

Hut Stuff



NSAC
NATIONAL ART STUDENT
ADVERTISING
COMPETITION

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EXECUTIVE SUMMARY

No gimmicks. Customers expect good food at a good price. It's a winning combination and it's the Pizza Hut way.

Delivery pizza must be convenient, too- what's easy for the working mom, the college student, the young professional? Ordering online. It can be done during a meeting or while sitting in class. But there is more Pizza Hut can do to differentiate the online/mobile experience from the traditional over-the-phone option.

No need for a sweepstakes contest or a complicated loyalty program with points to redeem. What if Pizza Hut instantly rewarded its customers every single time they ordered online?

Since the goal is to change behavior and increase online and mobile orders, Pizza Hut needs to add value to the online experience- plus it needs to be worth downloading yet another phone app.

By rewarding customers every time they order online, our research indicates Pizza Hut will become the top choice for online pizza orders in the U.S.

STRATEGY AND TACTICS

Strategy

- Increase percentage of digital orders from 43% to 75%
- Increase total revenue in the process



Tactics

- Further differentiate the digital experience from the in-store and over-the-phone options
- Reward online customers and make them feel valued
- Make the digital experience even more convenient and entertaining
- Integrate a commitment to a good cause into the ordering process
- Utilize the “Hook” model:
 1. Introduce new online experience
 2. Reward consumer for trying it out
 3. Keep things simple so it becomes an unconscious habit and the consumer comes back for more

13%

of US citizens consume pizza on any given day.²

PRIMARY TARGET MARKET

Pizza is America's favorite food. People eat an average of 46 slices⁴ per year and the popularity of pizza is rising.⁸ The average online customer spends more (and orders more frequently) than offline customers.¹

Millennials



18-34 year olds

■ 18-24=31.5 million

■ 25-34=42.8 million

So why Millennials?

- They eat out more than any other age group⁵
- They annually spend about \$73 billion at fast-casual restaurants¹⁵
- They are the most technology savvy group of Americans⁶
- They value low prices, good quality, fast service and an “experience”⁶



Millennials love their digital devices so much that 65% say losing their phone would be more traumatic than losing their car.⁷

SECONDARY TARGET MARKET

Why Famillennials?

- Kids ages 3-11 prefer pizza over all other food groups⁹
- More than 75% of parents consider their children's preference as an important factor when selecting a restaurant¹⁰
- The price and convenience of Pizza Hut consistently appeals to families¹
- Percentage of households with kids under 18 is 28.6%¹¹
- Percentage of single mom households is 7.2%¹¹



"We like to order Dominos so we can play on the app! It's fun!"
Alexa, 9 and Tory, 7

22%

of children and
adolescents consume
pizza on any given day.²

7

PSYCHOGRAPHIC FACTS ABOUT MILLENNIALS

1. Millennials are addicted to their smart phones. They prefer interacting on platforms that they are comfortable with such as texting, email, social media and easily navigable apps...¹²

2. ...But they don't waste phone storage on pointless apps. Even with the increase in available apps, consumers spend more time on their phone, but less time interacting with apps.¹³

3. Or sacrifice their precious time. The millennial trademark is a busy schedule.⁸

4. They love free stuff. An item's value is key to the millennial purchasing it - they like a good deal.¹⁴

5. Millennials are lazy when it comes to mealtime. They spend half their food budget on takeout.⁸

6. Their self-worth and popularity are measured by the number of likes they get on social media. To the millennial, the "digital reality is just as concrete as the physical reality."¹⁵

7. Millennials stay up late and when they do, they feast. The college market is huge - nocturnal orders are 70% higher on the college campus.¹⁵



Online shopping on smartphone's increased from 14 to 25 percent between 2013 and 2014.¹²

1. A digital experience should make the customer feel valued. The key to a consumer keeping an app is the user experience – “Provide an experience that delights.”¹⁶

2. And Steve Jobs agrees. “You’ve got to start with the customer experience and work your way back toward the technology - not the other way around.”¹²

3. The mobile experience matters the most. The most effective digital creative is designed with the mobile experience in mind.¹³

4. But if apps aren’t useful, they shouldn’t exist. “26% of apps are only used once after being downloaded.”¹⁶

5. Make them useful and customers will keep coming back for more. Grab attention, take only a moment and encourage the customer to come back again.¹³

6. Remember, people are busy and distracted. The key to the success of a mobile app is the “micro moment, or a one-second action that the customer can act on.”¹³

7. So make everything as easy and simple as possible. Consumers expect to engage with a brand immediately and in context.¹³

7

THINGS PIZZA HUT SHOULD KEEP IN MIND ABOUT THE DIGITAL EXPERIENCE

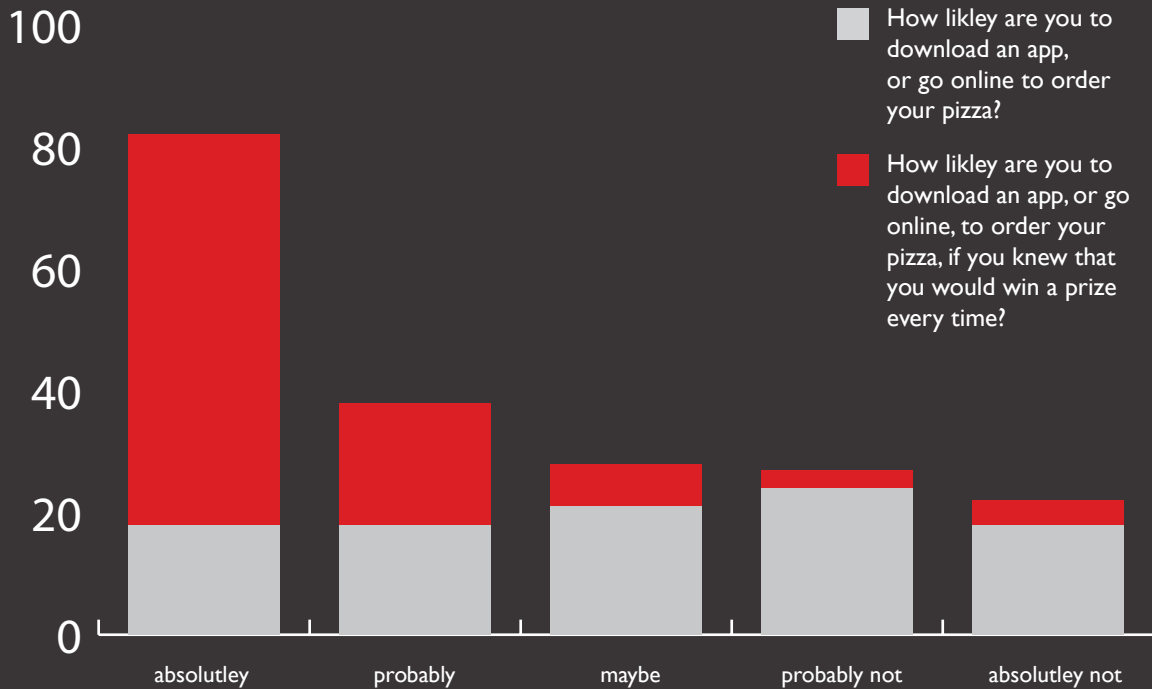


Current trend in business and technology strategies: shift from apps to an “experience.”¹³

PRIMARY RESEARCH

Our Primary Research: Interviewed owner of 66 Pizza Huts, conducted focus groups, surveyed 504 18-34 year olds

After all research was collected, we learned:



Americans spend about \$32 billion on pizza every year.¹⁷

BIG IDEA: SPIN(&)WIN

Spin&Win Hut Stuff when placing an online Pizza Hut order.

It's simple and mindless.
No points or prizes to redeem later.

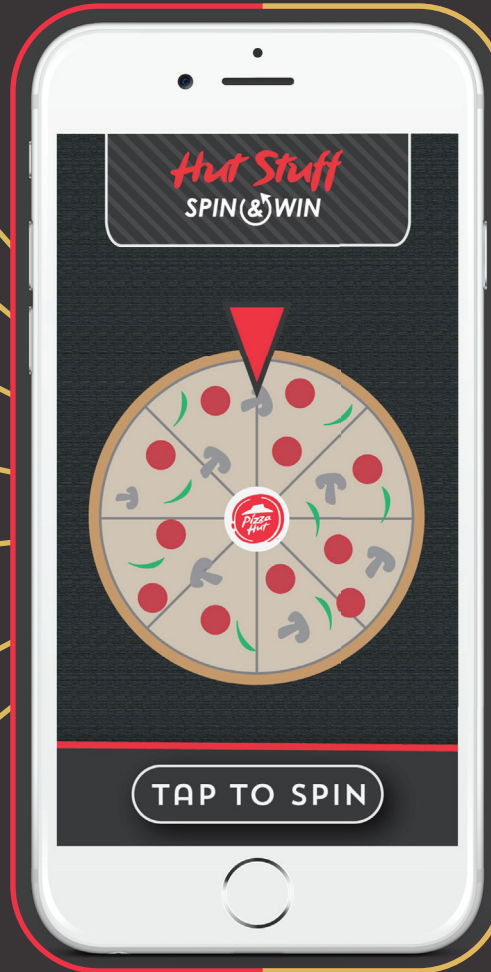
Tailors prizes to individuals: don't reward customer with previous vegetarian orders with wings.

Attracts new customers to Pizza Hut.

Opportunity for Employee Buy-In: give employees a sneak peek of the wheel and let them spin for employee benefits like paid vacation or a bonus.

Featured on pizzahut.com, mobile.pizzahut.com and Pizza Hut apps.

Demonstrates loyalty to customer.



Instantly win a prize every time.

Pizza Hut has the ability to frequently update prizes.

A fun ordering experience for kids and adults.

Incorporates a "game mode" for the wheel: exists outside the ordering process and customers spin, but do not win.

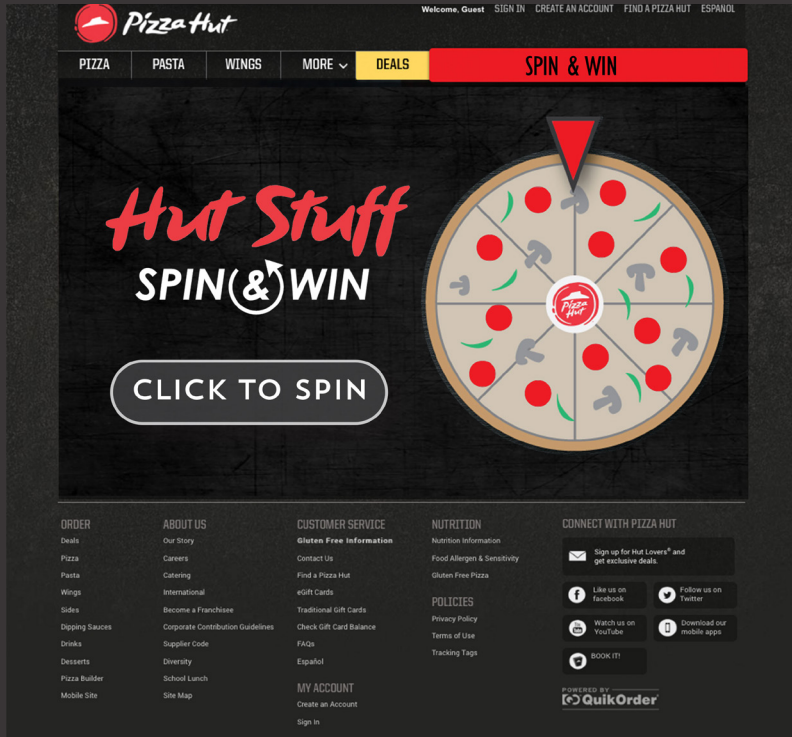
Converts offline Pizza Hut customers to online customers.

Appeals to primary and secondary target market.

World Food Programme benefits.

Simple incentive to download an app, keep it and use it.

BIG IDEA



Millennials have to be “hooked” into a rewards program – only 17% participate otherwise.¹²



Hut Stuff - what the customers win:

Small level:

Breadsticks, cheese sticks, wings, dessert pizza, 2 liter soda, 50% off order

Medium level:

Tour of the Pizza Hut headquarters, Star in the next Pizza Hut commercial, "Your" pizza named after winner and sold nationally, Pizza Hut tailgate party at favorite sporting event Pizza Hut branded promo items including: Spin&Win t-shirt, keychain, sleeping bag, phone case, pizza cutter

Large level:

Cruise, tickets to NCAA Football National Championship, tickets to Grammy Awards or other awards shows, new cars and more.

OTHER IDEAS

Pizza calculator:

Calculates amount of food to order for a large group.

Where's my Pizza?

Track order as it's being delivered.

GPS locator:

Customer chooses delivery location by “dropping a pin.”

Log in through Facebook

BIG IDEA

What if a customer doesn't want their prize?

They have the option to give to the World Food Programme instead.

- Since 2007 Pizza Hut has raised \$12 million for the World Food Programme¹⁸
- In the past, donations could be made online or in stores by adding to total of an order¹⁸
- Spin&Win will increase awareness of Pizza Hut's existing charitable partnership with World Food Programme
- Raise more money for World Food Programme than ever before
- Associate Pizza Hut brand with a great cause
- Benefit from partnership because charitable giving is attractive to consumers and the media
- 18-34 year olds are more attracted to businesses with charitable partnerships⁶



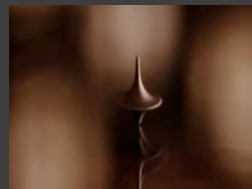
93%

of 18-30 year olds are more likely to notice an ad that promotes a brand's partnership with a cause.⁶

“REINVENTING THE WHEEL” TV TEASER #1

A week before the Spin&Win wheel is revealed, two attention-grabbing teasers will hint at what’s to come in dramatic movie trailer fashion. Clips of spinning objects (including pop culture references) and the ambiguous line “Reinventing the Wheel” will lead people to the splash page www.pizzahutstuff.com for more information about winning Hut Stuff by ordering online or on the app. A Shazam icon will make an appearance in all :30 spots and lead viewers to the splash page as well.

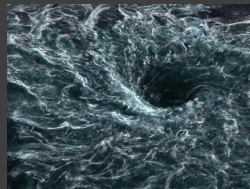
Runs August 28 - 31



“REINVENTING THE WHEEL” TV TEASER #2

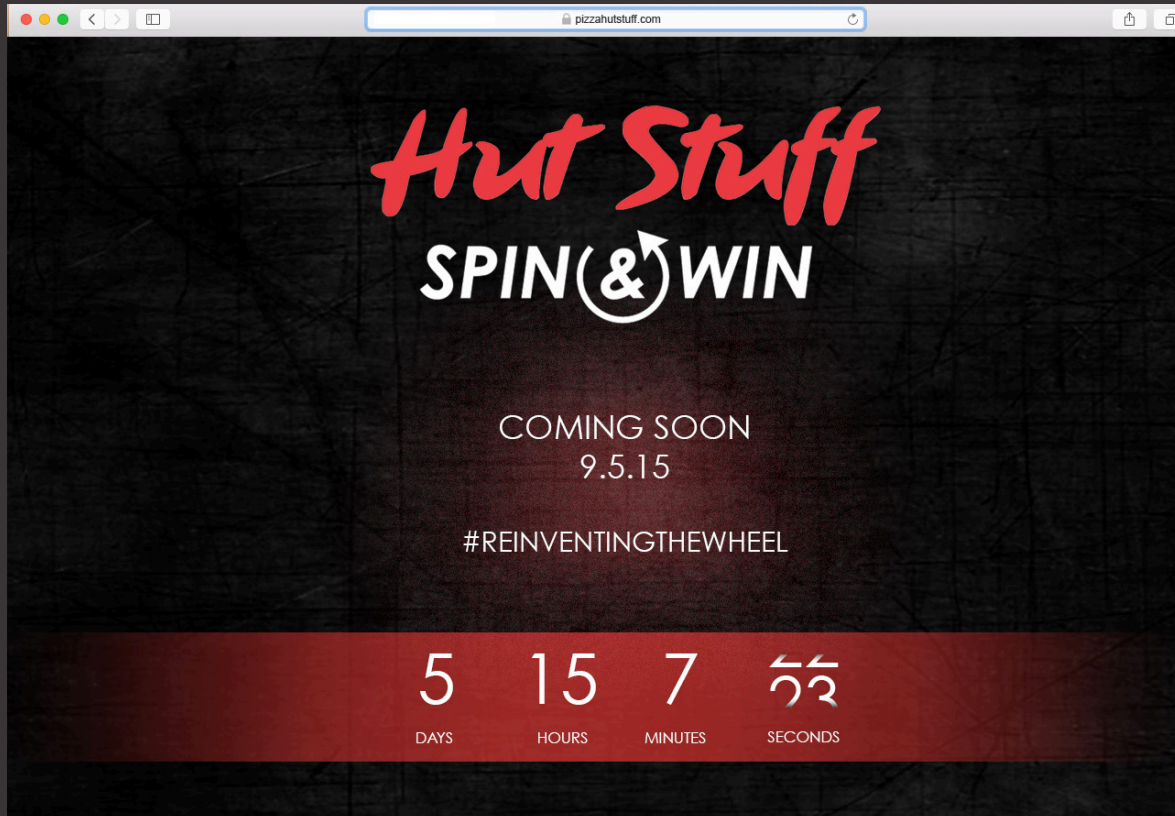


Runs September 1 - 4



PIZZAHUTSTUFF.COM

TEASER SPLASH PAGE



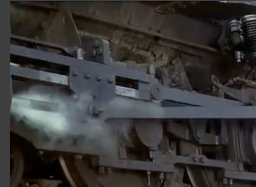
All promotion before the Spin&Win reveal leads people to www.pizzahutstuff.com. The splash page has one task: to build the anticipation and intrigue for what's to come on September 5.



Splash pages, unlike homepages, are focused on one goal.¹⁹

OFFICIAL LAUNCH COMMERCIAL

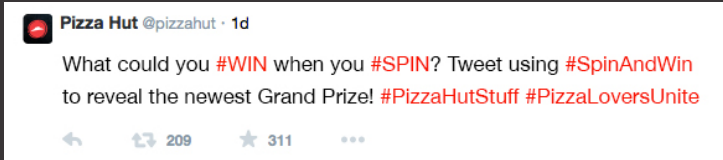
The official launch commercial features an “Evolution of the Wheel” theme and ends by introducing the Spin&Win wheel.



Debuts September 5



SOCIAL MEDIA



Twitter

During teaser campaign

- Flock to Unlock: encourage followers to retweet teaser related tweets
- Once the teaser tweets are retweeted 1,000 times Pizza Hut will unlock information about the Spin&Win feature

Day of Spin&Win reveal

- Create a Pizza Hut themed home timeline for all users
- Give winners (all online customers) the instant option to tweet about their prize
- Tweet about the winners of big prizes so they have a moment in the spotlight

Snapchat

- Partner with ESPN to utilize Discover option: feature the teaser and other Pizza Hut ads and videos
- Create a Pizza Hut Snapchat account to share pictures of nontraditional promotions and discount codes on My Story

Youtube and Vine

- Film reactions of real life Spin&Win participants winning big

Facebook

- Give users capability to log into website and app with Facebook and instantly “share” their Hut Stuff prizes with friends

Instagram

- Promote prize options as they change
- Post pictures of big winners
- Showcase non-traditional advertising ideas (see pages 19-20)



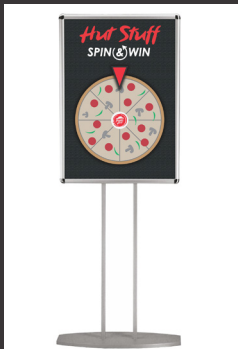
18-30 year olds spend an average of 12 hours daily engaged with some type of interactive media.¹⁹

IN-STORE PROMOTION

In-store and Delivery Promotion

Utilize Pizza Hut stores and pizza delivery boxes to build awareness of **SPIN(&)WIN** concept

- 4 sided table tents for dine-in locations: Detailed information about the **SPIN(&)WIN** wheel feature
- Employee t-shirts: Pizza Hut employees will wear **SPIN(&)WIN** shirts during the roll out period
- Delivery boxes: Circular boxes with a punch-in spinner, a description of the **SPIN(&)WIN** feature and a list of Hut Stuff prizes
- Oversized phone display for Pizza Hut Express units: Attention-getting six foot display will feature a **SPIN(&)WIN** wheel



Other point of sale opportunities:

- Store banner
- Ceiling dangles
- Paper placemats
- To-go cups

NON-TRADITIONAL

Manhole Covers

- Cover manholes in U.S. cities with **SPIN(&)WIN** design
- Execute this plan before the wheel is revealed online and on the app
- Lead curious people to www.pizzahutstuff.com, just like the TV teasers



Times Square

- Display animated **SPIN(&)WIN** wheel on a Times Square display board from the day of release to the end of 2015
- Demonstrates how app works and features prizes
- Features Hut Stuff grand prize winners on screen



NON-TRADITIONAL

Touch Magix Interactive Floor Projections

- Simulates functions of Spin&Win wheel
- When participants spin the wheel, interesting pizza facts appear
- Encourages people to go online or download the app to win Hut Stuff when they place digital orders
- Located in high-traffic malls across the U.S.



Ferris Wheel

- Display Spin&Win wheel on Ferris wheel at Chicago's Navy Pier, Santa Monica Pier, etc.
- Attract attention of locals and tourists
- High potential for earned media and user generated social media content



Giant Pizza Twister Game

- Bring the game to college football tail-gates and invite people with Pizza Hut app to play for prizes
- Opportunity to promote Spin&Win in person and across the U.S. every week



INTERNET PROMOTION

Paid Internet promotion will begin after the Spin&Win launch on September 5.

We recommend sponsoring posts on all Pizza Hut social media accounts, buying banner ad space and Google ads, paying for pre-roll video space and sponsoring content on websites millennials frequently visit.

Recommendations:

- Promote posts on Facebook, Twitter and Instagram
- Purchase Google Ads
- Include pre-roll ads on YouTube

Many popular millennial sites don't have opportunities for traditional paid advertisements; instead they allow companies to sponsor content. Here are examples of potential Pizza Hut branded editorial content:

- Buzzfeed post: "13 Definitive Reasons Pizza is the Greatest Food of All Time" sponsored by Pizza Hut
- Upworthy and Mic articles: "World Food Programme: Feeding kids, Saving the World." sponsored by Pizza Hut

Paid advertisements are acceptable on Ozy and Quaterlette, which along with Buzzfeed, Upworthy and Mic, have been identified by Wired and Forbes as popular websites for 20 somethings. Millennials visit these sites for news stories, life advice, entertainment and viral content that matters. To meet millennials where they are, Pizza Hut should target these sites and others like them.



MEDIA OBJECTIVES

- Target Audience:

Reach primary target: 18-34 year olds and secondary target: familennials with young children

- Geography:

Provide a base of national advertising with additional ads placed in specific Pizza Hut co-op markets as agreed to by the specific co-op/DMA managers

- Continuity

-Deliver a consistent 16 week campaign from late August–December 2015 to launch the Spin & Win concept and then run a second flight from January–May 2016

-Utilize the Spin & Win creative solely from September–December, then in tandem with other Pizza Hut offerings in 2016

- Reach and Frequency

The 16-week television buy will deliver a 93% reach/7 frequency within the primary target market and an 85% reach/5 frequency within the secondary target

MEDIA STRATEGY

We recommend a media mix of traditional, social and non-traditional media.

Television

- Television will be the primary medium for the Spin & Win campaign
- Network, cable and Hulu television allow national coverage and expanded reach to all of the stated target markets and more
- Cable television ads will reach specific demographics at a lower cost than broadcast
- Different times, dayparts and TV shows will also allow for further selectivity (sports)
- Provides great creative flexibility in how the Spin & Win concept is launched

Radio

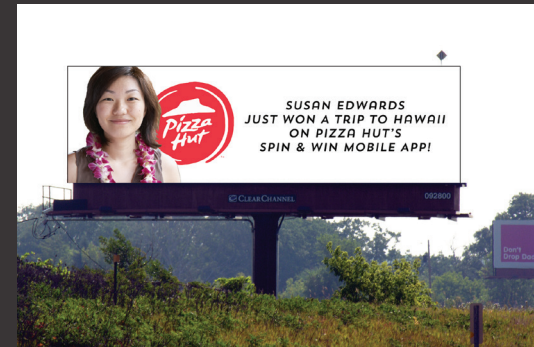
- Pandora and Spotify will be used during the 16-week, August–December campaign to further promote the Spin & Win concept to the younger side of the 18-34 demo

Websites

- Prior to launch, a splash page (pizzahutstuff.com) will display a countdown to the Spin & Win reveal
- The Pizza Hut website will:
 - Prominently feature the new Spin & Win wheel, allowing any online customer who orders via the site to play the game
 - List new Hut Stuff prizes every two weeks
 - Offer detailed information about the Spin&Win feature and how to download the app

Outdoor

- High traffic digital boards in the top 50 American markets will be utilized weekly from August–December 2015 to announce Spin & Win grand prize winners
- Outdoor is permanent and can't be turned off by consumers, provides great reach and frequency, offers a low cost per thousand and can be updated frequently



CONCEPT FOCUS GROUPS

We presented our overall concept to focus groups of 18-34 year olds.

Without being prompted

- 100% mentioned their approval of winning with every purchase
- 92.6% mentioned the World Food Programme partnership
- 81.5% mentioned the interactive wheel
- 60% mentioned their approval of the **SPIN(&)WIN** and **Hut Stuff** names



SPIN(&)WIN?

“I would order online from Pizza Hut a lot more and recommend Pizza Hut for big group orders on campus as well.” –Owen Graves, age 19



“When choosing between delivery pizza places, I would immediately go for the **SPIN(&)WIN** option. ‘Free’ is pretty huge.” –Mick Husted, age 21



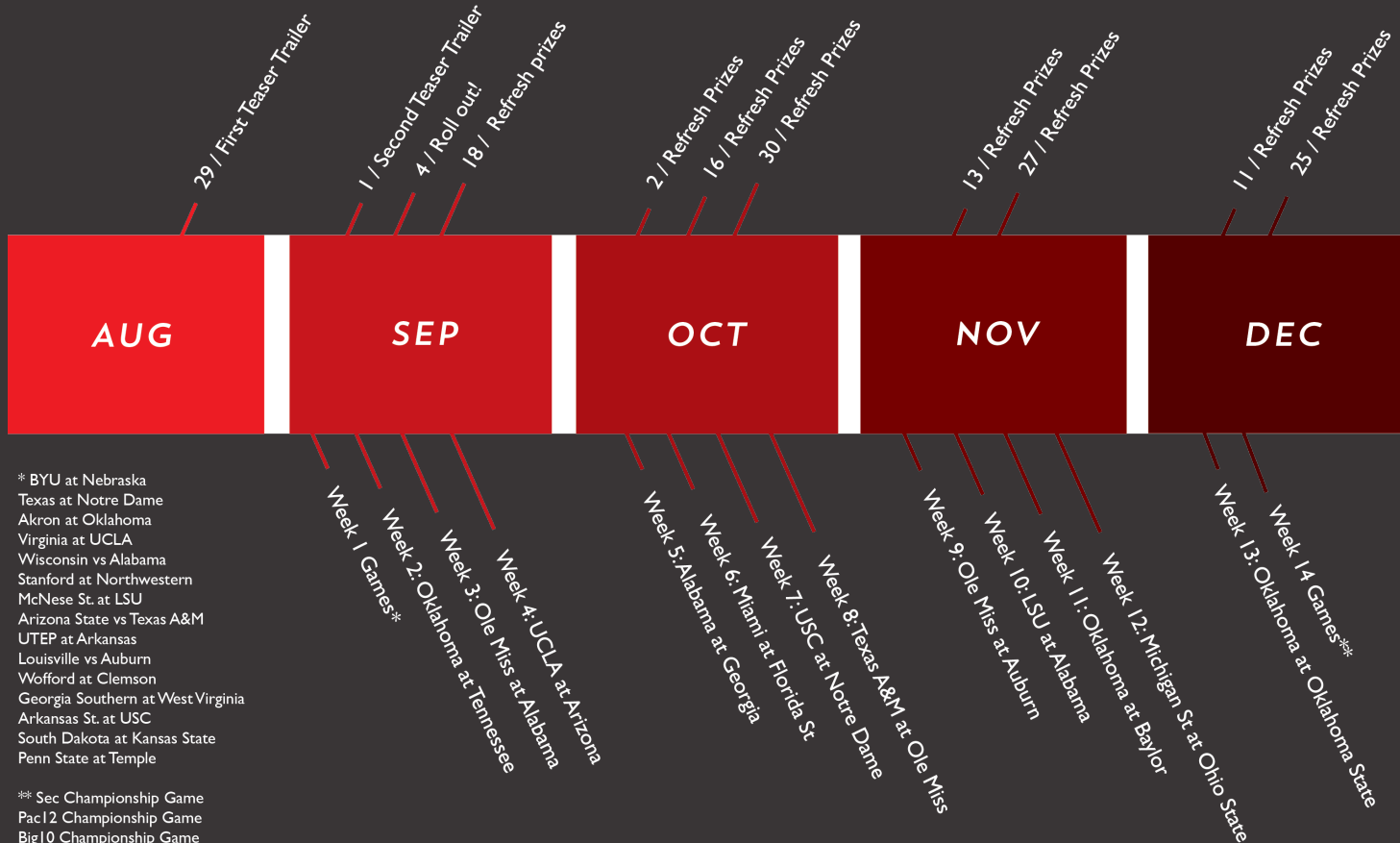
World Food Programme?

“It could establish a good amount of brand loyalty because even if you take the free bread sticks, knowing that Pizza Hut has a commitment to humanity and to giving back would make me more likely to use their app or order online.” –Solange O'Brien, age 25



“I like to know when a company is willing to give back. It makes me choose them instead of a competing brand.” –Elyse Gibson, age 26

RECAP AND CALENDAR



Spin & Win is the ideal concept to drive increased mobile/online sales for Pizza Hut. It will:

- Relate and resonate to the primary and secondary target markets
- Drive additional sales via increased usage taken from Papa John's and Domino's
- Be easily branded as Pizza Hut's own, unique online/mobile concept
- Stimulate social media engagement due to "everyone's a winner every time"
- Make the digital shopping experience "fun"

BUDGET AND PROJECTION

BUDGET

Media Expense	TOTAL DOLLARS	
Television (broadcast, cable)	\$35,115,625	(net – Top 50 markets, 420,000,000 impressions)
Television (Hulu)	\$2,500,000	(placed market by market estimated) / 18-34
Radio (Spotify/Pandora) (net)	\$1,000,000	(placed market by market estimated) / 18-34
Outdoor	\$600,000	(top 50 markets)
Internet (banners, pre rolls)	\$720,000	(200,000 impressions monthly per top 50 market)
Non-Traditional	\$5,000,000	(Times Square Video Board, Ferris Wheels, etc.)
Prizes (food cost + major prizes)	\$5,000,000	
Production	\$300,000	(TV spots, non traditional)
Agency Fee (10%)	\$5,000,000	(based on net media figures)
Total	\$55,335,625	(based on total advertising dollars, 4th quarter)

PROJECTION

Target market research indicates a massive approval of the Spin & Win concept with 64% of the respondents claiming they would download the Pizza Hut mobile app because of the “guaranteed” winnings (as opposed to only 18% who said they would without the Spin & Win promotion). Projecting this on a national scale is more difficult, but even if only 25% more people in our core target market downloaded and purchased from Pizza Hut, the increased sales results would be astounding.

TOTAL PIZZA HUTS:	6,000
AVERAGE WEEKLY SALES:	\$16,000
AVERAGE WEEKLY SALES + 25%	\$20,000 – AFTER 16 WEEK CAMPAIGN
16 WEEK TOTAL SALES:	\$2,400,000,000
ADVERTISING BUDGET X .03%:	\$72,000,000
LESS ADVERTISING BUDGET:	\$55,335,625
NET PROFIT:	\$16,665,375

FOOTNOTES

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