



Little Caesars®
pizza!pizza!®

Team 5

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Company Description

- Privately owned family company
 - Ilitch Holdings Incorporated
- Famous for its advertising catchphrase
- 4th Largest pizza chain in the U.S.
- International Franchises
- Strong national brand recognition
- First pizza restaurant to
 - serve pizza in minutes, have a drive through, carryout window and open in a stadium
- Believes it is a family oriented business

Strategic Plan/Focus Mission Statement

- To be the best take-home pizza chain by exceeding customer expectations with extraordinary value, great tasting products, and outstanding people while providing strong returns to our stakeholders.

Strategic Plan/Focus con't

■ Goals

- Financial Goals
- Non- Financial Goals

■ Core Competency and Sustainable Competitive Advantage

■ Corporate Philosophy

- Dedicated to giving back to the communities that sustain its business

Situation Analysis

SWOT (external)

| External Factors | Opportunities | Threats |
|-------------------------|--|--|
| Consumer/Social | Always giving back to the community through charities, family causes, and youth sports | Another pizza restaurant entering in the same social scene |
| Competitive | Offering hot pizza fast with no wait | Still not up to par with Dominos, Papa Johns, Pizza Hut, and other major pizza companies |
| Technological | Using the Internet for additional advertising and information on the company | No online ordering; limited coupons online |
| Economic | Using stadiums and other sporting events to advertise & market | Crumbling market share led to hundreds of store closures from 1998~2001 |
| Legal/Regulatory | Trying to maintain perfect status in Dept. of Health Inspection | Unprecedented franchisee lawsuit settlement in 2001 |

SWOT (internal)

| Internal Factors | Strengths | Weaknesses |
|----------------------|---|---|
| Management | Mangers are extensively trained to own their own franchise | Some managers have taken it upon themselves to run their franchise against company regulation |
| Offerings | Hot and Ready pizza for only \$5 First to serve pizza at lunch, drive thru, and serve pizza in minutes | Limited varieties of choice and lose focus on taste and quality of the pizzas and no delivery |
| Marketing | Pizza! Pizza! Buy one get one free!; "Hot-N-Ready" \$5 Pizza | Menu items are not publicized well |
| Personnel | Providing jobs and first time experience for young workers, new Veterans to start a new franchise | No connection between other franchises and corporate offices |
| Finance | Aggressively expanding both domestic and international marketplaces | Trying to recover from the loss of closing stores in the 1990s |
| Manufacturing | Maintain a clean environment to produce pizza | Equipments that are used to produce pizza needs to be upgraded |
| R&D | Constantly thinking of ways to expand the franchise | Don't experience for new options;i.e. menu items |

Situation Analysis con't

Industry Analysis

- 11% increase in sales in 2002
- \$2.274 billion annual sales out of the \$30 billion industry
- 7.58% of market as of 2005
- Sales continue to grow since the closings in 1990s

Situation Analysis con't

- Competitors Analysis
 - Top competitors: Pizza Hut, Domino's, and Papa John's
- Company Analysis
- Customer Analysis
 - Families and children
 - Sport fans

Marketing- Product Focus

- **Market and Product Objectives**
 - To be the best take-home pizza chain by exceeding customer expectations with extraordinary value, great tasting products, and outstanding people while providing strong returns to its stakeholders.
- **Current Markets**
 - Locations
- **New Markets**
 - Expansion
- **Current Products**
 - Baby Pan! Pan!
- **New Products**
 - Hot-N-Ready pizza promotion

Marketing- Product Focus con't

- Target Market
- Point of Difference
 - Superior Ingredients
 - Family Owned Environment
 - Affordability
- Positioning

Marketing Program

- Product Strategy
- Price Strategy
- Promotional Strategy
- Place (Distribution) Strategy

R&D/ Operations Program

- Surveys and market research- Help determine what items are favored on menus, and what deals would be most ideal
- Class Survey- Complaints of convenience, no delivery, taste and quality compared to other local pizza restaurants
- Low-price products give advantage especially for college students with little or no income

Financial Projection

- Local franchise does a rough estimate of \$9,500 gross income per week
- Hot-N-Ready Pizza Projections
- Continued Growth
- Virginia Little Caesars accounts for 2.68% of the “limited-service restaurants” defined by 2002 Economic Census Series Report

Organization Structure

- Micheal and Marian Ilitch- Chairperson of Founders
- Christopher Ilitch- President and CEO of Ilitch Holdings Inc.
- Dave Scrivano- President of Little Caesars Enterprises
- Pat Flanagan- Owner of local Radford franchise
- Cecil Talbert- Manger of local franchise

Implementation Plan

- Focus on low-cost and quality.
- Student discounts
- Coupons
- Flyers and Menus
- Delivery and convenience
- Sponsor local and university sporting events

Evaluation & Control

- Market Impact, Boston example- Opening of 70 new franchises in Boston area in the next ten years
- Monitoring of this goal will influence changes in market areas, pricing, and promoting
- University surrounding communities may benefit more from low-cost advantage

**WE ARE READY FOR YOUR
QUESTIONS!**

Thank You

This concludes the presentation...