



Surprise! This is America's Favorite Pizza Brand Once Again

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Source: [Flickr](#) user David Fulmer.

Pizza: it's what's for breakfast, lunch, and dinner.

Whether you're three years old or pushing the century mark, pizza is probably a part of your diet. A 2013 study found that 93% of Americans will eat at least one slice of pizza per month. Over the course of a year the average American consumes 46 slices of pizza. Even more astonishing (and to show you how engrained pizza is in American culture), of the 5 billion pizzas sold globally each year, 60% are sold within the United States!

In short, we love our pizza, and businesses are well aware of this. In fact, Pizza.com (yes, that's a real website!) contends that one in every six restaurants in the United States is a pizzeria.

But, having so many different pizzerias to choose from can also make life difficult for the consumer. If there are too many choices, consumers may wind up getting overwhelmed and opt for something different altogether. Pizzerias need to figure out a way to stand out in a very crowded field in order to build a loyal consumer base which can drive its business forward over the long-term. And this proves true for single-store mom and pop pizzerias all the way up to the large corporate chains with thousands of stores.

However, deciphering which companies are good at driving brand loyalty and customer engagement is a completely different animal altogether. That's why we'll turn to Brand Keys and its recently released Customer Loyalty Engagement Index for 2015 to help discover which pizza brand garners the most loyalty among Americans.



Source: [Flickr](#) user M Car.

Why customer engagement and brand loyalty matter

Brand Keys' CLEI study for 2015 involved 64 categories (of which pizza was one) and 540 total brands. The customer engagement research firm interviewed 36,605 people throughout nine different Census regions in the U.S. and, for the first time, Canada.

The idea behind its annual survey is to determine how consumers are viewing a brand, comparing that brand to other brands, and how engaging that brand is with the consumer. The goal for businesses is to create an emotional connection with the consumer so they continue to come back time and again. Emotionally attached consumers can draw in new business via word of mouth (i.e., free advertising for the business), and they're also less reliant on discounting, thus they're a higher margin customer.

Now that you have a better understanding of why this study is meaningful, let's look at a few pizza brands that *aren't* America's favorite.

Back in the oven

Three brands that you likely see everywhere, but which didn't take the top honor as America's favorite pizza brand, are **Yum! Brands'** (NYSE: YUM) Pizza Hut, **Papa Murphy's** (NASDAQ: FRSH), and **Papa John's International** (NASDAQ: PZZA). Amazingly, each offers a unique reason why it doesn't garner the most brand loyalty among Americans.



Sweet Sriracha Dynamite pizza. Source: Pizza Hut.

For Pizza Hut, which came in second place, it's simply taste. Pizza Hut's management team recently went back to the drawing board and introduced around a dozen-and-a-half new pizzas, some of which certainly [push the envelope of standard](#) (Cock-A-Doodle-Bacon and Sweet Sriracha Dynamite, really?). But, innovation is a good thing, and it's the cornerstone of success for businesses worldwide. Having introduced its new menu just two months ago, the initial reaction appears encouraging, although only time will tell if Pizza Hut's aggressive menu tactics are the right move.

Papa Murphy's, which came in fifth, is doing everything right in terms of courting a growing crowd of health conscious "foodies" who crave pizza. Utilizing fresh ingredients, Papa Murphy's has made quite a name for itself. Unfortunately, the fact that consumers have to cook the pizza themselves, and its slightly higher price point (as should be expected with higher quality ingredients) appears to be just enough to lower Papa Murphy's convenience factors and ensure it doesn't take the top spot.

Papa John's, on the other hand, has a nice blend of price and quality, but it's still reeling from an image problem. CEO John Schnatter certainly received a nod of approval from America for attending the funeral of an employee killed while on the job, but he's still backpedaling from comments made a few years ago about possibly having to boost pizza prices because of Obamacare, officially known as the Affordable Care Act. The comments came across as callous and have likely played a part in holding back Papa John's image. Papa John's slipped to third in this year's brand loyalty rankings.

Americans are most loyal to this pizza brand

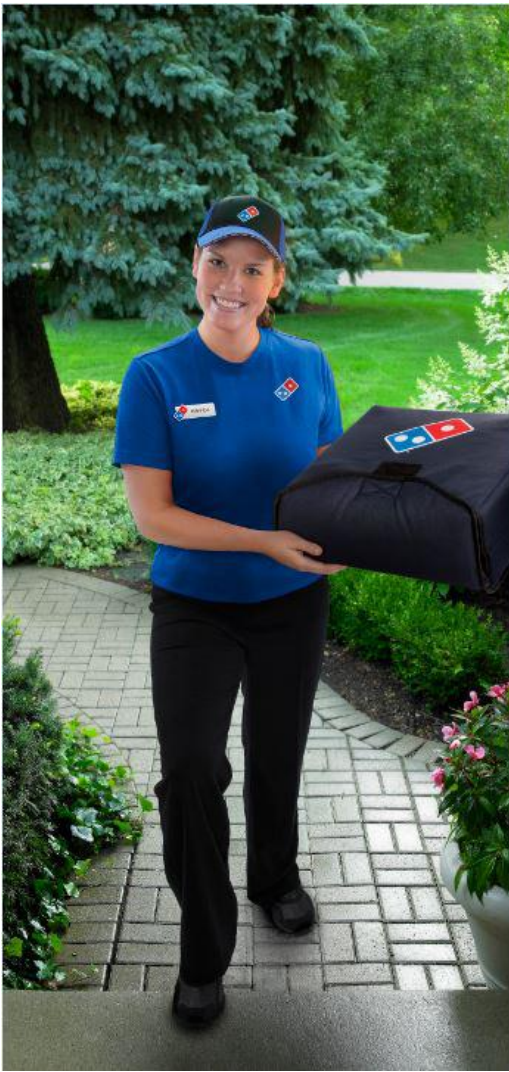
Instead of these three aforementioned pizza chains, consumers, according to Brand Keys, demonstrated their [best brand loyalty](#) to **Domino's Pizza** (NYSE: DPZ) once again.



Source: [Flickr](#) user Marjan Lazarevski.

"Why Domino's?" you wonder? It primarily has a lot to do with taste, image, and listening to consumers' wants and needs.

First and foremost consumers want to be heard. But, having your voice heard at a multi-billion dollar company isn't expected. Domino's Pizza is actually listening to its customers. The company's mea culpa advertising campaign fessed up that its pizza wasn't very good and it [completely revamped its recipe and menu](#). The results from that makeover have thus far been incredible. In its third-quarter earnings report announced back in October, Domino's delivered 7.7% same-store sales growth in the U.S. and 7.1% growth in international markets. It's been more than 20 years since Domino's same-store sales fell on year-over-year basis outside the United States.



Source: Domino's Pizza.

Domino's has done a really good job of using social media to its advantage as well. This isn't to say that Papa John's or other pizza chains are dropping the ball, but as an example Domino's has more than three times as many tweets as Papa John's and is following 32 times as many people. How would you feel if the official Domino's Pizza account decided to follow you? For many people, I'd contend they'd be excited, which can help spread word of mouth advertising.

Domino's also announced the addition of a "Siri"-like system for taking mobile orders last June. The app uses [voice recognition](#) to let users order a pizza. While it may not be perfect, it's another step in the right direction toward locking in its millennial customers for life and in making the ordering process even more streamlined and convenient for consumers.

From an investment perspective, Domino's Pizza is by no means cheap anymore. Sporting a PEG ratio that's slightly above two and a forward P/E of 30 I wouldn't suggest it's the value it once was. However, if the company can continue to grow its same-store sales by the mid-to-high single-digits and increase consumer loyalty, there may not be much downside in its shares, either – and that's a pretty tasty outlook.

1 tasty stock to buy for 2015 and beyond

2015 is shaping up to be another great year for stocks. But if you want to make sure that 2015 is *your* best investing year ever, you need to know where to start. That's why The Motley Fool's chief investment officer just published a brand-new research report that reveals his top stock for the year ahead. To get the full story on this year's stock -- *completely free* -- [simply click here](#).