**Straight Talk Helps Domino’s Rebound**

1. In 2008 why did Domino’s leaders know they needed to make drastic changes?

2. *Critical Thinking*: What could have happened to Dominos if they did not make changes?

3. What innovative strategy did Dominos use to attract customers?

4. *Critical Thinking*: What was risky about admitting their old pizza was bad?

5. How did CEO Patrick Doyle respond to the Youtube hoax two employees posted on Youtube?

6. *Critical Thinking*: Do you think it was smart of Doyle to create a video to explain what happened? Explain why or why not.

7. What did Dominos hire a team to monitor?

8. *Critical Thinking*: What could a company like Dominos use social media such as Facebook and Twitter to do?

9. *Critical Thinking*: What is a company today that could use a major makeover like Dominos? Explain why you think that company could use a major makeover.

10. *Critical Thinking*: Food like Dominos is often criticized as being unhealthy. Do you think schools should be able to sell regular Dominos pizza to students? Explain why or why not.

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**Company's pizza sales recovering after new recipe, innovative marketing strategy**

When Domino’s Pizza started 2008 by reporting a second consecutive year of falling sales, its leaders decided drastic changes were needed.

The Ann Arbor-based pizza chain launched an innovative — albeit risky — marketing campaign that essentially admitted the company knew its pizza needed improvement. And, the company apologized directly to customers through a series of video clips and televised ads.

A year later, just as customers were responding to the campaign and giving the chain another chance, Domino’s suffered another blow. Two employees posted a hoax video on YouTube of themselves doing unsanitary things to the company’s food.

Patrick Doyle, then president of Domino’s Pizza Inc., was on Easter vacation with his family when the video went viral. In three hours, views went from 20,000 to more than 1 million.

Doyle, now the chain’s CEO, immediately flew back to Michigan and began damage control.

Instead of issuing a news release, Doyle went directly to the public. He posted a video on YouTube explaining the situation.

“We went back to the source of the problem and responded where people were having an issue,” said Doyle, who recently spoke at a Lansing Regional Chamber of Commerce Economic Club luncheon. “The (media) coverage really didn’t wind up being so much about the issue of what had happened itself. It really wound up being about how we responded. It was a lot of learning for us as an organization and as a brand.”

From there, Domino’s — which has six locations in the Lansing area — found a winning combination: Popular food plus open communication. Sales have risen over the past several years, reaching $7.4 billion globally in 2012 — $3.5 billion in the U.S. alone.

Eric Arntson, a franchisee with three Domino’s restaurants in Lansing and one each in Mount Pleasant and Owosso, said he was“nervous and excited” when he learned the details of the new marketing campaign.

Arntson said sales at his restaurants “improved significantly” after the release.

“It’s not every day when you completely change your core product that had been around 40 to 50 years,” said Arntson, who has been a Domino’s Pizza franchise owner for 15 years. “It was a like a light switch went off. The best part about it was the pizza was excellent, so people kept coming back.”

Domino’s hired a team to monitor social media to better reach customers on different social media platforms. The company gained more than 100,000 new fans on Facebook and 3,000 new followers on Twitter in 2010.