traffic Grows 1,382% In A Year.” BusinessInsider.com. 19 Mar 2009. Dec 2009. <http://www.businessinsider.com/twitter-traffic-grows-1382-in-a-year-2009-3>



SUMMARY OF THE CRISIS

- ④ 4:30 p.m. Monday: Domino's is alerted about vulgar videos showing food contamination by employees in uniform in an unidentified store
- ④ Within 24 hours: 250,000 million hits on YouTube for more popular video
- ④ Most senior management is out of town (day after Easter Sunday)



DISCUSSION QUESTIONS

- ① What is Tim McIntyre's primary concern? What should be his first course of action? Second? Third?
- ① Who are the key stakeholders in the case? Who has the most to gain or lose? What's at stake for each party?
- ① What channels of communication are the most important for McIntyre to focus on first?



THANK YOU TO TIM MCINTYRE OF DOMINO'S PIZZA FOR PROVIDING INVALUABLE FIRST-HAND ACCOUNTS THAT MADE THE COMPILATION AND ACCURACY OF THIS CASE STUDY POSSIBLE.