

Domino's Pizza uncovers a 63 percent increase in revenue driven by mobile search ads, after taking into account the full value of mobile



About Domino's Pizza

Domino's Pizza Enterprises is an Australian company that holds the master franchise rights for Domino's Pizza in six countries. Today, Domino's is the largest pizza chain in Australia and New Zealand with 580 stores in the two countries.

To learn more, visit www.dominos.com.au

At a Glance

Goal

- Understand the full value of Domino's mobile advertising efforts

Approach

- Advertised on brand terms on mobile
- Implemented mobile bid adjustments
- Created mobile specific ads
- Began incorporating app downloads and store locator clicks into the value of mobile ads

Results

- Tripled app downloads and mobile conversions
- Reduced mobile cost-per-conversion by 50%
- Uncovered mobile revenue driven by mobile search ads was 63% higher than previously assumed.
- Achieved a more efficient ROI on mobile than on desktop

Domino's is a globally-recognised leader in pizza delivery. The Domino's brand is owned by Domino's Pizza, Inc, a listed US company. Domino's Pizza Enterprises is an Australian company that holds the master franchise rights for Domino's Pizza in six countries: Australia, New Zealand, France, Belgium, the Netherlands, and Japan. Today, Domino's is the largest pizza chain in Australia and New Zealand with 580 stores in the two countries.

Domino's was early to recognise the potential for online ordering, and today, half of its sales are made online. With mobile now representing over half of online sales, this platform has become increasingly important for the company. Group CEO Don Meij explains: "From a Domino's perspective, the great thing about mobile is that it puts a pizza store in everybody's pocket. So you can order a Domino's pizza anywhere, anytime, anyplace on any kind of mobile smartphone device." Domino's sought to understand the total value of its mobile advertising efforts, and in May 2013, the company partnered with Google to examine mobile ad performance and quantify the impact of these ads.

Delivering quick optimisation wins

Domino's marketers laid the groundwork for mobile ads success with some quick optimisation wins. First, they ensured that the company was advertising on all key brand terms on mobile. Next, they worked with Domino's bids, raising mobile bid adjustments during mealtimes to increase exposure. Lastly, they used mobile specific ads to show Domino's app extension ads to mobile searchers. Mobile specific ads allow advertisers to show mobile-optimised ad text and formats on mobile devices instead of desktop creatives. With the help of mobile-specific ads, Domino's app downloads tripled. Overall, Domino's also tripled its mobile conversions while reducing its cost per conversion by more than 50 percent.

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 — Don Meij, Group CEO, Domino's Pizza

Measuring new conversion types

In order to understand the full value of mobile for Domino's, the company took a step back to rethink the way it evaluated its ad performance. In the past, Domino's calculated the value of its mobile ads by analysing the revenue generated from Domino's mobile website. However, a quick look at these numbers revealed a lower conversion rate and higher cost-per-conversion than Domino's desktop campaigns.

Domino's sensed that this narrow approach missed out on a larger part of the picture and partnered with Google to uncover the true value of their mobile

About the Full Value of Mobile Calculator

The Full Value of Mobile Calculator provides a simple tool and benchmarks to help you estimate the value that mobile drives for your business through calls, apps, in-store, mobile site and cross-device. In about 30 minutes, you can follow the step-by-step wizard to upload data from AdWords and your mobile website, and make some key assumptions to create your Full Value of Mobile estimate.

Measure the full value of your mobile conversions at fvm.withgoogle.com

About Google AdWords

Google AdWords is a performance-based advertising program that enables businesses large and small to advertise on Google and its network of partner websites. Hundreds of thousands of businesses worldwide use AdWords for text, image, and video ads priced on a cost-per-click (CPC) and cost-per-impression (CPM) basis. Built on an auction-based system, AdWords is a highly quantifiable and cost-effective way to reach potential customers.

To learn more about Google AdWords, visit <http://adwords.google.com>

advertising. The Domino's marketers knew mobile devices had created new paths to conversion that were valuable to the business, so they began counting two new conversion types that were important to the company: app downloads and store locator clicks.

With the goal of calculating a monthly return generated through app-initiated purchases, Domino's looked at the number of people who downloaded its app through paid search, and then multiplied this number by the average revenue per app per month.

For mobile store locator ads, the company estimated that 15 percent of people who clicked on a mobile store locator visited a store and made a purchase. By applying this percentage and multiplying it by the average order value in-store, Domino's was able to calculate the return on investment for each paid store locator click.

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— Don Meij, Group CEO, Domino's Pizza

Mobile as a recipe for success

According to Domino's initial calculations that took into account mobile site revenue only, mobile cost per conversion was 50 percent higher than desktop. But, by using the existing base of revenue from the Domino's mobile site, and then adding the revenue from app downloads and store locator clicks, Domino's discovered that its revenue from mobile ads was 63 percent higher than previously calculated. The company's mobile cost per conversion was also found to be more competitive than its desktop conversions.

For Group CEO Don Meij, the data was irrefutable. The message across the entire Domino's organisation is that mobile is a necessary investment and a core part of the company's online advertising efforts. Meij says, "Without giving away all the sorts of things we'll be doing, more and more of the way we operate our business will simply be mobile."

