

BMSW4003

Digital Skills and Research Methods

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Pizza HUT

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2. Ludwig Rupp Menacho	1917416	Introduction, Background and Challenges
3. Antonio Stoyanov	1917408	Aim&Objectives of Pizza HUT
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1) Introduction:

- **Pizza HUT – one of the most successful businesses**
- **Italian- American cuisine**
- **18 431 restaurants as of December 31, 2018**

2) Background of the Organization:

- **Founded in 1958 in Wichita, Kansas, USA, by Dan and Frank Carney**
- **1963 architect George Lindstrom designs the building**
- **PepsiCo – May 30, 2018**
- **Yum! Brands - May 22, 2002.**



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3) Aim & Objectives of Pizza Hut

- **Objective 1: Introducing a healthy alternative within the pizza market.**
- **Objective 2: Reaction to competitors' healthy versions.**
- **Objective 3: Creating a new image of Pizza Hut as a restaurant chain that cares and wants to keep its customers healthy.**

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- **3) Aim & Objectives of Pizza Hut**
- **Scope/Purposes of the Pizza Hut**
 - Multiple products strategy
- **Mission & Vision of the Pizza Hut**
 - on time all the time
- **Current Status & Services of the Organization**
 - “Happy Hour” menu
 - Sponsorships
 - Internet and customer promotions

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4) Challenges before Introducing Modern Technology:

- Traffic jams in big cities.
- Time management in delivering a pizza from point A to point B.
- Parking spots.
- Long delivery time.
- Increasing costs for deliveries
- Higher final costs of the services and products
- Problems with orders and customer service.

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5) Insights of the Modern Technology Introduced:

- Artificial Intelligence (AI), Machine Learning (ML), and Drones
- Definition and type of drones – an aircraft without a pilot
- Characteristics of drones – gps, sensors, cameras
- Drone models – size (small, medium, and big)
- Advantages/Disadvantages of drones' technology – pilotless.

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6) Impacts of Modern Technology Introduced:

- **Positive Impacts:**
 - Faster service
 - Less human resources needed
 - Lower costs of delivery
 - Estimate of time of delivery, managing of expectations
- **Negative Impacts:**
 - Total dependence on cyber infrastructure
 - Requires more qualified personnel

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7) Lessons drawn from the case study:

- Technology makes services cheaper and faster
- It makes companies more flexible
- It also brings more risks (security, regulatory)
- It requires restructuring and reorganizing of a company
- Lack of modern technology makes competition win
- Innovation nowadays is a must

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8) Conclusion & References:

Pizza HUT is an example of a flexible fast food company that has been around for decades. It grows in every aspects and constantly adopts a wide range of technologies in order to keep its services up to date. This is what makes it so successful.

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8) Conclusion & References:

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1) Introduction:

For our task we decided to pick one of the most successful businesses in the world of fast food, that is growing up thanks to the technologies. **Pizza Hut** is an American restaurant chain and international franchise with a big network and well-developed website. It was founded in 1958 in Wichita, Kansas, USA, by the two brothers Dan and Frank Carney. The company is known for its Italian-American cuisine menu, including pizza, pasta, and desserts. You can make orders and book a place for a dinner through their website. As of December 31, 2018, **Pizza Hut** is comprised of 18,431 restaurants worldwide, making it the world largest pizza chain. It is a subsidiary of Yum! Brands, Inc., one of the world biggest restaurant companies.

2) Background of the Organization:

History of Pizza Hut

Pizza Hut was founded in June 1958 by two Wichita State University students, brothers Dan and Frank Carney, as a single location in Wichita, Kansas. Six months later they opened a second outlet and within a year they had six Pizza Hut restaurants. The brothers began franchising in 1959. The iconic Pizza Hut building style was designed in 1963 by Chicago architect George Lindstrom and was implemented in 1969. PepsiCo acquired Pizza Hut in November 1977. Twenty years later, Pizza Hut (alongside Taco Bell and Kentucky Fried Chicken) were spun off by PepsiCo on May 30, 1997, and all three restaurant chains became part of a new company named Tricon Global Restaurants, Inc. The company assumed the name of Yum! Brands on May 22, 2002.

3) Aim & Objectives of Pizza Hut

Pizza Hut aims at attaining the objectives of the pull strategy by using **television and internet** advertising. These advertising forms are seen as very credible examples of mass media as they have the ability for mass penetration which in turn reduces the unit cost of the advertising. This above-the-line communication is accentuated by the use of sales promotions which is a below-the-line communication. Sales promotion, which is another aspect of the pull strategy, it's aimed at creating a demand for the product in the consumers psyche, this creation of a want/need increases the likelihood of a purchase.

Objective 1: To introduce a healthy alternative within the pizza market.

Objective 2: To ensure that Pizza hut has a healthy alternative in their main product to react to competitors' healthy versions.

Objective 3: To create a new image of Pizza Hut as a restaurant chain that cares and wants to keep its customers healthy.

Scope/Purposes of the Pizza Hut

Product scope of Pizza Hut is following multiple product strategy, because they are not only selling pizza but also deals in variety of type of products such as desserts, pasta and beverages.

Pizza HUT is still developing a big variety of products and services for a dynamic future through the advanced technology attachment.

Mission & Vision of the Pizza Hut

We take pride in making a perfect pizza and providing courteous and helpful service on time all the time. Every customer says, "I'll be back! We are the employer of choice offering team members opportunities for growth, advancement, and rewarding careers in a fun, safe working environment. We are accountable for profitability in everything we do, providing our shareholders with value growth."

The vision of the PIZZA HUT is that reach on the top of the peak to provide best service and taste & To see Yum on customer s face.

Current Status & Services of the Organization

Sales promotion: One of Pizza Hut's most recent sales promotion is its "Happy Hour" menu.

Sponsorship: Pizza Hut possesses a wide sponsorship various areas from past until now. For instance, the notable sponsorship of Pizza Hut is as a part of PepsiCo's. There has also been partnerships with Formula one, Euro '96' and it was a sponsor of the Newcastle family in the UK. (The Greenwich Gazette, 2009).

The internet communication of Pizza Hut plays an important role for customers promotions.

4) Challenges before Introducing Modern Technology:

In the competitive world of pizza delivering and services to survive means to innovate, that is why Pizza Hut needed to introduce some modern technologies in order to keep up with rivals like Domino Pizza, Papa John, and Gogo Pizza. Here are some of the challenges:

Traffic jams in big cities are constantly increasing. It becomes a challenge to deliver a pizza on time.

Time management in delivering a pizza from point A to point B. Planning deliveries become challenging.

Parking spots. Lack of parking spots and possibilities for parking in multimillion cities. Downtown areas of every major city become overcrowded during the day. Most people travel from remote areas of the city to get to downtown area where is their job.

Long delivery time. Nobody wants to wait too long to get its favorite piece of pizza, especially when hungry.

Increasing costs for deliveries

Higher final costs of the services and products

Problems with orders and customer service

5) Insights of the Modern Technology Introduced: Artificial Intelligence (AI) and Machine Learning (ML) are leading concepts that are being integrated in almost every aspect of life, including fast food industry. Since the delivery is not a myth anymore, Pizza HUT is testing self driving cars and drones to quickly and efficiently deliver food. Our focus here is how a new technology is used and how it can help a company to better serve its customers.

Definition and types of drones: A *drone* is a type of aircraft that does not have a pilot and is controlled by someone on the ground. The different types of drones can be distinguished in aspect of type, as (fixed-wing, multirotor), the degree of autonomy, the size and weight, and the power course e. The indication is important because of the maximum distance the drone can travel, the flight duration and loading capacity. In order to flight a drones, need a certain training with pilot on the ground. Mostly used is the method that requires a play load, like a camera or sensor.

Characteristics of drones: Drones, or unmanned aerial vehicles, are made from different light composite materials in order to increase manoeuvrability while flying and reduce weight. To the actual device can be attached various equipment's, including cameras, gps system, sensors, software, and hardware. Drones can come in different range of shapes, sizes and, with many functions. The majority of today's designs can be started manually, and also, they can be operated with remote control.

Models of drone's technology. 1.Drones with a small size are between 50 cm and 2m. Due to the fact that they don't have powerful motors. They need to be thrown into the air in order to start flying.

2.Drones with medium size between 5 and 10 m can hold about 200 kg due to their powerful motors.

4.Big drones are the ones bigger than 10m and are used by the military services. **Advantages and**

disadvantages of drone's technology. One of the foremost advantages in drone is the fact that they are pilotless. Drones have been around for quite while, and they have attracted investors and manufacturers attention. They aim to replace the traditional delivery methods. According to PwC, the transportation agencies will turn to using drones for their speed, convenience and accessibility compared to the casual transportation that requires human effort. Also, they are advantages to the customers, who will benefit from the lower prices, faster delivery and protect the environment from emissions.

6) Impacts

- Positive impact -
- Faster service – ensure faster delivery because they are not dependant on traffic
- Drones do not rely on drivers, which means less personnel needs to be hired

- Less personnel means also less money for salaries, gas and maintaining and purchasing cars. Another advantage is that with drones client can see precise time of delivery. This helps to manage expectations of clients and deliver fresher pizza.
- Negative impacts
- If the computer system of the company is hacked, this means all operations of the company stop.
- In order to maintain the infrastructure and for these drones to fly the personnel needs to more qualified.

7) Lessons drawn from the case study:

- there is no doubt that drones will decrease the final price for a pizza for a customer and that pizza will be delivered faster because of almost no travel obstacles
- It is also true that buying a drone means less commitment than hiring a delivery driver
- The drawbacks of a technology like this are related to more security risks and regulatory uncertainty
- This often means that the entire business model of a company needs to be revised frequently
- If a company does not keep up to date its services it is certain that their rivals will prevail on the market
- All this proves that in order for a company to survive it must embrace innovation.