

Discover your edge

Wednesday, 27 July 2016

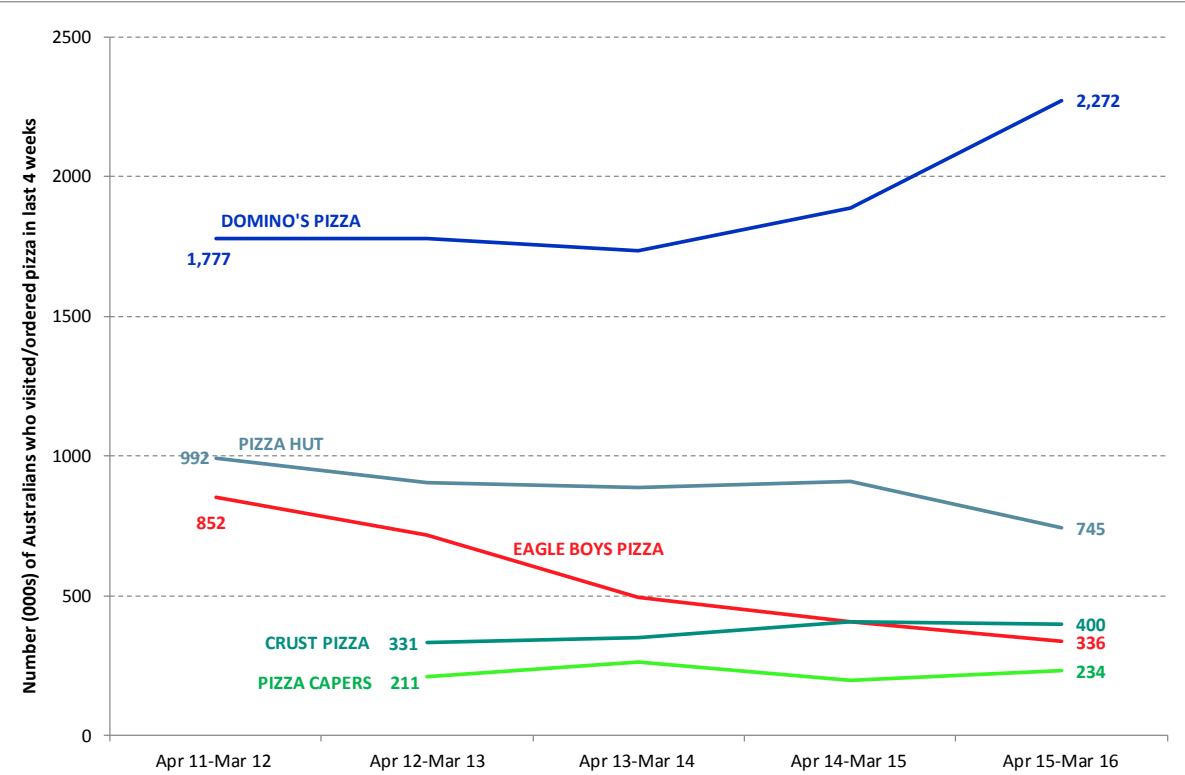
The Domino's effect, or why Eagle Boys stopped soaring

In the wake of news that pizza chain Eagle Boys has gone into voluntary administration, Roy Morgan Research takes a look at how the major players in the ever-competitive pizza market have been tracking over the last five years, and confirms that Eagle Boys' customer numbers have plummeted while Dominos' have soared. So what went wrong and what happens now?

In the 12 months to March 2016, almost 5 million Australians aged 14+ visited/ordered from a pizza shop at least once in an average four weeks, slightly more than the 4.8 million who did so in March 2012. But although the size of the overall pizza-eating population didn't change dramatically, where they got their pizza from did.

Back in 2012, 1.8 million people dined on Domino's Pizza, 1 million ate Pizza Hut and 850,000 opted for Eagle Boys Pizza at least once in any given four weeks. Fast forward to 2016, and Domino's Pizza is up to 2.3 million customers but the other two aren't looking so good.

Pizza wars: visitation of Australia's pizza chains, April 2012-March 2016



Source: Roy Morgan Single Source (Australia), April 2011-March 2016, average 12-month sample=17,843.
Base: Australians 14+. NB: Crust Pizza and Pizza Capers measured from July 2012

Between 2012 and 2016, Eagle Boys' visitation plunged from 852,000 to 336,000 people per average four weeks – a 61% decrease. Pizza Hut's 25% decline from 1 million to 745,000 seems moderate in comparison.

FOR IMMEDIATE RELEASE

Adding to Eagle Boys' woes is the fact that its customer numbers were overtaken 12 months ago by smaller gourmet-focused pizza chain Crust Pizza (400,000), which Roy Morgan started measuring in July 2012 (along with its sister chain, Pizza Capers).

Variety the spice of life for Eagle Boys customers

While customer crossover is commonplace in the fast-food industry, with many Australian fast-food customers eating at/taking away from more than one quick service restaurant in an average four-week period, it is worth noting that Eagle Boys Pizza customers show an above-average tendency to mix it up.

Not only are they more likely than the other pizza chains' customers to eat KFC, Red Rooster, Subway and Sizzler in an average four weeks, but almost a third also eat Domino's Pizza in this time – almost three times the national average. Furthermore, this figure has been rising steadily since 2012, suggesting that if the bigger chain did buy out its beleaguered rival (as the media has been speculating) it would certainly not be starting from scratch.

Angela Smith, Group Account Director, Roy Morgan Research, says:

“The fast food industry is in flux, with many of the chains we measure losing customers since 2012. The pizza sector has not been immune to this downward trend, with Eagle Boys' recent collapse into administration a particularly high-profile example. Domino's, on the other hand, has managed to swim against the prevailing tide and grow its store network and customer base.

“Domino's strength lies in its clever use of technology at all stages of the ordering, delivery, pick-up and purchasing process: whether it's allowing customers to place an SMS order using an 'emoji', providing an app to track a delivery driver's progress, or offering a tech-enabled 'fresh fast bake' certification. It is no surprise that growing numbers of Aussies (including those who also eat at Eagle Boys) are taking advantage of its easy and convenient service.

“Meanwhile, by appealing to customers' more 'gourmet' sensibilities with their creative pizzas, Crust and Pizza Capers are carving their own distinctive niche in the market. Like the countless gourmet burger bars that have sprung up in recent years, these smaller chains are offering an exotic alternative to the predictable and somewhat interchangeable menus of the major chains.

“Eagle Boys has been slow on the technological uptake, yet doesn't stand out with its menu either. Over the last few years, increasing numbers of its customers have been eating at rival fast-food (and specifically pizza-focused) chains, making its current situation almost to be expected. It will certainly be interesting to see how this pans out, and how the different the Australian pizza market looks this time next year...”

For comments or more information about Roy Morgan Research's quick service restaurant data, please contact:

Roy Morgan Research -- Enquiries

Office: +61 (3) 9224 5309

askroymorgan.@roymorgan.com

Related research findings

View our [extensive range of Quick Service Restaurant profiles](#), including [Eagle Boys Pizza Customers](#) , [Crust Pizza Customers](#) and [Domino's Pizza Customers](#).

Compiled with data from Roy Morgan's Single Source survey (the largest of its kind in the world, with 50,000 respondents p.a), these ready-made profiles provide a broad understanding of the target audience, in terms of demographics, attitudes, activities and media usage in Australia.

About Roy Morgan Research

Roy Morgan Research is the largest independent Australian research company, with offices in each state of Australia, as well as in Indonesia, the United States and the United Kingdom. A full service research organisation specialising in omnibus and syndicated data, Roy Morgan Research has over 70 years' experience in collecting objective, independent information on consumers.

Margin of Error

The margin of error to be allowed for in any estimate depends mainly on the number of interviews on which it is based. Margin of error gives indications of the likely range within which estimates would be 95% likely to fall, expressed as the number of percentage points above or below the actual estimate. Allowance for design effects (such as stratification and weighting) should be made as appropriate.

Sample Size	Percentage Estimate			
	40%-60%	25% or 75%	10% or 90%	5% or 95%
5,000	±1.4	±1.2	±0.8	±0.6
7,500	±1.1	±1.0	±0.7	±0.5
10,000	±1.0	±0.9	±0.6	±0.4
20,000	±0.7	±0.6	±0.4	±0.3
50,000	±0.4	±0.4	±0.3	±0.2