CHIPOTLE MEXICAN GRILL:

A COMPETITIVE ANALYSIS

PRODUCTS

- Founded in 1993 in Denver, Colorado (headquaters)
- Popular for its burritos, tacos, bowls, and salads
- Fresh, healthy food options

PRICING

- Competitive Pricing
- Strive to provide low prices for high quality dishes
- Experienced 4% price increase due to increased employee wages

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PROMOTION

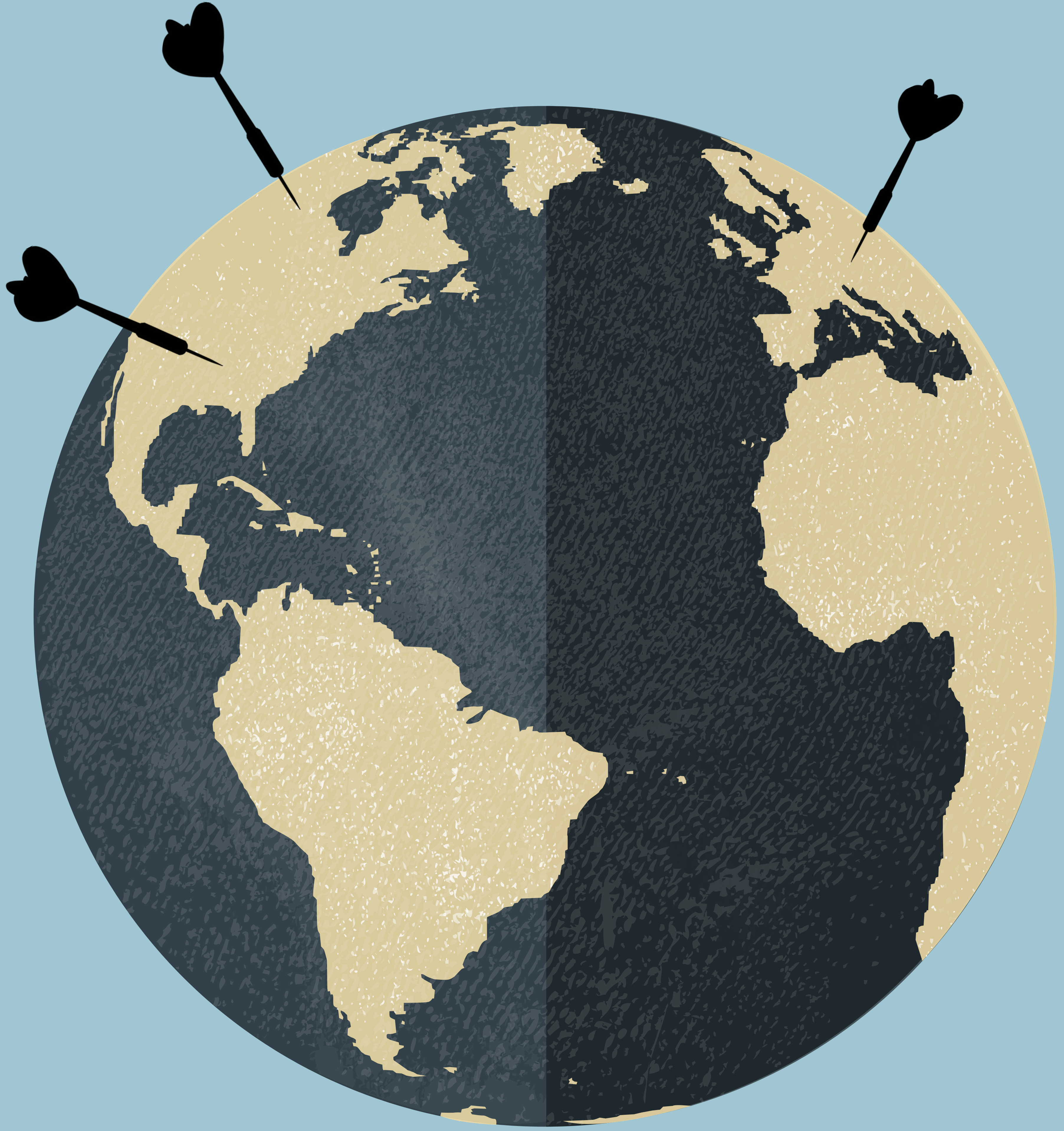
- Slogan: Real ingredients. Real purpose. Real flavor.
- Strives to use healthy ingredients such as fresh vegetables, meat, and poultry
- Annual "Boorito" event
- Student discounts at select locations
- Give proceeds to organizations/sports teams if voucher is presented
- Heavily reliant on social media

CHIPOTLE AROUND THE WORLD

- In 1998, Chipotle only ran 16 restaurant locations all located in Colorado

- Currently operates about 2.700 locations throughout the U.S,, Canada and in Europe

- Locations in all U.S. states, 24 locations in Canada, and 12 locations in Europe



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	2018	2019	2020	Average
Net Profit Margin:	3.63%	6.27%	5.94%	5.28%
Debt to Assets:	0.36	0.67	0.66	0.56
Return on Assets:	8.19%	9.50%	6.42%	8.04%
Return on Equity:	12.58%	22.41%	19.21%	18.06%

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3-YEAR FINANCIAL OVERVIEW

CASH FLOW

	2018	2019	2020
Cash from Operating Activities:	$621,552	$721,632	$663,847
Cash from Investing Activities:	$-387,578	$-291,974	$-432,717
Cash From Financing Activities:	$-166,535	$-201,735	$-104,851
Net Cash Beginning Balance:	$214,170	$280,152	$508,481
Net Cash Ending Balance:	$280,152	$508,481	$635,836

FINANCIAL HEALTH

2018-2020

Total Revenue Growth Rate:	23.01%
Net Income:	101.5%
Total Liabilities:	380.8%

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COMPETITION

- Chipotle is a leader in the fast-casual dining sector
- Main competitors are Moe's Southwest Grill, Qdoba Mexican Grill, Qdoba Mexican Eats, Baja Fresh Mexican Grill, and Taco Bell

- Competition became closer during the COVID-19 pandemic
- Taco Bell has become a significant competitor after improving quality of food

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SWOT ANALYSIS: STRENGTHS

- Promotion/Marketing Programs (green products, real ingredients)
- Working capital surplus (helps with conducting short-term business operations)
- Operational strategies (focused menu, large presence in the US, 4 non-Chipotle restaurants
- Strong digital platform/e-commerce

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SWOT ANALYSIS: WEAKNESSES

- Cost-efficiency: frequent increases in prices
- Limited menu items
- Limited number of suppliers
- Poor food safety

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SWOT ANALYSIS: OPPORTUNITIES

Strategic Initiatives

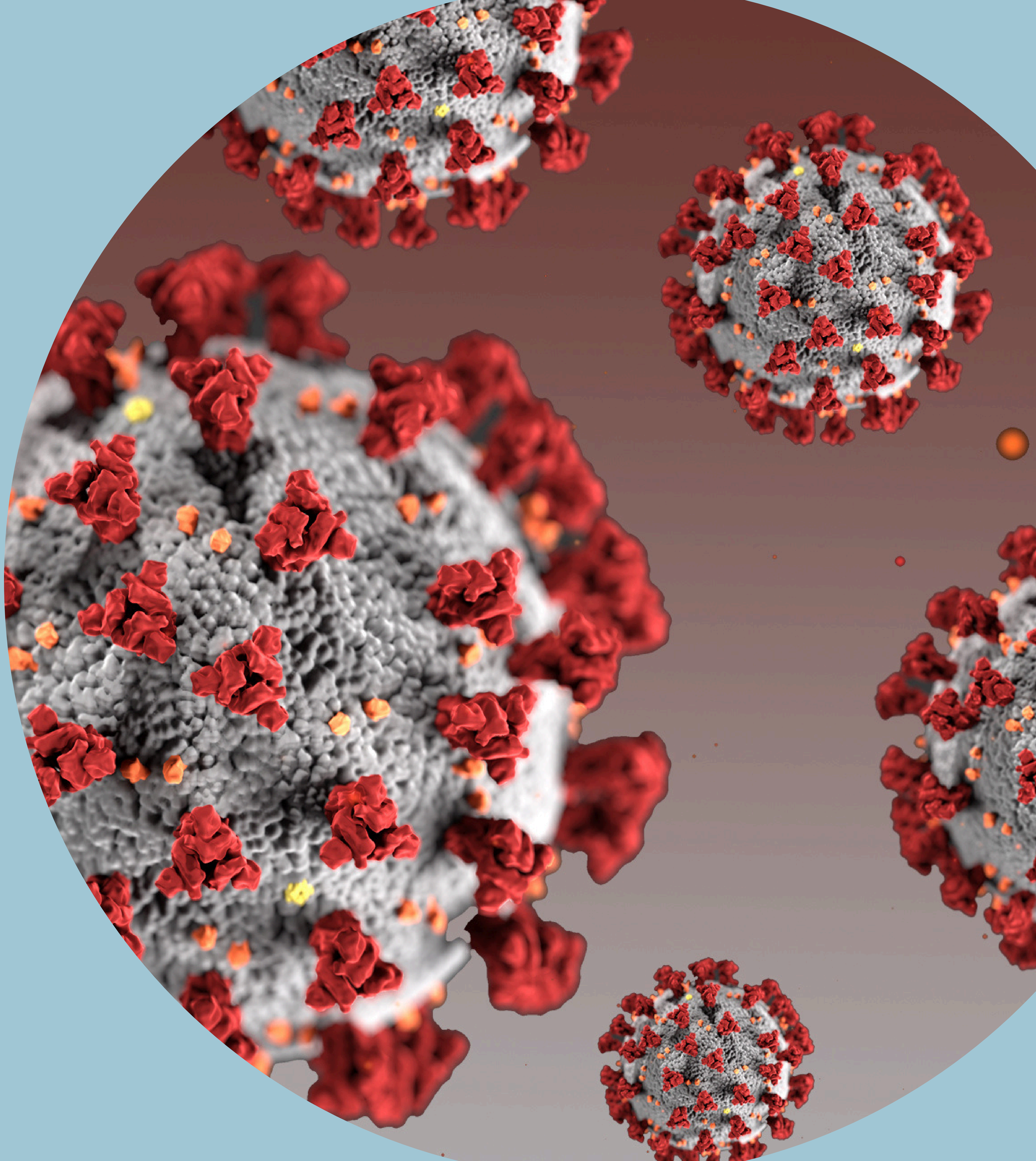
Consumer spending in the U.S.

New restaurant openings

Growing demand in the food service sector

SWOT ANALYSIS: THREATS

- COVID-19 pandemic impacts on the economy and consumer spending
- Changing consumer preferences and demands
- Increased costs of workers in the U.S.
- Less demand for jobs in the U.S.



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POLITICAL ANALYSIS

- Markups on Mexican tariffs (could potentially result in higher prices for products)
- Must deal with political situations in other areas when expanding to more locations

- Taxation
- Trade regulations
- Political stability of the restaurant industry in the economy

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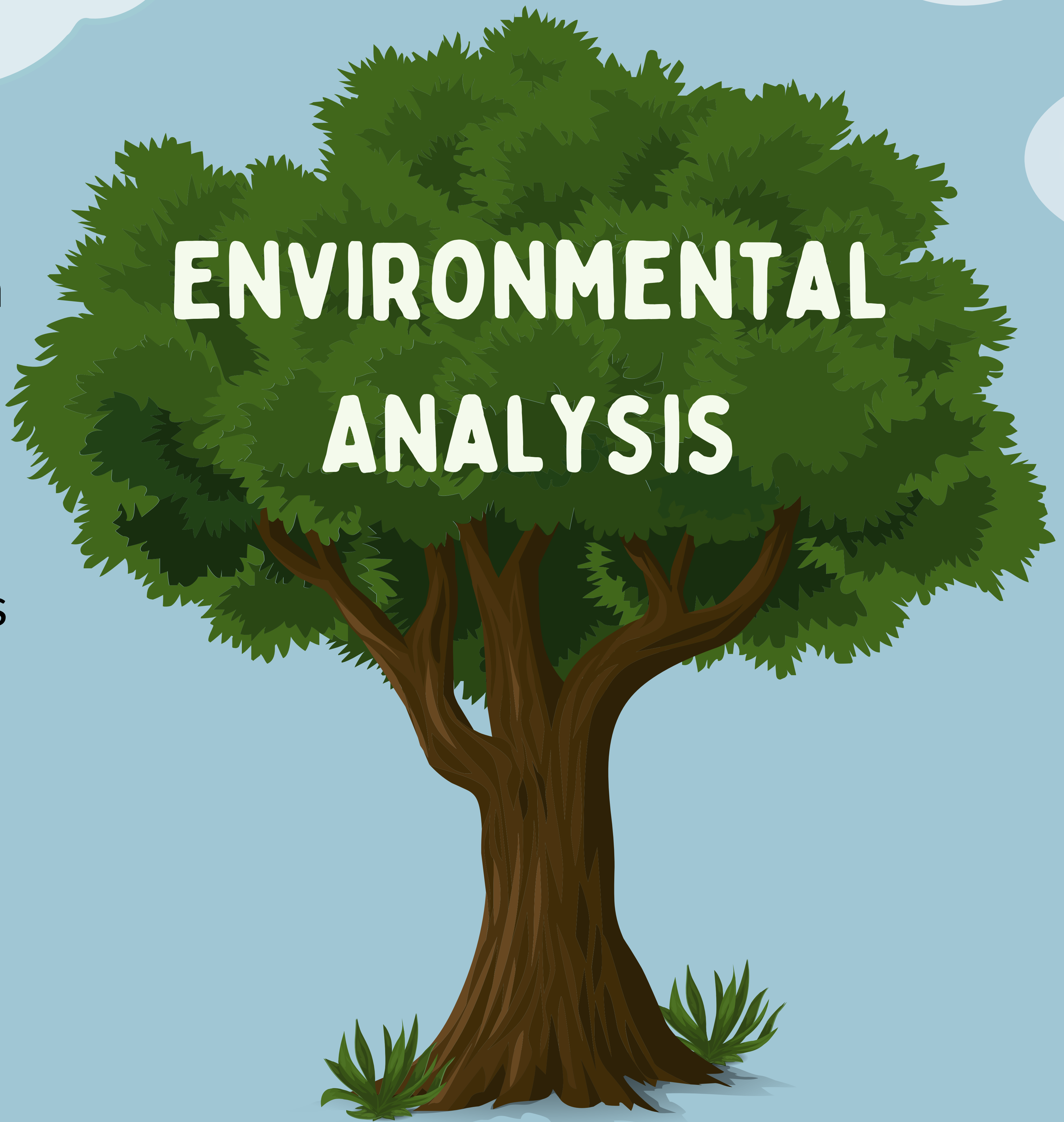
ENVIRONMENTAL ANALYSIS



- increases in pollution affecting farming & quality of harvests
- Treatment of animals
- Large amounts of meat used per year (large amounts of animals killed)
- Climate changes that may affect the availability of produce and meats
- Increases in waste

SOCIAL ANALYSIS

- Consumers are leaning more towards healthier eating options with convenience

- must maintain their health-conscious image with customers

- Target market: younger millennials (aged 18-28)

TECHNOLOGICAL ANALYSIS

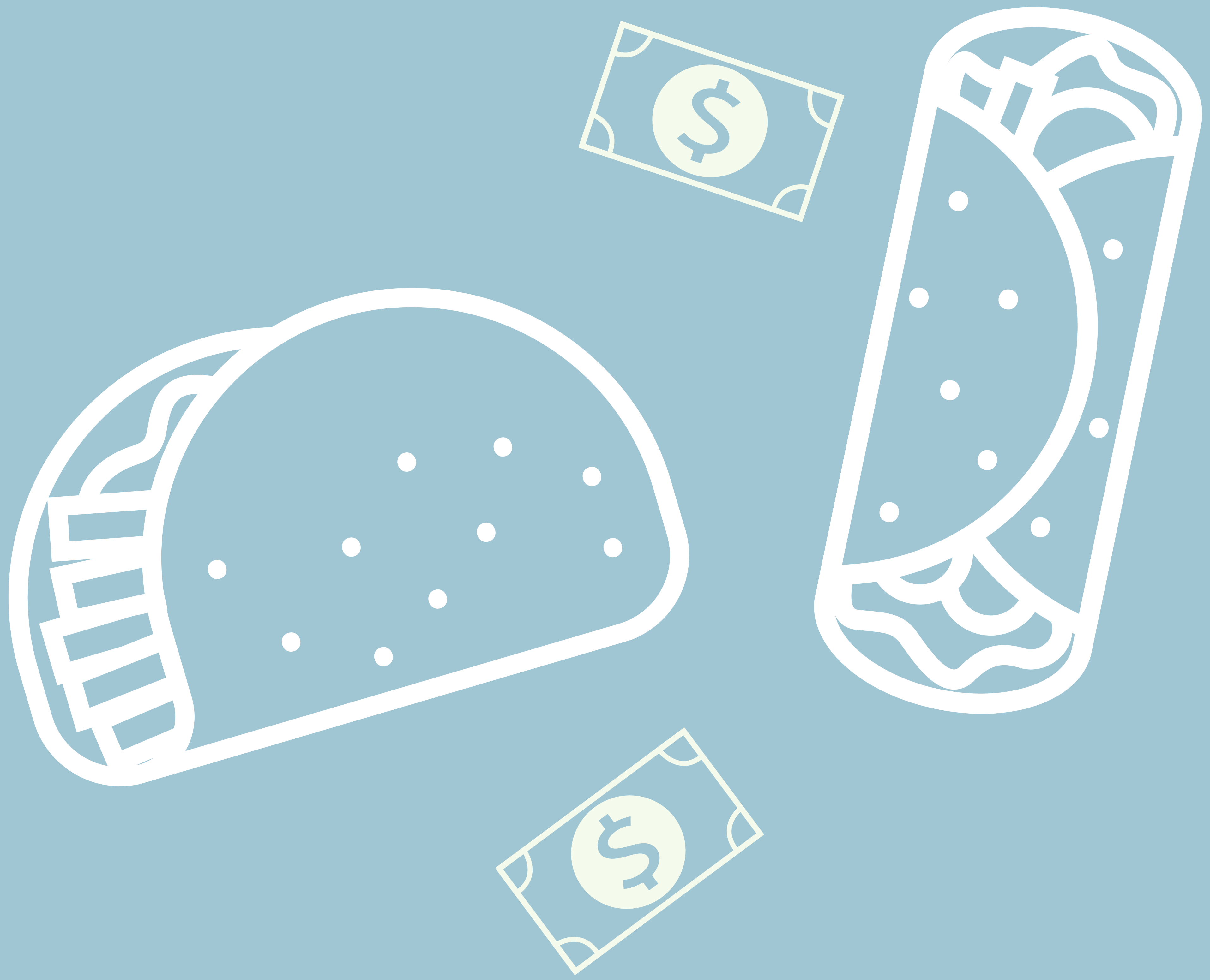
- Technology is not a major factor in Chipotle's restaurants
- Technology impact on product offerings
- Technological advancements compared with the competition
- Flat panels investment to speed up ordering times/make service more efficient

LEGAL ANALYSIS

- Product labeling regulations in restaurants
- Employee Protection Laws
- Health/Safety Issues: many consumers fell ill after consuming products due to E. coli contamination

ECONOMIC ANALYSIS

- Inflation rates
- Interest rates
- Labor costs
- Rate of economic growth compared to those in other countries/areas



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CONCLUSIONS OF ANALYSIS

Play towards strengths, address any weaknesses, and take advantage of opportunities

Keep track of any external factors affecting the success of the company

Listen to customer needs and wants and address them effectively

Consider the competition

STRATEGIC RECOMMENDATIONS

Improve position strategy by focusing on improving margins

Focus more on food and safety regulations to ensure health of consumers

Continue to cater towards current target market while also expanding its horizons

Expand to areas outside of the U.S.

OUTCOMES

- Take success to the next level
  - -Increase profits
  - -Invest in growing company
- Larger customer base
  - -Larger presence in other locations
  - -Different people drawn to products
- Better customer experience