Domino’s Delivers Explosive Growth with Cisco-Driven Digital Transformation

Pizza pioneer harnesses technology to reignite sales

“Cisco technology is helping Domino’s become the easiest company to order a pizza from.”

Kevin Vasconi
Chief Information Officer, Domino’s Pizza
Hungry for pizza?
Today it’s never been easier to satisfy your craving: Simply ask Alexa—or Google Assistant—to order your favorite pie from your local Domino’s Pizza outlet. And thanks to Domino’s Tracker, now you can digitally follow your order from prep-table to doorstep—and even trigger devices to mark each step of your pizza’s journey. For example, when your pizza hits the oven, you could set your music device to play “The Heat is On.” And when it’s out for delivery, you could have your home-automation system switch on your porch light, or even turn off your front-yard sprinkler.

Such hyperconvenient pizza ordering is just one example of Domino’s multi-year transformation from a pizza company into what industry observers are calling a technology company that just happens to make great pizza. Helping to drive this transformation: a series of strategic investments in new digital-ordering and point-of-sales systems—all tied together and supported by the latest unified computing system technologies from Cisco.

The results speak for themselves. Since 2007, just before the company launched a massive investment in digital technologies, Domino’s share price has soared a stunning 2,000 percent, outpacing the most successful tech companies in the world, including Netflix, Tesla, Amazon and Apple.

Tech-Driven Transformation
Domino’s stunning turnaround was born of necessity. Although Ann Arbor, Mich.-based Domino’s seized the early lead in pizza delivery, by 2010 the competition was catching up. That’s when CEO J. Patrick Doyle and his colleagues in marketing and IT decided it was time to break out of the pack.

Domino’s needed to appeal to a new generation of customers who thrive on smartphones and social media—and who demand ultra-fast service, online and off. So the company developed a powerfully simple strategy: Harness technology to make Domsinos the easiest pizza chain to do business with.

The initiative called for building a world-leading digital-ordering and point-of-sales platform for the pizza chain’s 14,000 stores globally. Domino’s also wanted to differentiate through data. This meant creating the capability to collect and analyze all kinds of information about customers, from their names and phone numbers to their online ordering habits. “We wanted to know our customers extremely well,” says Kevin Vasconi, Domino’s chief information officer, who arrived at the company just as it started its tech-driven transformation and subsequent multi-year growth spurt.

Challenge

• Standing out in a crowded market of similar products
• Appealing to new breed of digital-age consumers

Solution

• Leverage technology to transform the pizza-ordering experience
• Build highly available, scalable and secure IT backbone to support transformation

Results

• Tech innovations help drive 2000% increase in stock price over 10 years
• Digital ordering, data insights, and richer in-store experience drive more sales
• Fast flexing of resources turns Super Bowls from IT headache into “celebration”

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**Partnering with the Best**

To modernize its digital ordering, point-of-sales, and data-analytics capabilities, Domino’s made strategic investments in software development, and strengthened its underlying IT infrastructure. And to keep IT operations lean, the company scaled back the number of vendors it worked with, forging closer relationships with a handful of trusted technology partners.

Among them was Cisco, which had been supplying hardware and software to Domino’s for more than two decades. “We’d rather have deep relationships with a few best-in-class suppliers,” Vasconi says. “Cisco has been partner through the whole journey and continues to be strong partner.”

Consolidating global operations on a common Cisco Unified Computing System (UCS) platform helped Domino’s capture savings and efficiencies by reducing its reliance on specialist engineers and disparate hardware. “Having a common infrastructure worldwide is the best way to go,” Vasconi says. With UCS, Vasconi’s team can add new capacity and applications in hours to meet fluctuating demand, avoiding lengthy hardware purchasing and installation cycles. “It’s a plug and play experience,” Vasconi says. “We can flex our overall capacity seamlessly and accelerate speed to market.”

**Building a World-Class Digital Ordering System**

With digital ordering quickly replacing the phone as the preferred way to order pizza, Domino’s needed a strong technology backbone like Cisco UCS to handle the growing network traffic and avoid turning off customers with sluggish service. “Customers’ expectations are so much higher today,” Vasconi explains. “They have zero patience for downtime and latency.” Moreover, with large volumes of credit card and other personal information exchanging hands over the internet, security had to be super tight.

At Vasconi’s direction, Domino’s began modernizing its three global data centers using the latest generation of Cisco UCS hardware and software. Today, Vasconi says, “We are 100% UCS, 100% virtualized, 100% flash, and 100% N+1 redundancy. We use the Cisco stack from top to bottom.”

Today Dominos.com ranks as one of the top 10 U.S. e-commerce sites in dollar volume. Orders surge at night and on weekends, reaching a peak on Super Bowl Sundays, which Vasconi calls the “biggest pizza day on the planet.” Cisco UCS’s virtualization capabilities enable Domino’s to flexibly handle online ordering spikes—and also shift excess capacity during off hours to meet other business needs.

“If you don’t have a world-class infrastructure, you can’t have a world class digital ordering site.”

— Kevin Vasconi
CIO, Domino’s Pizza
Case study
Domino's Pizza

Having the ability to activate a reserve of compute capacity on big-event days has come as a welcome relief to the IT team. “In the old days, we would be nervous when the Super Bowl was approaching,” Vasconi recalls. “On game day, servers would start to run hot and we scrambled to decide where to add memory.” Today, he says, “It’s turned into a celebration. We have pizza and watch the game. We still put more IT people on duty and keep an eye on the monitors, but it’s a more controlled event.”

Digital ordering now makes up 60% of Domino’s business, up from 30% just a few years ago. That includes orders from desktop applications, mobile devices, and increasingly home automation platforms like Amazon Echo and Google Home. “We want customers to have a choice,” Vasconi says. “We want to be the easiest company to order a pizza from.”

Reinventing the Storefront
Domino’s also deployed Cisco UCS across its rejuvenated network of brick-and-mortar stores, which is now capturing a greater share of sales as more customers shift to carry-out and eating-in. The company’s freshly remodeled stores, known as “pizza theaters,” features Cisco Meraki solutions for wide-area network connectivity and in-store Wi-Fi.

More than 5,000 stores worldwide use Cisco Meraki as a point-of-sales and communications hub connecting each store to Domino’s global data centers over the cloud. The company has also been rolling out Cisco’s integrated voice solutions to 400 selected stores, and franchise owners have been impressed by the system’s performance.

“Franchisees just want stuff to work,” Vasconi says. “And with Meraki they really noticed a difference. Although digital ordering is on the rise, we will always need to take phone calls and our concept is, if you do something, do it right. With Cisco, we now have a phone system that is reliable, performant and secure.”

Harnessing Data
By connecting 14,000 stores on a common Cisco UCS platform, Domino’s can now collect an enormous quantity of information about its customers’ pizza-purchasing habits. It amounts to a treasure trove of data that Domino’s is harnessing to improve the customer experience. “We’re turning that data into a core competency around developing a 360-degree view of the customer,” Vasconi says. Current data-driven initiatives range from leveraging A/B testing to develop better products and services to utilizing artificial intelligence to predict customer behavior.
As Domino’s extends its growth trajectory, Vasconi says he’ll continue to add capacity and power to the company’s Cisco UCS platform and bolster his team with people who love working with leading-edge technology. He says recruiting top talent has become a lot easier since word of Domino’s new focus on innovative tech solutions has spread. “We are attracting the same type of people who would work at Amazon, Google, or EBay,” Vasconi says. “That wasn’t the case five years ago.”

It’s hardly an overstatement to attribute Domino’s turnaround to its embrace of digital technology. Together, its world-class digital-ordering platform, cloud-connected stores, and industry-leading data analytics capabilities are giving the world’s number-one pizza-delivery chain a competitive edge that can’t be easily matched by the rest of the field. That’s an advantage that any business would love to have.

“When we call Cisco, someone answers the phone that cares.”

– Kevin Vasconi
CIO, Domino’s Pizza

• Digital ordering now makes up 60% of Domino’s business
• 5,000 stores, and growing, use Cisco Meraki as a point-of-sales and communications hub
• Domino’s is harnessing ordering data from 14,000 stores to improve the customer experience

Solutions and Technologies
• UCS Servers
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• Cisco Security
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• Cisco Data Center Analytics
• Cisco Connected Mobile Experience (CMX)
• Cisco Wireless and Mobility
• Cisco Branch Routers