The Market Risk on Domino's Pizza Incorporation's Peformance

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ABSTRACT

The performance of a company can be affected by internal and external factors. This study is to investigate the internal determinants (current ratio, quick ratio, debt to income, average-collection period, operational ratio, operating margin and corporate governance index) and external determinants (gross domestic product, inflation rates, interest rate, exchange rate and STDV) and how they influence the return on assets of Domino's Pizza Incorporation from 2014 to 2018. The elements of corporate governance will be used and practice indirectly in this study. The findings of this study showed that the external factor (STDV) was positively significant to the return on assets and has the most influenced to the company performance. This study recommended Domino's to take cautious on its share price in order to improve company performance.

Keywords: *Return on assets, ROA, share price, corporate governance, market risk, internal factors, external factor*

1.0 INTRODUCTION

Domino's Pizza, Inc. is the second-largest American franchised pizza chain. It was formally established in 1960 by the founders Tom Monaghan, James Monaghan and Dominick DiVarti. The headquarters of the company are in Ann Arbor, Michigan. The provided products are varied by region. Pizza is the main focus and following with the additional entrees which are desserts, beverages, bread bowls, pasta and oven-baked sandwiches. Today, Domino's has expanded to a public multinational pizza restaurant that operated 16300 stores in over 83 countries. (Domino's 2019)

In the year of 2007, Domino's decided to go e-commerce by rolling out the mobile and online ordering sites. Its came out with a 'Delivering the Dream' franchising program, in partnership with American Equipment Finance, LLC, and extend financial assistance to elite minority team members to build their own Domino's stores. During the third quarter, global retail sales had reached over $1.2 billion. Domino's Pizza was entitled "Chain of the Year" by Pizza Today magazine, the leading publication of the pizza industry and is the "Official Pizza of NASCAR(R)." (Domino's Pizza, 2008) In 2012, Domino's changed its company name from Domino's Pizza to Domino's. This is due to the company introduces a new variety of product in the menu besides pizza and also provide delivering option. The name changing is to avoid customer has a mindset that Domino's Pizza is only selling pizza.

Openness, honesty and transparency, independence, accountability, responsibility, fairness, reputation and social responsibility are the seven concepts of the sound of corporate governance. With the sound of corporate governance, the company would be enabled to sustain in the long term and enhance shareholder value. Openness, honesty and transparency can be seen in the corporate governance of Dominos. Openness indicates the willingness of the company to provide its information to individuals and group. Honesty is the quality of integrity and trustworthiness of the action or the information of the company. Transparency refers to the actions or the decision that has been made in the company is able for an outsider to make the analysis. Domino's is strictly following its guiding principles 'We demand integrity', and having an utter

commitment to professional and personal integrity. For example, Domino's have audited the Company's internal control over financial reporting based on criteria established in Integrated Framework (2013) issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO). The COSO framework was designed to help the establishment of business, assess and also enhancing company internal control. The financial statement and report were audited by the external independent registered public audited company. Domino's hired one of the Big Four, which is PricewaterhouseCoopers (PwC) as its external auditor. PwC is one of the world largest accounting firms and having a high reputation in the world, the financial statement that

audited by them is reliable. The length, the numbers of members and the agenda will be determined by the Committee Chair and the Committee. The meeting minutes will be shared with the Board in the end.

Corporate governance in Domino's has shown element independence. Independence is an entity or a condition that is free from the influence of others. For example, the individual who seated for the chairman and CEO is separated. David A. Brandon is the Chairman of the Board and Richard E. Allison, Jr is the president. There is no overpowering or overlapping in the organization. Domino's required the size of the Board has to be no less than three nor more than ten directors. Domino's will review the appropriate size for the Board regularly. The Board is subjected to the New York Stock Exchange Listing Standards. According to the standards, the members of the Board should be independent. The selection of the new director is through the Board nomination, presented to the shareholders and elected by them. Material relationship between the company and each director will be assessed by the Board annually to determine the independence of the director. Company members are encouraged to discuss their concerns about the company's conduct with their supervisors, members of the legal department or the PeopleFirst representatives. Non-employee directors or the Audit Committee could be directly communicated by those who have a concern toward the accounting practices, internal accounting controls or auditing matters.

Furthermore, Domino's was facing a social media crisis in 2009. Two Domino's staff made a video prank in the restaurant's kitchen and decided to post it online. This has gravely affected the

company's brand. The vice president of Domino's in 2009, Tim McIntyre was accounted for the crisis. He was the one who communicated, spoke, explained, answered and implemented the communication plan with the media. The Board also exercises its business judgement to represent the best interests of the company and the shareholders and to maximize the value of the company. All of these have shown element accountability in Domino's corporate governance. Accountability is the individual who makes the decision or takes action on behalf of an issue and they should be answerable for the decision or the action they have made.

Responsibility is a state of having a duty or control over something or someone. For instance, Domino's board members must be able to dedicate their time for the diligent performance of their duties. They have to be well-prepared and attending board and applicable committee meetings. Directors with full-time jobs should not serve more than three other public companies. Every member is required to act in good faith with due care, competence and diligence in the organization.

Domino's is strongly emphasized in fairness, which is equality. The Board expect every member of the organization act ethically all the times. Any violation of the company code of ethics should be reported to the Chairman of the Nominating and Corporate Governance Committee. Domino's will not make any extension of credit to the directors or executive officers. None of the non-employee directors may provide personal services

for compensation to the Company. Domino's is practising equal treatment toward every employee, and will not permit any waiver of ethics policy for any executive officer and director.

Moreover, Domino's has been putting effort to operate as a good corporate citizen. Domino's has always focused on giving back to the local communities, from school fundraisers and supporting youth sports teams to feeding first responders during times of crisis. Domino's always doing a donation to the local food bank and be the sponsorship of the local event. Domino's is using high-quality meat without any filler, and have eliminated MSG and all artificial food colouring from their products. The company chooses to use the packaging boxes that are made from 70% recycled content, in order to achieve environmental friendly.

Domino's has always worked with different public relation company according to the regions. They work very closely with its international network of the country managers and agencies in Europe. Domino's is always doing the renovation for its product in order to fulfil the market preferences. Social media plays an utmost vital part in maintaining the reputation. Domino's has worked very hard to build a very good relationship with the press.

As a food manufacturer, Domino's is competing with a quickly changing market. Domino's have to keep on innovation in this quick-service restaurant pizza category, the competitors that Domino's compete against are Papa John's, Pizza Hut and Little Caesars Pizza. The change in customer preference is one of the risk factors of the business. Domino's business could be affected by the risk of the existence of the food-borne illness. Furthermore, increasing of cost such as labour, food, advertising cost, insurance premium and so on could reduce the profit of the company. Domino's does not have a long term contract with its supplier, which may cause the supplier to seek for a higher price. However, the main risk faces by Domino's is the market risk, which is the fluctuation of the stock price. The changes in stock price could easily effect the company's profit. This is due to the speculation of the stock market, competitor's strategic action, Domino's dividend policy and the impact of the external economic factors.

2.0 LITERATURE REVIEW

According to 'A Literature Review of Corporate Governance' by Humera Khan, 2011, corporate governance is a process of monitoring, directing and evaluating the company business and affairs. Corporate governance plays an important part in the relationship between stakeholders,, the board of directors and the shareholders. Effective corporate governance can help to reduce the agency problem. By having good corporate governance, the separation between ownership and management is the priority. Effective corporate governance would draw a clear line between the manager and the shareholder and emphasize on no merging between ownership and management. (Humera Khan, 2011)

Corporate governance can be defined as the stewardship responsibility of corporate directors to provide oversight for the strategies and goals of a firm and to cultivate their implementation. A well-governed company can raise and create the value of shareholder. Corporate governance has become an integral part of every organization and a trend in commercial areas. Good corporate governance at the company level does not need to be constrained by the local environment, and to the extent that company practices may compensate for frail framework conditions, purely centralize on the systems view may lead to excessive risk aversion. (Peter Cornelius, 2005)

Corporate governance is defined as a process that aims to distribute resources and maximize the value for shareholders and stakeholders. The key role in corporate governance is played by the board of directors which have the responsibility to advocate the organization's policy, strategy, monitoring the company performance from the top and have the ability and skill to deal with various business issues and challenge management performance. Every decision that has been made and information about the company have to full disclosure to the public. Moreover, risk management is a process to identifies, analyze, plan and implement the uncertainty in the future. The purpose of the presence of risk management is to control, avoid, accept and transfer the risk. (Sreeti Raut, 2005)

Business performance is another meaning of the operational capability to meet the majority of shareholders' desires. (Smith & Reece, 1999, p. 153). Business performance is regularly measured by profit, return on investment. Business Performance Measurement (BPM) systems focus on investigating the whole organization's function at every level of activity. It can be used for both quantitative and qualitative research methods to measure the firm's performance. Subjective measurement is encouraged to use for evaluating business performance, as it's effective and focus on overall performance and using scales to indicate the performance. Objective measurement is based on actual financial indicators and data; the objective data might not be compatible with the intended level of analysis. (Siti Nur Atikah Zulkiffli and Nelson Perera, 2011)

The success of a firm is explained by its performance. There are two types of measurement for firm performance dimension which are accounting-based measurement and market- based measurement. Accounting- based measurement is basically based on financial ratios and it can effectively indicate a company's business and profitability. On the other hand, market-based measurement is to indicate a company future performance and development. The measurement included Tobin-Q, Market Value Added (MVA), Dividend Yield, Price-Earnings Ratio and so on. The firm would accurately measure its performance by using the combination of both measurements. (Ebrahim Mohammed Al-Matari, Abdullah Kaid Al-Swidi and Faudziah Hanim Bt Fadzil, 2014)

Evaluation company performance can be divided into financial and non-financial indicators. Financial factors are provided to the indicators of a financial ratio, for example, EBITDA, Inventory Turnover and Net turnover. Yet, non-financial indicators are built on the employee satisfaction level. Measurement of both financial and non-financial factors is being used. Under comparison between both of the indicators, non-financial are evaluated higher than financial indicators and it shows the necessity for the company to use non-financial indicators in evaluating company performance. (Inta Kotane, 2015)

From the perspective of the supplier's trade credits can raise the profit by encouraging the customer to buy more; from the perspective of the customer trade credit is an alternative for the enterprise to get the fund. Yet, granting of trade credit will increase the credit risk of the suppliers which is known as credit risk. A statistical enterprise trade credit risk assessment model (ETCRA) is created to estimate the probability of default of potential creditor and the maturity period of goods payment by using initial data. Financial and non-financial variables should be included in the statistical ETCRA. ETCRA is high in accuracy, interpretability and simplicity. It could be used when suppliers are making a decision regarding the trade credit. (Rasa Kanapickiene and Renatas Spicas, 2019)

Credit risk connects the risk in the bank and the development prices of financial instrument. Bank need to have risk assessment techniques to manage and minimize the credit risk. The risk assessment consists of the evaluation of qualitative and quantitative indicators of the economic situation. Credit risk is determined by the expected result of a credit transaction, possible outcomes of operation with respect to the expected value, dispersion and the average linear deviation, and credit risk on the average linear deviation and the expected result of the operation. Credit history of the client is the main source in determining the level of credit risk. (Konovalova N., Krostovska I., Kudinska M., 2016)

Credit risk is the potential variation in the net income and has been defined as the potential borrower fail to meet the obligation and terms in the report of Global Risk Management Group 1999. Over the past several

years, several approaches have been expanded in managing the credit risk portfolio. For example, asset-by-asset approach which is a loan review and an internal credit risk rating system; portfolio approach is a long term customized plan that reflects the needs of bank throughout the various stages in the future; and traditional approach which include expert systems, artificial neural network, internal rating at bank and credit scoring system. The bank revenue is affected by the bad and doubtful debts shown by the available statistics. Worse credit risk management results in worse bank performance and vice versa. Bank with better credit risk management used to have lower bad debt and higher interest income. (Adebisi, Sunday Abayomi and Ade Oyedijo, 2012)

Occupational risk can is defined as daily hazards of running a business, is also shortened as oprisk. Oprisk is immeasurable. Risk and Control Self-Assessment (RCSA) is to identify, evaluate and check on the effectiveness of all risk, and report and record the result. Loss Event Monitoring is to report the tracked and collection of near misses and loss events. Key Risk Indicators (KRIs) will give advanced notice by controlling and tracking the area of concern. Stress and Scenario Testing is a plan of contingency and include the impact tolerance and resilience test for adverse events. Furthermore, there are no specific rules for the models that are to be used. The best practice is still in finding. (Rodney Colemsan, 2011)

Risk assessment is to support the decision-making process and provide analysis on which is the safest decision. Generally, the risk assessment will consume longer time to conduct. It would take 7 steps throughout the risk assessment process. Firstly the limit or scope of the analysis has to be set, following with the hazards and task identification. Thirdly, assess the initial risk with the risk scoring system and reduce the risk by using the hazard control hierarchy. Risk scoring system is being used again to assess residual risk, if the residual risk is acceptable, it can be continued to the documentation which is the evaluation of risk is completed. (Lucian-lonel Cioca, Roland losif Moraru and Gabriel Bujor Babut, 2010)

Risk management is a character used to manage, control and clean the risk in a company. Small and medium-sized enterprises (SME) have a tendency to slowly identify risk, slower response towards risk and ignore the risk. Large companies have a full complete risk management system that can effectively control and minimize oprisk. A company with better risk management will likely to have a better perception by the environment. (Bartlomiej Okwiet and Stefan Nowak, 2015)

Market risk emerges due to the liberation of the market, such as foreign currency exchange, establishing stock exchange market and capital markets. All of these is named as derivatives. Market risk includes the interest rate risk, foreign currency risk and risk of shares. The interest rate risk is linked with the fixed revenue and its derivates. In order to prevent this risk, the bank has to achieve higher and longer margin at the average level of

the passive and active interest. The foreign currency risk is determined by the variation of the currency rate of the market that has influenced on the banking interest margin. The risk of shares is the possibility that a bank fails to attain the estimated income and unexpected financial assets prices on the market. (Laurenţiu-Mihai TREAPĂT and Lucian Claudiu ANGHEL, 2016)

Bitcoin is the most liquid and most popular cryptocurrency recently, it emerges as a distinct asset. The market capitalization of Bitcoin is over 7 billion USD. It has occupied nearly half of the total market capitalization. The return of Bitcoin is associated with the volatility regimes. High volatility regime or risk will lead to a higher mean of Bitcoin return. The price of Bitcoin will be affected by the equity prices that are too high to fundamental and the increasing of market risk from other countries. The market risk factor has successfully been used in asset pricing. Yet, investors exposed to higher market risk are not necessarily rewarded. Low volatility regime provides greater risk-adjusted returns. Bitcoin could have better return under the low volatility regime compare to high volatility regime. (Dimitrios Koutmos, 2019)

The relationship between sentiment and return can be interpreted as the link between market risk and the investors' uncertainty. The uncertainty of investors is greater during economic downturns. The greater the market risk, the higher the volatility in the market. Greater investors' uncertainty and economic downturns will make the investors more bearish and greater investors' uncertainty. The market risk and the uncertainty of the investors are highly affected by the past period values which are lagged values. (Diego Escobari, 2019)

The current ratio is the classic indicator of finding liquidity risk (current assets/current liabilities). Liquidity risk is divided into funding risk and trading risk. Funding risk is the capability of the bank to deal with expected and unexpected cash outflows. Trading risk can be known as market liquidity risk. Trading risk is the uncertainty of price for the low trading volume or non-exist of financial assets. Trading risk is caused by external and internal risk factors. The bank is vulnerable towards liquidity risk when the short- term deposits turn into long- term deposits. There are a few methods to identify liquidity risk. For example, liquidity ratio, cash flow analysis, liquidity stress test. (Enzo Scannella, 2018)

In general, liquidity risk is found in current assets and external funding by the company. Liquidity risk can be assessed by the bank through balance sheet analysis, cash capital position and maturity mismatch approach. Liquidity risk is not the only elements that affect the performance of the bank but it takes a huge part in determining the bank performance. Through ROA or ROE, we could clearly see that liquidity risk have possibility lower the bank profitability. (Chung-Hua Shen, Yi-Kai Chen, Lau-Feng Kao and Chuan- Yi Yeh, 2009)

Loans and deposits (LTDm) is an indicator of maturity mismatch to examine the bank liquidity risk. The banking activity is hugely exposed to liquidity risk. The size of the bank plays an integral part in liquidity risk, because the bigger the banking size, the greater the risk. If the economic crisis happens to affect a bank's financial situation, the bank would decrease its interest rate in order to overcome the financial crisis. Furthermore, the bank would raise the rate of the loan in order to collect short-term deposits in a short time. By increasing the rate, cash inflow to the bank will rise and the liquidity risk faced by the bank would decline. (Simona Galletta and Sebastiano Mazzù)

3.0 METHODOLOGY

The research methodology is crucial for a valid study. The methodology is the systematic, theoretical analysis of the methods applied to afield off study (Chinelo Igwenagu, 2016). The methodology includes quantitative and qualitative techniques. The quantitative technique is using measurement, statistical or mathematical analysis to collect data. For example, questionnaire, poll and survey. It is based on the measurement of quantity. The qualitative technique is collecting data through direct observation, interview, written document or records (MQ Patton, 1987). The quantitative method is used in this research, which is data sampling and SPSS.

Data Sampling

The population is the entire set of cases from which the researcher sample is drawn in. Sampling technique is applied when researchers neither have the time nor the resources to analyse the entire population (Hamed Taherdoost, 2016). Sampling is a tool to gather and collect the data. Domino's Pizza, Inc. is the sample of this study. All the financial and non-financial information regarding Domino's was extracted from the annual reports from 2014 to 2018, the Bloomberg Terminal and the official website of Domino's Pizza Inc. Financial statement in the annual report such as income statements and balance sheets provides information to calculate the financial performance of the company. For example, return on assets (ROA), current ratio, quick ratio, average collection period, debt to income, operational ratio, and operating margin. Performance and effectiveness of the company corporate governance are being analyzed through the non-financial information. The historical market share price from 2014 to 2018 is taken from Yahoo Finance. The inflation rate, public interest rate, gross domestic product (GDP) rate, the exchange rate from 2014 to 2018 are collected in this study.

Bloomberg Terminal

Bloomberg Terminal is a computer software system. Bloomberg provides financial data, insider information, professional advice and insider predicted. The Bloomberg users can get the latest financial data; analyze and monitor the real-time financial market data and condition. In this study, Bloomberg Terminal is used to get the financial data and the company financial news.

**IBM Statistical Package for the Social Sciences (SPSS)**

IBM Statistical Package for the Social Sciences (SPSS) Statistics version 25 was used for the data analysis. Descriptive statistics, correlation, coefficient and R square between independent variables and dependent variables are calculated using IBM SPSS Statistics.

Statistic Analysis

There are seven internal factors and five external factors in this study. Internal factors include of return on assets (ROA), current ratio, quick ratio, average-collection period, operational ratio, operating margin, and corporate governance index. External factors consist of gross domestic product (GDP), inflation rate, interest rate, exchange rate and standard deviation. The dependent variable in this study is the ROA. It was calculated using Net Income divided by Total Assets. The formula is shown below:

$$ROA = \frac{Net\ Sales}{Total\ Assets}$$

Framework
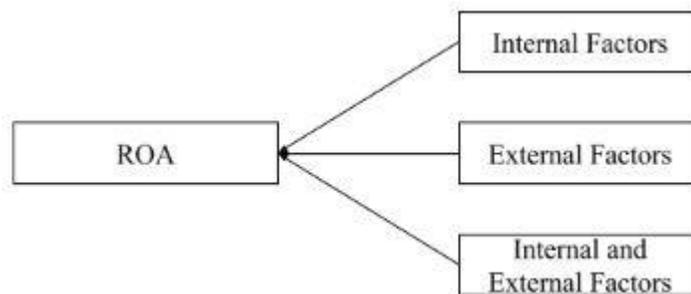
The framework above has clearly shown that the aims of this study are to determine the factors that affect the ROA.

Model 1: Linear regression model of ROA with internal factors

$$ROA_{Internal\,factors}$$
$$= \beta + \beta_1\,\text{current ratio} + \beta_2\,\text{quick ratio} + \beta_3\,\text{average collection period}$$
$$+ \beta_4\,\text{debt to income} + \beta_5\,\text{operational ratio} + \beta_6\,\text{operating margin} + \beta_7\,\text{index} + \varepsilon$$

Model 2: Linear regression model of ROA with external factors

$$ROA_{External\,factors}$$
$$= \beta + \beta_1\,\text{GDP} + \beta_2\,\text{inflation} + \beta_3\,\text{interest rate} + \beta_4\,\text{exchange rate} + \beta_5\,\text{STDV} + \varepsilon$$

Model 3: Linear regression model of ROA with internal factors and external factors

$$ROA_{Internal\,and\,external\,factors}$$
$$= \beta + \beta_1\,\text{current ratio} + \beta_2\,\text{quick ratio} + \beta_3\,\text{average collection period}$$
$$+ \beta_4\,\text{debt to income} + \beta_5\,\text{operational ratio} + \beta_6\,\text{operating margin} + \beta_7\,\text{GDP}$$
$$+ \beta_8\,\text{inflation} + \beta_9\,\text{interest rate} + \beta_{10}\,\text{exchange rate} + \beta_{11}\,\text{STDV} + \varepsilon$$

4.0 ANALYSIS AND FINDINGS

YEAR	ROA	CURRENT RATIO	QUICK RATIO	AVERAGE-COLLECTION PERIOD	DEBT TO INCOME	OPERATIONAL RATIO	OPERATING MARGIN	INDEX	GDP	Inflation	InterestRate	Exchange Rate	STDV
2014	0.2899	1.6128	0.5694	21.6739	0.9222	0.1251	0.1732	1	2.45	1.6	1.33	1.33	0.8897
2015	0.2762	1.6028	0.7049	21.6679	1.1730	0.1253	0.1829	1	2.88	0.1	2.17	1.11	1.3590
2016	0.2832	1.2283	0.4785	22.1969	1.0513	0.1268	0.1836	1	1.57	1.3	2.39	1.11	1.6386
2017	0.3579	1.4557	0.5259	22.7377	1.2813	0.1237	0.1870	1	2.22	2.1	1.96	1.13	2.5102
2018	0.4151	1.4930	0.5676	20.2114	1.1499	0.1085	0.1665	1	2.86	2.4	1.5	1.18	4.1346

Table 1: Analysis Data
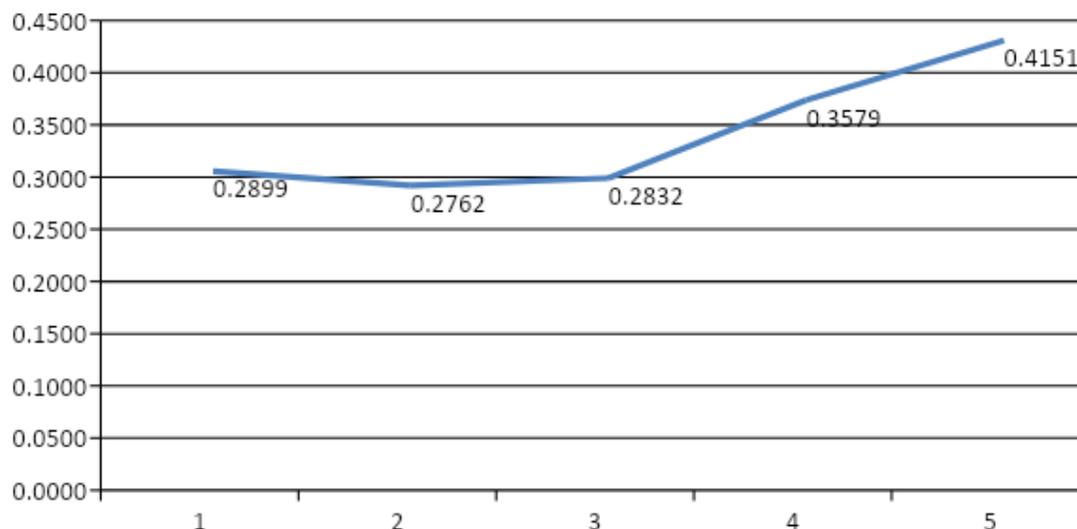
RETURN ON ASSETS (ROA)

Figure 1: ROA

Company's performance can also be measured by using ROA. The ROA of Domino's has a slightly dropped at the beginning and slowly increase from 2014 to 2018. 2015 has the lowest ROA (0.2762). The sales of Domino's dropped because of having a high rivalry with Pizza Hut in 2015. Domino's have to share its market pie with the Pizza Hut. Furthermore, Domino's did some investment to develop a pizza ordering app (Frank Witsil, 2018). Domino's also invested in the innovation of radical pizza delivery car with a built-in warming oven (Dave Gianatasio, 2015). The ROA has steadily risen from 2016 to 2018. The effectiveness of the investment made by the Domino's can be seen from the sales rise. However, the sales increased with a slow growth pace which explained the steadily growing of ROA from 2016 to 2018 (Ft.com., 2019).
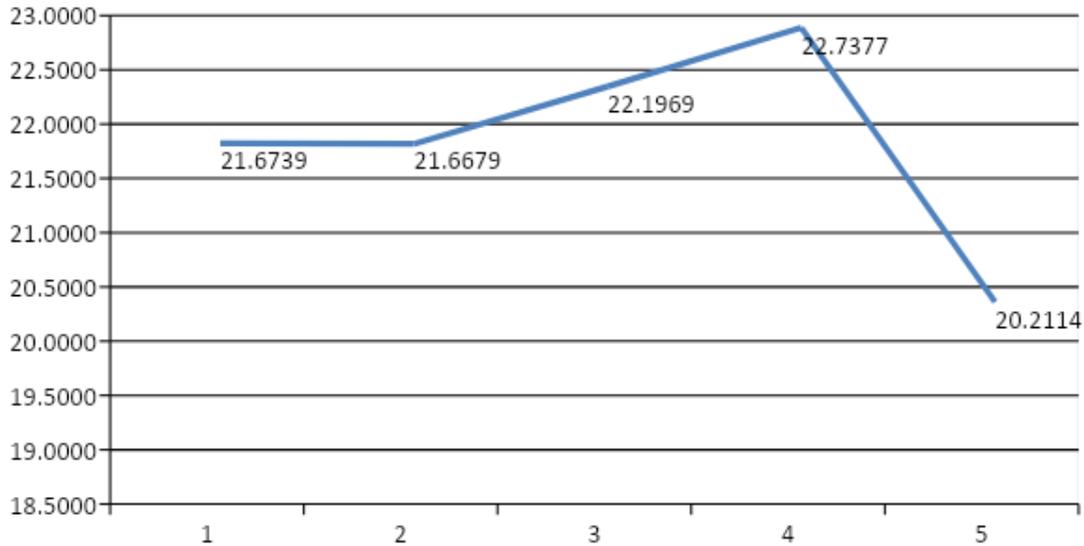
AVERAGE-COLLECTION PERIOD

Figure 2: Average-Collection Period

Average-collection period is the average number of days between the dates that credit sales were made, and the dates that the money was collected from the client. In other words, the average-collection period also means that the average number of days for the company to receive money from the customer. The average-collection period increased in the last 4 years and the decrease in 2018. Domino's interest rate on debt decreased from 2014 to 2018 which is 5.72%, 5.32%, 4.97%, 4.59% and 4.38% respectively. The falling of interest rate on debt causes the customer to prolongs the time to pay back their debt. Domino's opened 125 stores in new US location and its retail sales have obviously risen after rolling out the online pizza ordering app (Lucas, A., 2019). By this, the average-collection period capped at the highest in 2017. Domino's generally collects its receivables within three weeks from the date of the related sale. Therefore, Domino's average-collection period slumped to the lowest point, which indicated the company effectively received its receivable.

OPERATIONAL RATIO
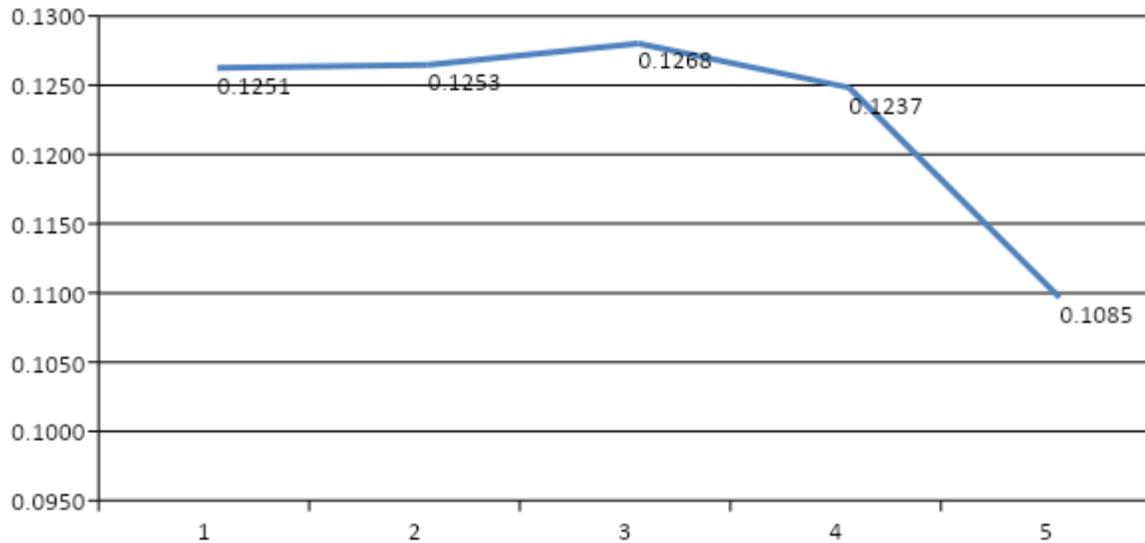
Figure 3: Operational Ratio

The operational ratio shows the efficiency of a firm's management by comparing the total operating expense of a company to net sales. The smaller the operating ratio, the more efficient the company's management is at generating revenue or sales. The operational ratio was on the rise from 2014 to 2016 and fall in 2017 to 2018. From the annual report 2014 to 2016, the percentage of the growth of operating expense is higher than the growth of net sales. This is due to the changes in prices of food (particularly cheese), labor, utilities, insurance, employee benefits, and other external factor such as the impact of general health severe weather conditions, natural disasters, changes in effective tax rate, exchange rates and government policy (Pizza, Inc., 2016). In 2017, the Domino's retail sales grew along with the 125 new stores and the increase in franchise royalty. Furthermore, Domino's is trying to reduce its cost by using the technology behind the counter in order to minimize the labour cost (Noble, B., 2019).

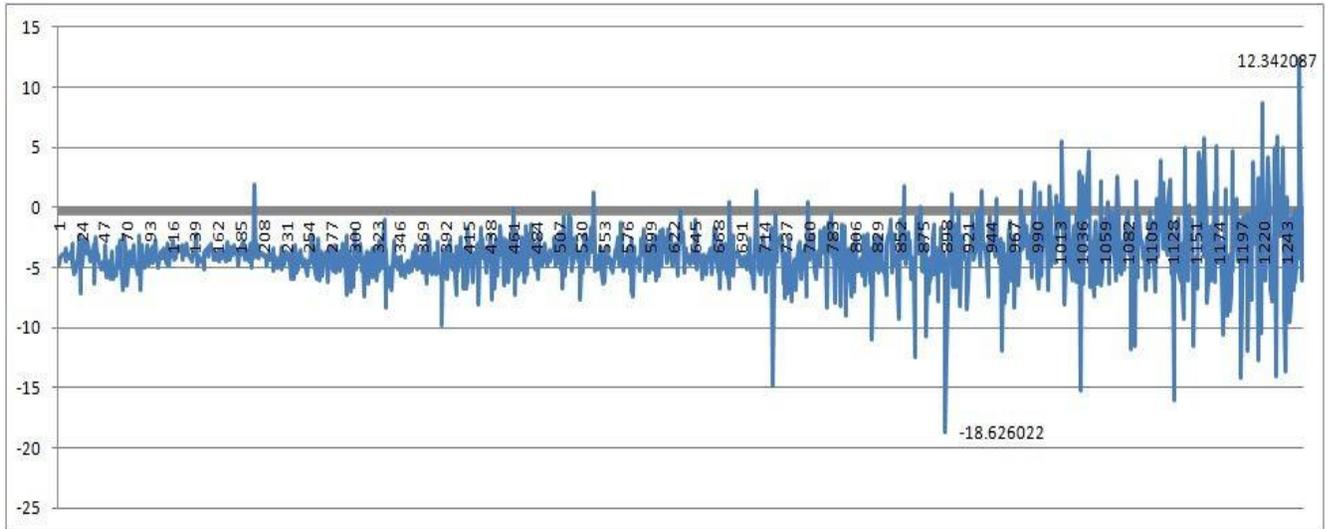**PRICE CHANGE (2014 – 2018)**

Figure 4: Price change 2014 –2018
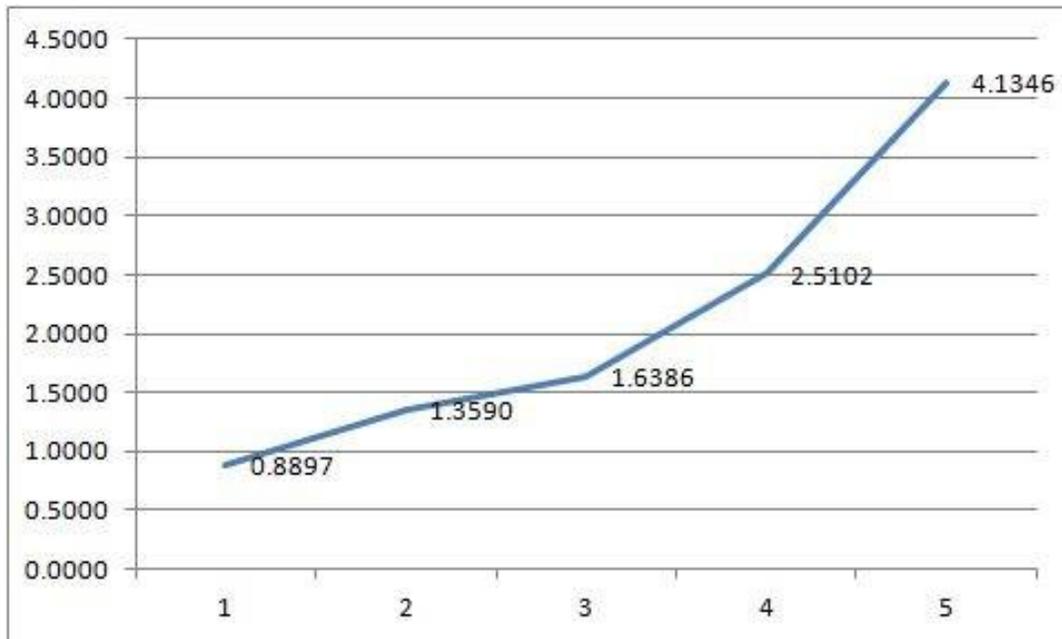
Standard deviation (STDV)

Figure 5: STDV

Both of the figures above show the changes in Domino's stock price and the standard deviation (STDV) of the stock price from 2014 to 2018. The price change of Domino's share was instability throughout the four years. It fluctuated wildly in the last two years. The most significant lowest and highest point was hit in 2017 and 2018, which were -18.626022 and 12.342087 respectively. The STDV started at the lowest point (0.8897) in 2014 and gradually rocketing and cap at the highest point (4.1346) in 2018.

The rising of the STDV throughout the five years, indicates that the share price fluctuated hugely year by year.

Domino's is involving in the derivative market. The derivative market is different from the normal share market. The derivative market is suitable for risk-taker or investor with a strong financial background. For those investors, the derivative market is like a dice game with default risk but high return. Investors in the derivative market would make predictions on the future share price and gain profit from it. For instance, if the investor predicts the share price of a certain company and aims to buy the share. The potential investor needs to pay a 5% deposit on their favour share and negotiate a fixed price for that share by signing a contract. If the share price rises more than the fixed price, the investor will gain profit from that and vice versa. On 25th July 2017, the historical data of the Domino's share price drop to the lowest. However, based on the record from the Domino's Pizza Earnings Q2 2017 call teleconference by the Chief Financial Officer, Jeff Lawrence stated the revenue increased 14.8% over the prior-year quarter. The change in share price before 25th July is around 5$. The investor might not be assumed that the share price would fall from 207$ to 188.374$, which is 18.626$. By this, Domino's has earned the profit from the derivative market.

In 2018, under the watch of the Domino's former CEO, J. Patrick Doyle, the company overhauled its pizza recipe and the menu. The investment in technology and online ordering system worked smooth and well. The innovation of pizza ordering app and digital heighten the sales to a new level. It has won over the digital generation and the market sales increased (Molla, R., & Rey, J. D., 2018). This has boosted the shareholders' confidence in the company. Shareholders started to buy in more stocks and cause the stock price to go high.

DESCRIPTIVE STATISTIC (BOTH INTERNAL AND EXTERNAL FACTORS)

Descriptive Statistics

Variable (Constant)	Mean	Std. Deviation	N
ROA	0.3244471720	0.06032415918	5
CURRENT RATIO	1.47851800	0.155562886	5
QUICK RATIO	0.56926060	0.084432594	5
AVERAGE-COLLECTION PERIOD	21.697558294512100	0.940891792085204	5
DEBT TO INCOME	1.115534320093100	0.135510256575523	5
OPERATIONAL RATIO	0.121875515569597	0.007562409257540	5
OPERATING MARGIN	0.1786498140	0.00849000729	5
INDEX	1.00	0.000	5
GDP	2.396000000000000	0.539842569644151	5
Inflation	1.500	0.8916	5
InterestRate	1.8700	0.44637	5
ExchangeRate	1.1720	0.09284	5
STDV	2.10643260	1.278099269	5

Table 2 Descriptive Statistic

In statistics mean is the average of the data. In here, mean represents the average of data among the five particular researched years. Standard deviation is to measure the volatility and the dispersion of a dataset around its mean. A low standard deviation tells us that most of the data are close to its mean, and vice versa.

Domino's return on asset (ROA) has a mean (0.3244) and a standard deviation (0.0603). From 2014 to 2018, Domino's averagely gain $0.3244 of income from $1 of assets. In general, a 5% ROA is considered good and the company is not using their assets well. The low standard deviation (0.0603) means that Domino's only has 6.03% variations for ROA in these five years.

The mean and the standard deviation of the current ratio is 1.4785 and 0.1556 respectively. The mean value indicates that Domino's has 1.4785% current assets to pay off every dollar of current liabilities. The standard deviation shows that on average there is 15.56% of variation of current ratio of the company within the five years.

Domino's quick ratio has a mean (0.5693) and standard deviation (0.0844). With a quick ratio lower than one means that Domino's cannot fully pay back its current debt. The company needs to seek money to pay back its liabilities. The standard deviation indicates that the quick ratio is 8.44% further from the mean.

The mean and the standard deviation of the average collection period are 21.6976 and 0.9409 respectively. From 2014 to 2018, Domino's averagely has 21.6976 days to collect the money back from the debtor. The standard deviation shows that on average there is 94.09% of the variation of the average collection period of the company within the five years.

The mean value of the debt to income is 1.1155, while the standard deviation is 0.1355. The mean value of the debt to income indicates that on average, Domino's has over 100% of income to pay off its debt. Generally, 4% to 40% is considered a good debt to income ratio; Domino's is higher than that. This is not a good sign which means, the company spend more of its income on debt and leaving less money to invest and save. Meanwhile, the standard deviation indicates that the debt to income ratio is 13.55% closer to the mean.

The mean of the operational ratio of Domino's is 0.1219. The standard deviation of Domino's is 0.0076. The operating expenses are averagely 12.19% of the net sales. A low operational ratio shows the company operational efficiency. In here, Domino's is considered efficient in its operating. The mean of operational ratio in the particular five years is not volatile because the standard deviation value is the smallest.

The mean and the standard deviation of the operating margin is 0.1786 and 0.0085 respectively. The mean value of operating margin indicates that Domino's averagely makes $0.18 before interest and taxes for every dollar of sales. The mean of operating margin in the particular five years is not volatile because the standard deviation value is the smallest. The standard deviation shows that on average there is 0.85% of variation of the operational margin of the company within the five years.

The corporate governance index has a mean and standard deviation of 1.00 and 0.00 respectively. Domino's has fulfilled all the principle of corporate governance from 2014 to 2018. This has shown that Domino's is a corporate governance benchmark of itself. 0% of the standard deviation indicates that corporate governance has no volatile with the mean.

The mean and the standard deviation of the Gross Domestic Product (GDP) is 2.396 and 0.5398 respectively. From 2014 to 2018, the average GDP is 2.40%. The standard deviation shows that on average there is 53.98% of variation of GDP within the five years.

Inflation has a mean (1.5000) and standard deviation (0.8916). The average inflation rate in those five years is 1.5%. Normally, the average inflation rate would be at 3.22%, this shows that the inflation in the US from 2014 to 2018 is considered low. The standard deviation indicates that inflation is 89.16% away from the mean.

The mean and the standard deviation of the interest rate are 1.8700 and 0.44637 respectively. From 2014 to

2018, the US central bank averagely has 1.87% the interest rate. The standard deviation shows that on average there is 44.64% of the variation of the interest rate within the five years.

The mean value of the exchange rate is 1.1720, while the standard deviation is 0.9284. The mean value of the exchange rate indicates that on average, one Euro is equal to 1.17 US dollar. Meanwhile, the standard deviation indicates that the exchange rate is 9.28% closer to the mean.

The mean of the standard deviation of Domino's stock price (STDV) is 2.1064. The standard deviation of STDV is 1.2781. The average Domino's stock price change within the five years is 2.11. The mean of operational ratio in the particular five years is volatile because the standard deviation value is the highest.

CORRELATION (BOTH INTERNAL AND EXTERNAL FACTORS)

Correlations													
		ROA	CURRENT RATIO	QUICK RATIO	AVERAGE-COLLECTION PERIOD	DEBT TO INCOME	OPERATIONAL RATIO	OPERATING MARGIN	INDEX	GDP	Inflation	InterestRate	ExchangeRate	STDV
Pearson Correlation	ROA	1.000	0.006	-0.217	-0.521	0.465	-0.895	-0.510		0.346	0.809	-0.444	-0.026	0.956
	CURRENT RATIO	0.006	1.000	0.772	-0.302	-0.071	-0.133	-0.343		0.848	-0.201	-0.622	0.521	-0.150
	QUICK RATIO	-0.217	0.772	1.000	-0.289	0.139	-0.017	-0.075		0.809	-0.662	-0.065	-0.030	-0.186
	AVERAGE-COLLECTION	-0.521	-0.302	-0.289	1.000	0.181	0.845	0.912		-0.640	-0.231	0.540	-0.253	-0.577
	DEBT TO INCOME	0.465	-0.071	0.139	0.181	1.000	-0.222	0.421		0.196	0.090	0.374	-0.731	0.518
	OPERATIONAL	-0.895	-0.133	-0.017	0.845	-0.222	1.000	0.774		-0.539	-0.608	0.517	-0.069	-0.910
	OPERATING	-0.510	-0.343	-0.075	0.912	0.421	0.774	1.000		-0.514	-0.444	0.794	-0.596	-0.464
	INDEX								1.000					
	GDP	0.346	0.848	0.809	-0.640	0.196	-0.539	-0.514		1.000	-0.101	-0.520	0.204	0.300
	Inflation	0.809	-0.201	-0.662	-0.231	0.090	-0.608	-0.444		-0.101	1.000	-0.538	0.293	0.677
	InterestRate	-0.444	-0.622	-0.065	0.540	0.374	0.517	0.794		-0.520	-0.538	1.000	-0.862	-0.230
	ExchangeRate	-0.026	0.521	-0.030	-0.253	-0.731	-0.069	-0.596		0.204	0.293	-0.862	1.000	-0.248
	STDV	0.956	-0.150	-0.186	-0.577	0.518	-0.910	-0.464		0.300	0.677	-0.230	-0.248	1.000
Sig. (1-tailed)	ROA		0.496	0.363	0.184	0.215	0.020	0.190	0.000	0.284	0.049	0.227	0.483	0.006
	CURRENT RATIO	0.496		0.063	0.310	0.455	0.416	0.286	0.000	0.035	0.373	0.131	0.184	0.405
	QUICK RATIO	0.363	0.063		0.318	0.412	0.489	0.453	0.000	0.049	0.112	0.458	0.481	0.383
	AVERAGE-COLLECTION	0.184	0.310	0.318		0.386	0.036	0.016	0.000	0.122	0.354	0.174	0.341	0.154
	DEBT TO INCOME	0.215	0.455	0.412	0.386		0.360	0.240	0.000	0.376	0.443	0.268	0.080	0.186
	OPERATIONAL	0.020	0.416	0.489	0.036	0.360		0.062	0.000	0.174	0.138	0.186	0.456	0.016
	OPERATING	0.190	0.286	0.453	0.016	0.240	0.062		0.000	0.188	0.227	0.054	0.145	0.216
	INDEX	0.000	0.000	0.000	0.000	0.000	0.000	0.000		0.000	0.000	0.000	0.000	0.000
	GDP	0.284	0.035	0.049	0.122	0.376	0.174	0.188	0.000		0.436	0.185	0.371	0.312
	Inflation	0.049	0.373	0.112	0.354	0.443	0.138	0.227	0.000	0.436		0.175	0.316	0.105
	InterestRate	0.227	0.131	0.458	0.174	0.268	0.186	0.054	0.000	0.185	0.175		0.030	0.355
	ExchangeRate	0.483	0.184	0.481	0.341	0.080	0.456	0.145	0.000	0.371	0.316	0.030		0.344
	STDV	0.006	0.405	0.383	0.154	0.186	0.016	0.216	0.000	0.312	0.105	0.355	0.344	
N	ROA	5	5	5	5	5	5	5	5	5	5	5	5	5
	CURRENT RATIO	5	5	5	5	5	5	5	5	5	5	5	5	5
	QUICK RATIO	5	5	5	5	5	5	5	5	5	5	5	5	5
	AVERAGE-COLLECTION	5	5	5	5	5	5	5	5	5	5	5	5	5
	DEBT TO INCOME	5	5	5	5	5	5	5	5	5	5	5	5	5
	OPERATIONAL	5	5	5	5	5	5	5	5	5	5	5	5	5
	OPERATING	5	5	5	5	5	5	5	5	5	5	5	5	5
	INDEX	5	5	5	5	5	5	5	5	5	5	5	5	5
	GDP	5	5	5	5	5	5	5	5	5	5	5	5	5
	Inflation	5	5	5	5	5	5	5	5	5	5	5	5	5
	InterestRate	5	5	5	5	5	5	5	5	5	5	5	5	5
	ExchangeRate	5	5	5	5	5	5	5	5	5	5	5	5	5
	STDV	5	5	5	5	5	5	5	5	5	5	5	5	5

Table 3 Correlation

Table 3 shows the correlation between the dependable variable which is ROA and the independent variable which are current ratio, quick ratio, average-collection period, debt to income, operating margin and operational ratio. The statistical relation between the return on assets (ROA) and the other independent variables is determined and measured by the Pearson correlation.

A zero Pearson correlation means that both dependent and independent variables do not have any relation. A positive Pearson correlation indicates the dependent variables have a positive relationship or positive linear related to the independent variables. Meanwhile, negative Pearson correlation shows that both variables are negatively linear related.

The significance between the dependent variable to the independent variables is told by the significant value (sig.) or also known as P-value. If a p-value is smaller than 0.05, it is flagged with one star. Two stars are flagged with a p-value is less than 0.01. If a p-value is less than 0.001, it is flagged with three stars. The relationship between both variables is insignificant if the P-value is greater than 0.10 and vice versa.

The Pearson correlation of the corporate governance index is 0 and sig. value is 0.000. The corporate governance index is positively related to the ROA. The ROA and corporate governance index are having three stars relation between each other because the P-value is below 0.01, which is 0.

The STDV is positively related to the ROA, as the Pearson correlation is 0.956. The P-value of 0.006 shows the two stars relation between ROA and STDV are the most significant among the five independent variables. The changes in STDV will affect the performance of Domino's. Jane. M, Willy. M, Kennedy.W, (2016) stated that market risk has a notable negative effect on company performance. No matter in the long run or short run, if a company has high exposure to market risk, the profit of the company will fall.

The Pearson correlation of operational ratio is -0.895. This indicates that the operational ratio is negatively related to the ROA. The P-value of the operational ratio is 0.020 which is significantly correlated to the ROA. Cho. D, (1999) stated that the price reduction of the product will improve the company performance due to the increasing of demand. The price cut will shrink the ability of the company to cover its operating expense. Yet, the climbing of demand will increase the net income of the company.

The P-value of the inflation rate is 0.049. The inflation is positively related to ROA. The inflation and ROA are having one star relation between each other because its P-value is lower than 0.05. Adu, D. T., Domfeh, K. O., & Denkyirah, E. K. (2016) stated that a high inflation rate will cause negative relation to the company performance, but a low inflation rate will help in accelerating the company performance.

However, the remaining variables are not significant.

MODEL SUMMARY (INTERNAL FACTORS)

Model Summary[c]

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	.895[a]	0.801	0.735	0.03107365768	
2	.997[b]	0.994	0.988	0.00672108406	1.768

a. Predictors: (Constant), OPERATIONAL RATIO

b. Predictors: (Constant), OPERATIONAL RATIO, AVERAGE-COLLECTION PERIOD

c. Dependent Variable: ROA

Table 4: Model Summary

A statistical measure that represents the proportion of the variance for a dependent variable that's explained by an independent variable or variables in a regression model is known as R-square. High R-square shows that the dependent variable has smaller differences to its mean. Meanwhile, a low R-square value means the chosen independent variable is capable to explain variation in the dependent variable. In short, R-squared is also known as the power of explanation. However, the adjusted R-squared adjusts the statistic based on the number of independent variables in the model.

According to Table 4, the R-square in model 1 is 0.801. From 2014 to 2018, 80.1% of the variance in the ROA is predicted or affected by the operational ratio. The remaining 19.9% of the adjusted R-square remains unknown and unable to explain by the operational ratio.

Model 2 has a 0.994 adjusted R-square within the five years. This indicates that 99.4% of the variance in ROA is affected by the operational ratio and average-collection period. The merely 0.6% from the remaining adjusted R-square remains unknown. This has significantly explained that the operational ratio and average-collection period play a vital part in the ROA. Domino's has to efficiently use its liquidity assets in order to improve company performance. With the 1.786 of Durbin Watson defines that the result is not biased.

ANOVA (INTERNAL FACTORS)

ANOVA[a]

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	0.012	1	0.012	12.075	.040[b]
	Residual	0.003	3	0.001		
	Total	0.015	4			
2	Regression	0.014	2	0.007	160.114	.006[c]
	Residual	0.000	2	0.000		
	Total	0.015	4			

a. Dependent Variable: ROA

b. Predictors: (Constant), OPERATIONAL RATIO

c. Predictors: (Constant), OPERATIONAL RATIO, AVERAGE-COLLECTION PERIOD

Table 5: ANOVA

ANOVA is an analysis of variance of statistical models and associated estimation procedures used to analyze the differences among group means in a sample. There are two types of ANOVA, which is one-way ANOVA and two-way ANOVA. One-way is being used when there is only one independent variable. Two-way ANOVA is used in this study as there is more than one variable which is internal factors and external factors.

Under comparison Model 2 is more significant than Model 1. In Model 2, the independent variable which is operational ratio and average-collection period have a higher influence on the company performance. According to Figure 2, the slumping of average-collection period in 2018 shows that Domino's increases its performance by effectively collecting its debt back.

COEFFICIENTS (INTERNAL FACTORS)

Coefficients^a

Model		Unstandardized Coefficients B	Std. Error	Standardized Coefficients Beta	t	Sig.	95.0% Confidence Interval for B Lower Bound	Upper Bound	Collinearity Statistics Tolerance	VIF
1	(Constant)	1.195	0.251		4.763	0.018	0.396	1.993		
	OPERATIONAL RATIO	-7.139	2.054	-0.895	-3.475	0.040	-13.677	-0.601	1.000	1.000
2	(Constant)	0.727	0.080		9.046	0.012	0.381	1.073		
	OPERATIONAL RATIO	-12.665	0.830	-1.588	-15.258	0.004	-16.237	-9.094	0.287	3.489
	AVERAGE-COLLECTION PERIOD	0.053	0.007	0.820	7.882	0.016	0.024	0.081	0.287	3.489

a. Dependent Variable: ROA

Table 6: Coefficients

The table above shows the analysis of coefficients factors that influence the dependable variable. The analysis of coefficients shows how the independent variables influence the ROA of Domino's Pizza Incorporation. The coefficient between the dependent variable and the independent variable is determined by the significance value (sig.). The lower the significance value, the more significant influence independent variables have on the dependent variable.

From Model 2, the operational ratio has a t-value and sig. of -15.258 and 0.004 respectively. This indicates that the operational ratio is negatively correlated to the ROA. Both operational ratio and ROA is contrasting proportional to each other. With a significance value of 0.004, the operational ratio has a strong influence on the ROA. In other word, any changes in the operational ratio will bring a huge impact to the ROA.

On the other hand, the t-value and the sig. of average-collection period is 7.882 and 0.016 respectively. The t-value shows that the average-collection period and the ROA are positively correlated. They are directly proportional to each other. The low significance level of 0.016 reveals that the ROA is having one star influenced by the average-collection period. Both variables are having a notable influence on the ROA. Yet, the operational ratio has the most significant impact on the Domino's operating margin.

MODEL SUMMARY (EXTERNAL FACTORS)

Model Summary[b]

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	.956[a]	0.913	0.884	0.02053801387	2.182

a. Predictors: (Constant), STDV

b. Dependent Variable: ROA

Table 7: Model Summary

According to Table 7, the adjusted R-square is 0.913. From 2014 to 2018, 91.3% of the variance in the ROA is predicted or affected by the STDV. The remaining 8.7% of the adjusted R-square remains unknown and unable to explain by the operational ratio. This has explained that as an external factor, STDV stands an important part in the ROA. A 2.182 of Durbin Watson defines that the result of this model is reliable and not biased. Furthermore, Domino's has to take cautions towards its stock price.

ANOVA (EXTERNAL FACTORS)

<div align="center">

ANOVA^a

</div>

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	0.013	1	0.013	31.508	.011[b]
	Residual	0.001	3	0.000		
	Total	0.015	4			

a. Dependent Variable: ROA

b. Predictors: (Constant), STDV

<div align="center">

Table 8: Anova

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According to Table 8, the standard deviation of the change of Domino's share price (STDV) is positively significant related to the company profit and performance. The 0.011 of sig. value means that the ROA has one-star relation to the STDV. If Domino's wants to improve its profit, the share price should be on the first consideration.

COEFFICIENTS (EXTERNAL FACTORS)

Coefficients[a]

Model		Unstandardized Coefficients B	Std. Error	Standardized Coefficients Beta	t	Sig.	95.0% Confidence Interval for B Lower Bound	Upper Bound	Collinearity Statistics Tolerance	VIF
1	(Constant)	0.229	0.019		11.916	0.001	0.168	0.291		
	STDV	0.045	0.008	0.956	5.613	0.011	0.020	0.071	1.000	1.000

a. Dependent Variable: ROA

Table 9: Coefficients

According to Table 9, the STDV has a t-value and sig. of 5.613 and 0.011 respectively. This indicates that STDV is positively correlated to the ROA. For example, the ROA will rise when the STDV increase. Both ROA and STDV have direct relation. A 0.011 of significance value shows the STDV and ROA have one stars relation to each other. The changes in STDV will have a significant effect on company performance.

MODEL SUMMARY (BOTH INTERNAL AND EXTERNAL FACTORS)

Model Summary[b]

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	.956[a]	0.913	0.884	0.02053801387	2.182

a. Predictors: (Constant), STDV

b. Dependent Variable: ROA

Table 10: Model Summary

According to Table 10, among all the independent variables STDV has the strongest affected on the Domino's performance. STDV stands 91.3% to determine the performance of the company, whereas the 8.7% remains unknown. Moreover, this table shows 2.182 Durbin Watson, which is below 3.5. This has indicated and guaranteed the credibility of this study.

ANOVA (BOTH INTERNAL AND EXTERNAL FACTORS)

ANOVA[a]

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	0.013	1	0.013	31.508	.011[b]
	Residual	0.001	3	0.000		
	Total	0.015	4			

a. Dependent Variable: ROA

b. Predictors: (Constant), STDV

Table 11: Anova

According to Table 11, the standard deviation of the change of Domino's share price (STDV) is positively significant related to the company profit and performance. The 0.011 of sig. value means that the ROA has one-star relation to the STDV. If Domino's wants to improve its profit, the share price should be on the first consideration.

COEFFICIENTS (BOTH INTERNAL AND EXTERNAL FACTORS)

Coefficients[a]

Model		B	Std. Error	Beta	t	Sig.	Lower Bound	Upper Bound	Tolerance	VIF
		Unstandardized Coefficients		Standardized Coefficients			95.0% Confidence Interval for B		Collinearity Statistics	
1	(Constant)	0.229	0.019		11.916	0.001	0.168	0.291		
	STDV	0.045	0.008	0.956	5.613	0.011	0.020	0.071	1.000	1.000

a. Dependent Variable: ROA

Table 12: Coefficients

According to Table 12, the STDV has proved that it has the biggest impact on the ROA. STDV is positively related to the ROA because of the positive T-value. If the share price of the company rises, the profit of the company will increase too. This has simply explained the direct relation between STDV and the ROA. Moreover, the sig. value below 0.05 shows higher significant positive relation to the ROA.

5.0 DISCUSSION AND RECOMMENDATION

Based on all the data and information, the internal factors have slightly influence on the ROA. Internal factors do not stand an important part in the company performance. On the other hand, external factors are the predictor to the dependent variables. STDV has an outstanding impact among all the external factors on the ROA. The changes in ROA of Domino's are closely related to the STDV within the five years.

Refer to Figure 1 and Figure 5, the ROA and the STDV are directly related. Both of the trends from 2014 to 2018 are nearly similar. The operating margin capped at the highest point while the STDV was at its highest point too. The price change margin of Domino's stock is gradually on the rise, this has increased the ROA of the company.

According to Figure 4, the price change of stock has fluctuated during those five years. The stock price goes up while there are more buyers, and the stock price goes down when there are more sellers. The stock price will tell the market value or current value of a company. If a company stock has more buyers which will significantly boost the stock price, reputation and company performance. Domino's sells stock to gain money from the public. The company will use the money to do investment in technology in order to elevate its sales and get more profit. By doing investment, the performance of a company will climb.

Domino's need to pay close attention to its share price. In order to stabilise or enhance the share price, the company could reduce the amount of share for sell. By decreasing the supply of share, the share price would rise due to the excessive demand. Furthermore, Domino's could choose to go for the Greenshoe option. Greenshoe option basically helps in stabilising the stock price. Greenshoe option gives authority to the underwriter who acts as a broker to sell and buy the issued share from the issuer. The underwriter would sell the share while the price escalates and vice versa. By implementing this recommendation, the performance of Domino's may be improved.

6.0 CONCLUSION

The aims of this study are to investigate the determinants that will affect the return on assets (ROA) from 2014 to 2018 and how the determinants influence the ROA of Domino's Pizza Incorporation. Internal factors such as current ratio, quick ratio, average collection period, debt to income, operational ratio and operating margin; external factors such as Gross Domestic Product (GDP), inflation rate, interest rate, exchange rate and the standard deviation of the stock price change (STDV) are being analyzed and investigated in order to achieve the aims of this study.

From the internal perspective, the operational ratio influences the company performance the most. From the external perspective, the standard deviation of the change of share price (STDV has influenced the company performance the most.

The performance and profit of Domino's are mostly determined by the STDV. In conclude, among all the independent variables, STDV has the most outstanding impact and influence towards the company ROA from 2014 to 2018.

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