

# Pizza Hut Baron Concors

United States  
Industry sector: Retail & Consumer  
[www.pizzahut.com](http://www.pizzahut.com)



## *Baron Concors, Global Chief Digital Officer*

Baron Concors has responsibility for all of Pizza Hut's digital marketing and technology functions, including digital advertising, social media, ecommerce, mobile, email marketing, loyalty, and CRM.

Some companies talk about digital transformation and how it will change their business. But for Baron Concors, the Global Chief Digital Officer for Pizza Hut, digital is the business, with half of the company's orders coming through digital channels. Concors is continually focused on raising the organisation's Digital IQ and pursuing innovation, not about 'disruption for disruption's sake.' He sees a critical part of his job as 'weeding through the hype versus the reality,' as he fosters internal efforts and engages with startups and other sources to come up with 'really unique and cool ways' to solve business problems.

PwC met with Concors as part of our 2015 Digital IQ Survey interview program, a series designed to gain insights into how leaders value technology and weave it throughout the business.

This interview has been edited and condensed.

### **PwC: How long have you been in the role of Chief Digital Officer (CDO)?**

Baron Concors: I've been in this role for a little over 18 months. I've been with Yum! for about eight years now. Prior to this role, I was Chief Information Officer for Yum! Restaurants International, and prior to that, I was Chief Information Officer for Pizza Hut.

**PwC: Does the change in titles from the CIO to CDO reflect a change in focus or an evolution of the role?**

Baron Concors: The change in title from CIO to CDO represented a pretty substantial shift. As CIO, I had the traditional IT responsibilities for the organisation, but with the move to Chief Digital Officer, I've assumed general management responsibilities for the overall digital business. For Pizza Hut, that's a pretty substantial part of the business, as almost 50 percent of all of our orders now come through our digital channels.

**PwC: What does digital encompass for Pizza Hut?**

Baron Concors: For Pizza Hut, digital is a really vast part of the business. When we think about digital, we think about how we are engaging with our technology connected consumers, and not just consumers, but our own team members—the people that work in our restaurants, the people that work in the building. Everyone's adopted technology. They've got this really powerful device in the palm of their hands, and how are we communicating and engaging with them in a way that makes their lives easier?

**PwC: How does digital fit into the overall strategy?**

Baron Concors: For Pizza Hut, digital is one of the key strategies for the business and the success of the long-term business. As you can imagine, people don't want to call to place orders anymore. They're looking to change that experience to do something digitally, so it's one of the top three or four business imperatives for us and one of the reasons I have this role today as Chief Digital Officer. At the end of the day, if digital is important to you, and you ask who is in charge of digital and you get more than one name, then you have to ask yourself who's in charge. Having one person who's accountable for driving the results and the organisational alignment around that is very important.

**PwC: How would you rate Pizza Hut's Digital IQ—its ability to understand the value of technology and weave it throughout the business?**

Baron Concors: I think Pizza Hut is doing pretty well from a Digital IQ perspective. A lot of that is driven by the fact that digital is such a substantial part of our revenue. You know, it's not just something we talk about; it's actually a core part of our business. How people order from us, whether it's from our website, our mobile apps, or our mobile website, is a core part of our business, and so it's permeated every piece of our organisation.

**PwC: What is the most important thing for driving growth in the business through digital?**

Baron Concors: Growth in the business revolves around an increase in purchase frequency. We're growing quickly around the world, but in particular in the US, it's a very developed market, so it's a very competitive market. It's about how are we using digital and technology to increase that purchase frequency. One of the great things about our business is we have your name, address, phone number, email. When you look at the restaurant industry, that's information a lot of companies would really kill for. So, how are we using that information to target people with the right message, at the right time, at the right place that gives them the relevant information to make that next purchase?

It's not just about the ordering; it's about how our consumers are viewing content. As you can imagine, Pizza Hut is a big advertiser, and what's happening with how people are consuming TV content today is really moving quickly, and it is really fascinating. For those of us that are older, we grew up as a generation of people who watched TV all the time, but the reality is there are a lot of people growing up today who won't watch TV. When you think about placing your bets from an advertising perspective, it's starting to become a really narrow demographic on who you're reaching through TV.

One of the big opportunities we see is: how do we get our message out to the different channels on which people are viewing things. As you can imagine, YouTube is taking off as a great vehicle, where people are spending a lot of their time watching content. One of the things we've done in the last 12 months is we've partnered with social influencers—YouTube celebrities who have tens of millions of people who watch everything they do. We've invited them into our facility here and let them create their own pizzas. They name their own pizzas, and then they talk to all their fans about it, and that's becoming one of the more interesting ways in which we're getting our brand message out and getting it to a new audience.

**PwC: Over the last 12 to 18 months, where have you been particularly focused?**

Baron Concors: One of the things we've really made a lot of progress on in the last 18 to 24 months is what I call the behavioral psychology of our consumers, understanding that our consumers are users and understanding how it is we can improve on the path in which they engage with our brands. We used to think about ourselves digitally as to how we compare to our competition, and I've really tried to instill a mindset in the organisation that when we think about digital, particularly digital commerce, our competition is probably Amazon, because that's the bar in the minds of consumer's on how easy it can be.

It doesn't really matter what you're ordering or who you're ordering from, as long as it's more difficult than that bar, then people are going to walk away less than happy.

**PwC: And what are you doing to raise that bar?**

Baron Concors: For us, it's about creating a mindset of simplicity. A lot of times people want to try to do the whiz bang things that are cool or are the bright, shiny object, but at the end of the day, we have to stay true to ourselves and keep within the guardrails. Is it really making the experience easier, or is it complicating the experience? We need to keep things simple and make it easy for our customers.

**PwC: Are there specific initiatives you can share that get towards that simplicity?**

Baron Concors: One of the things is paying attention to what's happening with the disruptive companies that are coming forward. So, for example, if I look at Uber and what they've done, a lot of times people think: "Well, they really disrupted the transportation industry." But the reality is that they disrupted commerce. We're trying to adopt some of those technologies in our own business, to bring transparency to the process. We're testing some new technologies in a handful of restaurants where you can now see when the driver leaves with your pizza, track him on a map, and rate your experience when it's over — to bring some of those things that disrupted the transportation industry into our own business. But the consumer walks away thinking, "Wow, that was really cool."

**PwC: Does the customer drive your digital priorities?**

Baron Concors: When you talk about Digital IQ, you can talk about a lot of different things. A lot of the priority for us is our consumer, making sure we're there, front and center, when our consumer is picking up their device. But there are also a lot of internal things that we're looking at. From a big data perspective, I'm a fundamental believer that the business world is becoming a big math problem. We have so much data at our fingertips, and how we can target people in a very unique way is becoming fascinating. For example, in our business, weather is a big driver. When it's raining or snowing, people don't want to go out, and they want to get food delivered. So, one of the things we've done in the last year, which is really neat, is we started to mirror weather patterns in the US with how we target our consumers.

If we see there's going to be some bad weather hitting in Chicago, we can get an email out to all of our customers in Chicago around 4:00pm, when they're starting to make that consideration about what they're going to have for dinner, and say, "Hey, don't worry. You don't have to get out tonight. We're here for you."

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### **PwC: How do you think about digital in the core business versus using it to fuel disruptive business models?**

Baron Concors: When I think about disruption, there are a couple of things that come to mind. First and foremost, there's disruption that benefits the business. Then there's disruption for disruption's sake. I think that the big part of my job is weeding through the hype versus the reality, making sure that whatever we're going after has a real benefit to the business or the customer, and it's not just another cool thing that is out there for PR's sake. We spend a lot of time in Silicon Valley talking to some of the startups that have one, two, three people to understand what it is they're working on, talk to them about our business challenges, and let them come up with some really unique and cool ways to solve them.

### **PwC: In addition to startups, are there other third parties you look to as sources of innovation?**

Baron Concors: We have a lot of sources we look to when it comes to understanding what's disruptive out there and new ideas that are really going to spur innovation. We rely on not just the startups themselves, but also incubators that house hundreds of startups and can really help us have a lot of conversations in a short amount of time. And we also rely on investment banking firms who place a lot of big bets on startups, to help us conduct executive briefings to understand which ones are going to be game changers for our business.

### **PwC: What else do you pay attention to?**

Baron Concors: Digital is a deep understanding of how people's lives are changing and how their behaviors are changing based on the technology they're adopting. The average person picks up their smartphone over 150 times a day. And what's interesting is because people no longer stand there and wait for their groceries to get checked out and then impulse buy gum — they're looking at their phone instead — the sales of gum have dropped a lot because of the shift in the consumer behavior. There are lots and lots of examples like that. We have to become students of how people's behavior is changing as a result of constantly evolving technology and how they're using it, and making sure that our business, one, is capitalising on that and, more importantly, not suffering because of that.

### **PwC: How do you measure innovation?**

Baron Concors: I've had this conversation a lot with local executives: how do you measure innovation or spur innovation internally? It boils down to how many ideas are coming across the table, and have you opened up the culture to one where you embrace ideas from all levels, because some of the best ideas come from outside of the C-Suite. How have you communicated and cascaded that message that we value ideas, we don't care if you think they're good or bad. We want people out there thinking about how we can improve and change the business. And if there aren't very many [ideas], then I know that our innovation has a long way to go. But I'm pretty happy with how many ideas we've got.

### **PwC: What advice would you give to companies thinking about how to manage disruption?**

Baron Concors: It starts with the ability to have an innovative culture. I've worked at a lot of places where they're very conservative—what's the ROI, what's the business case? In those environments, it's going to be really hard to be disruptive. To be innovative means you take risks, and there's a chance of failure. A lot of companies have to start to evaluate the culture itself and be willing to take risks, willing to accept failure, and, honestly, being able to recognise and reward failure. Because if you really want to be innovative, you're going to have failures. It's not going to work every time.

### **PwC: What are the biggest challenges in raising your Digital IQ?**

Baron Concors: From a Digital IQ perspective, the biggest challenges often center around prioritisation. As you can imagine, there are a thousand ideas on the table, and you can really get caught up into an analysis paralysis exercise on how to go after all of them. It takes a really rigorous process to focus on the ones that are the most beneficial to our customers and the business and go after those with a lot of intentionality.

Another one of the real challenges is the scale of our business. We're in 120 countries around the world, and when you say digital, it means something different in every one of those countries because everyone's in a different state. So for example, if we think about the developed markets like the United States, UK, Australia, Canada, they're pretty much all in a similar state, but then when you go into places like Africa, it's a much different digital strategy. It's a mobile-first strategy. The people are much more likely to have a smartphone in their hands first before they're ever going to have broadband in their own home. So that can change your digital strategy on a market-by-market basis.

**PwC: Where do you see the company in three to five years?**

Baron Concors: When you think about what's going to happen in the future, the answer is there's really no way to know. Sometimes I get asked to see a five-year roadmap, and to me that's kind of funny because if I'm guessing more than 12 or 18 months out, then I just am guessing, right? And so for me, it's less about understanding where we want to be three to five years out and more about how are we organising internally to move quickly. Something is going to pop up, something is going to be disruptive, — we're going to have to capitalise on something, and it's about being able to have the culture, the people, and the mindset to do that quickly and shift on a dime versus the traditional sort of corporate bureaucracy that can slow things down.

**PwC: Are there things the organisation is doing to try to foster that type of environment and a more agile way of working?**

Baron Concors: We pride ourselves on being innovative and nimble, so that mentality already exists in our company about being innovative and quick, and so applying [it] to technology has just been a natural evolution for us. One of the things that's obvious is that it's not just about our consumer. It's about the team members in the restaurants. We have a lot of team members in 6,500 restaurants in the US, 10,000 around the world, and a lot of them are walking around with smartphones now. We see it as a big opportunity to figure out how to cascade our strategy and our communications to them all around the world leveraging that technology.

**PwC: Are there particular skills that you're focused on or think will become even more important to your organisation to meet your goals?**

Baron Concors: Skills can be a big part of it, but it's more about the mindset. I call them glass-is-half-full people who can open up the possibilities of how things get done, versus all the reasons why things can't get done. It's about finding talent that has that innovative mindset. That get it done attitude is a lot of what our journey has been about.

**PwC: What do you say to companies that have not yet fully embraced digital?**

Baron Concors: My thinking on digital and companies that think that digital is not a big idea for us or it's not something we should be focused on, I worry about those companies. Because at the end of the day, there are a couple of guys in a garage in California who are thinking about how to revolutionise that business, and we've seen it happen time and time again. So you can convince yourself pretty quickly on all the reasons why digital is not important, but at the end of the day, it's probably at your own peril.

**PwC: And what about for your own business? What would those guys in the garage be doing working on?**

Baron Concors: When we think about what sorts of innovations or disruption could happen in our industry, I think it's more about the service angle. There are a lot of people trying to get into food delivery, for example. The good news for us is we've been doing this for over 30 years and we're experts at delivery, and we feel like it's going to take them a long time to catch up — the speed and the efficiency in which we can do it — but that's something we've got to watch.