

# Comstock Communications: *Chipotle Crisis*

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# Situation Background and Analysis

Chipotle is a fast-casual restaurant chain that opened in 1993

Its motto is “food with integrity”- outlines its commitment to use the highest quality ingredients

This motto has not been maintained as the company has faced a few different foodborne bacteria illness crises

There has also been an unrelated crisis of worker’s overtime pay being diminished unethically and firings due to refusal to comply, causing separate issues for employees and investors

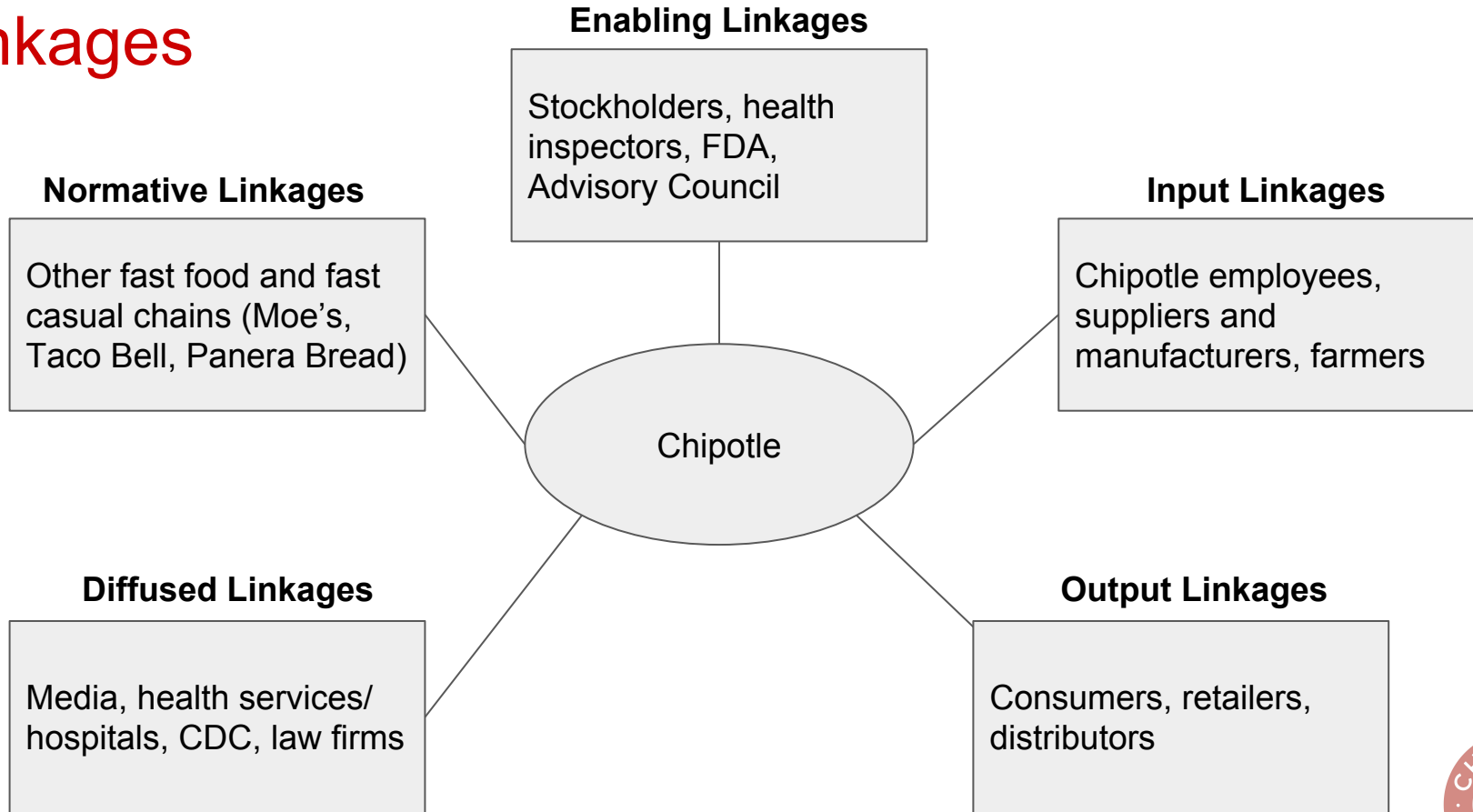


# SWOT Analysis

<p>Strengths</p> <ul style="list-style-type: none"><li>● Loyal customer base continues to return to restaurants</li><li>● Chipotle is a key player in growing fast-casual dining segment</li><li>● Only player in niche market to provide freshly-sourced ingredients</li><li>● Majority of stores are company-owned</li></ul>	<p>Weaknesses</p> <ul style="list-style-type: none"><li>● Past incidents have severely weakened brand strength</li><li>● Confusing explanations and apologies haven't fully addressed concerns for customers</li><li>● Ongoing food safety concerns, displayed at each location</li></ul>
<p>Opportunities</p> <ul style="list-style-type: none"><li>● Ongoing sales promotions help promote the brand for loyal customers</li><li>● Upcoming ad campaign, technology and menu initiatives should increase traffic</li></ul>	<p>Threats</p> <ul style="list-style-type: none"><li>● Current and past disgruntled employees receive public attention</li><li>● Investor support continues to plummet</li><li>● Customers have yet to return to pre-crisis numbers</li></ul>



# Linkages



# Statement of Problem/Risks

Following multiple E. coli and other food-borne illness outbreaks and a weak crisis management campaign, customers continue to lose trust in Chipotle. The brand prides itself on serving “food with integrity” yet their practices have proved otherwise. Chipotle must continue to address food safety concerns and rebuild faith in their brand in order to increase sales and appease investors.



# Awareness Goal & Objectives

*Directly address the food safety issues with customers*

Launch geographically-distinct food safety updates for each store by end of Q1 2017.

Implement nationwide food safety-focused campaign during Q1 2017.



# Awareness Strategy & Tactics

## *Chipotle's National Food Safety Week*

Giveaways, Snapchat filter, Percentage Off

Launch alongside updated food safety campaign

## *Utilize to-go bags*

Place updated food safety information on them

Use a QR code to link customer to more info (measurable)



### 1. SUPPLIER INTERVENTIONS

Steps to avoid food safety risks before ingredients reach Chipotle.

[LEARN MORE](#)



### 2. ADVANCED TECHNOLOGY

Advanced tools that eliminate pathogens while maintaining food quality.

[LEARN MORE](#)



### 3. FARMER SUPPORT & TRAINING

Food safety funding and training for local farmers.

[LEARN MORE](#)



### 4. ENHANCED RESTAURANT PROCEDURES

Protocols for handling ingredients and sanitizing surfaces in our restaurants.

[LEARN MORE](#)



# Acceptance Goal & Objectives

## *Rebuild customer trust and loyalty*

Gain 10 million loyalty members by Q4 2017.

Increase food safety awareness and brand support for customers by Q4 2017 before/after Chiptopia surveys.





# Acceptance Strategy & Tactics

## *Expand the loyalty member program*

Continue the “Chiptopia” program year-round

Include discounts or free items upon certain purchases

## *Expand on prevention plans*

Work with CDC to determine how to prevent further outbreaks

Request a statement from the FDA analyzing updated food safety practices



# Action Goals & Objectives

## *Increase in-store traffic to drive sales*

Increase sales amounts by 20% by the end of Q3 2017.

## *Implement new technology and menu initiatives*

Introduce new mobile ordering process, menu and technology updates to 75% of stores by end of Q3 2017.

Chipotle's same-restaurant sales since the first quarter of 2014



# Action Strategy & Tactics

## *Bring in new customers*

Consistent BOGO opportunities within the loyalty program

## *New technology, menu and process enhancements*

Revamp app and website avenues for purchase to include loyalty program

Streamline mobile ordering process for ease of use and faster orders

Implement proposed menu updates



# Means of Evaluation

## *Stock price, sales and revenue*

Data from general sales, loyalty program sales

## *New campaign analytics*

QR code analytics to measure activity from to-go bags

Customer survey regarding brand, food safety concerns and return rate from revamped customer loyalty program sign-ups and follow-ups



# Gantt Chart



*Chipotle's Food Safety Week: February 6 - 12*



# Summary / Sale of Rationale

*Awareness → Trust → Preference → Sale*

This campaign will be more successful than any other potential campaign addressing employees or investors specifically.

Bringing back customers first and reestablishing Chipotle's strong reputation will allow for a rebound in stocks. It will also allow the company to focus on employee satisfaction due to additional monetary resources.



Questions?



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