Advertising and Sales Force

Dominos domestic stores contributed 5.5 percent of all retail sales to support national and local advertising campaigns. Domino's expects this rate to remain unchanged for the foreseeable future. Much of those monies are devoted to mass-mail flyers promoting specials at the local Domino's.

Domino's Pulse Point-of-Sale System

To maximize efficiencies and provide timely financial and marketing data, Domino's requires all stores to install and use its PULSE system that now exists in all company-owned stores and 98 percent of franchisee-owned stores. The system enables touch-screen ordering that improves order accuracy and efficiency and provides the driver with directions and the best route to take for multiple deliveries, saving time and money. In addition, the PULSE system better enables Domino's to ensure it receives full royalties from all transactions in what is often a cash business, assuming the franchisees are honest and always use the PULSE system when receiving orders.

Finance

Domino's recent income statements and balance sheets are provided in Exhibits 6 and 7, respectively. Note that Domino's revenues increased 2.6 percent in 2012 and the firm's long-term debt rose slightly to $1.53 billion. Note the company has zero goodwill on its balance sheet.

EXHIBIT 6 Domino's Pizza, Statements of Income (In thousands, except per share amounts)

	2010	2011	2012
REVENUES:			
Domestic company-owned stores	$ 345,636	$ 336,349	$ 323,652
Domestic franchise	173,345	187,007	195,000
Domestic supply chain	875,517	927,904	942,219