Updating Little Caesars Brand and Market Presence
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Executive Summary

Company Description
Started in 1959 Little Caesars has grown to be the largest and fastest growing food chain in the world, due in part to their HOT-N-READY pizza options.

Company Mission and Goals
Their core mission and goals are to become the best take-home pizza chain by exceeding customer expectations and offering values for consumers.

Companies Core Competencies
The HOT-N-READY menu items are their biggest draw and bestseller from their consumers. Promotional activity is limited due to current discounted prices of their product.

Situation Analysis
Little Caesars has been resting on its laurels with innovations, specifically in recipes and new food products. This may negatively affect their business because their competition has emerged with healthier food options. Little Caesars needs to determine if a brand renovation would increase their market share and revenue.

Key Competitors
Domino’s, Papa John’s, California Pizza Kitchen, and Papa Murphy’s are the main competitors for Little Caesars. Each has a niche in the market that Little Caesars does not fill.

Target Market
The target market for Little Caesars are students, adults, and families on a budget and/or with children.

How To Change The Marketing Mix
Increase mobile and online presence by offering the ability to order items online. Also rework their recipes to create healthier more delicious pizza.

Company Description
Michael and Marian Ilitch started the first Little Caesars in 1959 in Garden City, Michigan. Throughout the years they have worked hard and grown their brand by franchising stores throughout the country. Today Little Caesars is the largest carryout pizza chain in the world, with franchises on five continents. In 2010 they were named the fastest growing pizza chain in the world.

Little Caesars menu consists of pizza, bread items, wings, and dips. Their core menu and main staple of business lies in their HOT-N-READY items: a variety of pizza options, Crazy
Bread, Caesar Wings, Caesar Dips, salads, BBQ Rib Smackers, and Cinnamon Bread. Additional toppings and varieties are available with call-ahead purchase.

Company Mission and Goals

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.

CUSTOMERS
To develop a fun-loving and lasting relationship with every Customer by anticipating, listening, and responding to their needs and by exceeding their expectations with innovative, great tasting food, prompt friendly service and superior value in a convenient and clean environment.

FRANCHISEES
To provide our Franchisees with value-added support and discipline in the areas of development, training, operations, marketing, financial services and products, to operate their businesses as profitably as possible, while maintaining a relationship founded on trust, integrity, respect, teamwork and timely communication.

COLLEAGUES
To train and encourage Colleagues to achieve excellence, challenge them to be innovative, and recognize and reward them according to their performance, while fostering a positive, fun environment founded on mutual respect, integrity, open communication and teamwork.

SUPPLIERS
To develop mutually beneficial relationships built on trust and respect that optimizes product and process innovation, consistent quality, competitive and timely service with exceptional cost efficiency.

COMMUNITIES
To maintain an image that is a constant source of pride and quality in our communities through active participation and leadership in community affairs, the operation of clean, safe restaurants and providing employment opportunities and economic support.

Company’s Core Competencies

Little Caesars is the only fast food pizza chain offering HOT-N-READY pizza, Crazy Bread, and other food items every day for less than $10 per item. Which is a great selling point for many busy families on a budget because the cost to feed a family on Little Caesars pizza is
lower than other pizza chains. Promotional activity is not necessary since their main products are already discounted. The most recent widespread promotional activity for the brand occurred in 2011 when Little Caesars ran promotions offering free Crazy Bread during Veterans Day, and basketball and football seasons. In December 2011, Discover card members were able to earn $5 cash back by visiting Little Caesars.

**Situation Analysis**

The Little Caesars brand touts itself as the “fastest growing franchise” and has positioned themselves in the market as a discount pizza option. However, they rarely speak of health, freshness, or taste of their products. Aside from introducing new flavors of Caesar Wings, Little Caesars has been resting on its laurels, failing to introduce new items to their menu or update recipes.

Brand activity has declined in recent years with the only exception being the reappearance of their character and tag line, “Pizza Pizza!” in 2012. Their goals were to restore fun to the brand and to pizza. With a basic website and mobile application Little Caesars does not allow consumers to purchase food items online or through the app like their competitors.

With California Pizza Kitchen, Domino’s, Papa John’s and Pizza Hut adding new and healthier menu items they have gained ground with a market share that Little Caesars is missing. To keep up with their competition Little Caesars needs to conduct market research to see if updating their brand will increase sales and broaden their target audience within the market.

**Key Competitor**

Little Caesars’ primary competitors are Domino’s, Papa John’s, Papa Murphy’s, Pizza Hut and California Pizza Kitchen. California Pizza Kitchen is the most unique of the stores by adopting up-to-date food trends and healthy pizza toppings. Their customers consist of true foodies and consumers attracted to gourmet food. The majority of their consumer’s eat in the restaurant.

Papa John’s tag line, “Better Ingredients. Better Pizza” has paid off over the years in the form of awards, recognition, and sales growth. While awards are numerous sales show their true success with increasing sales and stable traffic flow, even in a slow economy. They continue to forge relationships with partners such as Pepsi and the National Football League, which ties the brand to the Super Bowl.

While offering quality food Papa John’s maintains its long-held premium products at premium prices message by limiting discount offers. Not only do they offer iPhone and Android apps, but also online ordering with a Spanish-language capable website. The
primary consumers of Papa John's pizza are skewed to a slightly higher-income, with women being 50% more likely to eat Papa John's 6+ per month.

Domino’s continues to introduce innovative, consumer-tested and profitable new menu items while offering their consumers easy-to-order options on their website and mobile apps. The variety of sides and desserts offered: baked sandwiches, BreadBowl pastas, breads, lava crunch cake, lend consumers to flexibility and a myriad of value promotions. By the 2nd Quarter of 2012 30% of Domino’s orders came from digital channels.

In 2009 Domino’s reformulated their core pizza product that lead to an increase in media coverage and traffic. Then in 2011 an artisan pizza line was debuted to move away from price-centric promotions and broaden the brand’s appeal. Domino’s also offers a gluten-free crust for.

Papa Murphy’s promotes itself as the antidote to late night deliveries and greasy pizza by offering literal fresh pizza to be baked at home. With a variety of toppings that branch out from typical pizza toppings Papa Murphy’s appeals to those who seek healthier pizza alternatives and want to cook their pizza at home.

Special shapes of pizzas are offered by Papa Murphy’s for Valentine’s Day (a heart) and Halloween (a jack-o-lantern). They also branch out of the box by offering Mini Murph, a pizza kit designed for kids to build and cook their own pizzas. Papa Murphy’s draws a higher ratio of high-income consumers than Domino’s and Pizza Hut, as well as those with a higher income with more than three children.

Pizza Hut has a very aggressive Facebook and Twitter presence. They also offer mobile apps and website ordering. Most recently they have tried to take down the traditional Subway sandwich with their P’Zolos. And offering the Big Box Dinner Pizza Hut they provide a good option for value-seeking families.

**Target Market**

Consumers most likely to visit Little Caesar’s are people on a budget, as well as 18-34 year olds, Hispanics, those with children, and people making $50K - $74K a year. 18-24 years olds are twice as likely to visit Little Caesars multiple times per month, with 25-34 years old as the nearest competitor. Those who tend to cook solely on weekends are more likely to use Little Caesars while those seeking healthier meal options are less likely to eat Little Caesars pizza.

**How To Change The Marketing Mix**

Little Caesars has found a niche in the market by offering low-priced HOT-N-READY pizza, bread, and other food items. I think this has given them an edge over their competitors.
However, survey results suggest food consumption is trending toward healthier alternatives, which means Little Caesars may find a decline in sales as consumers move to other pizza options.

With the use of smart phones and the Internet so predominant, Little Caesars is underutilizing these ordering methods. By not allowing customers to order online or through smart phone apps they are dating their brand. Pizza Hut, Papa Johns, and Domino’s give their consumers this option with much success. Domino’s has seen a shift in consumer habits with 30% of orders being received via mobile methods. By implementing this technology I believe Little Caesars will give themselves another edge in the market and will gear their business to pre-orders, as well as the HOT-N-READY market.

To keep Little Caesars at the top of their game I suggest they reevaluate their recipes, especially their pizza, to improve nutritional value and taste. By increasing healthfulness and improving taste without changing their current set-up I believe they will be able to retain current customers and attract new consumers. When Domino’s reformulated their crust in 2009 they received a substantial amount of media coverage and saw an increase in business.

To give Little Caesars an additional edge I recommend offering a vegetarian HOT-N-READY pizza option. Traditional pizza proteins are not embraced for health and research indicates pizza lovers are looking for a healthier option. A vegetarian option will appeal to a demographic not previously served by Little Caesars. This change will also assist them in improving brand image, to show they are able to change with the demands of consumers and are conscious of healthy pizza options.

Current market share focuses on young college students and families with little money. While this practice may sustain them in the short run I believe that it will inhibit future growth if Little Caesars does not try to broaden their target audience.

**Conclusion**

In conclusion, Little Caesars’ business plan is effective and appeals to a large audience of pizza consumers by offering an affordable and fast pizza option. They meet a need in the market with their HOT-N-READY items; however, they need to look at revamping their brand and implementing healthier menu items because research shows pizza consumers are trending towards more healthy food options. One way to do this is to offer a vegetarian HOT-N-READY pizza. It is also important for Little Caesars to offer online and mobile ordering to increase sales and give consumers a quick and easy way to order, like their competitors offer.