

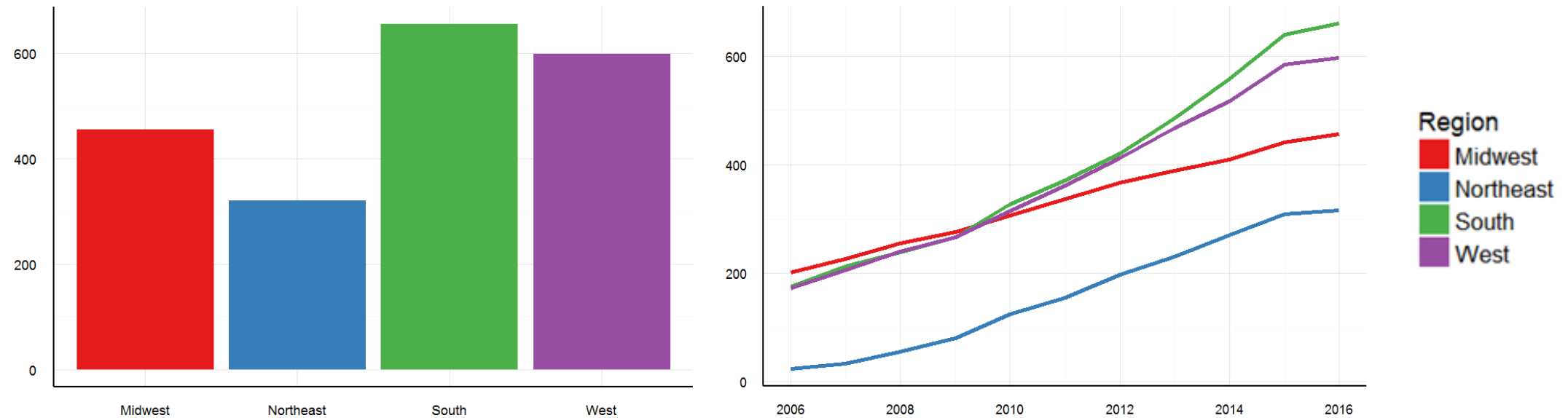
# Chipotle

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Texas A&M '16

# Introduction

- The chain was been expanding rapidly in the US until late 2015:

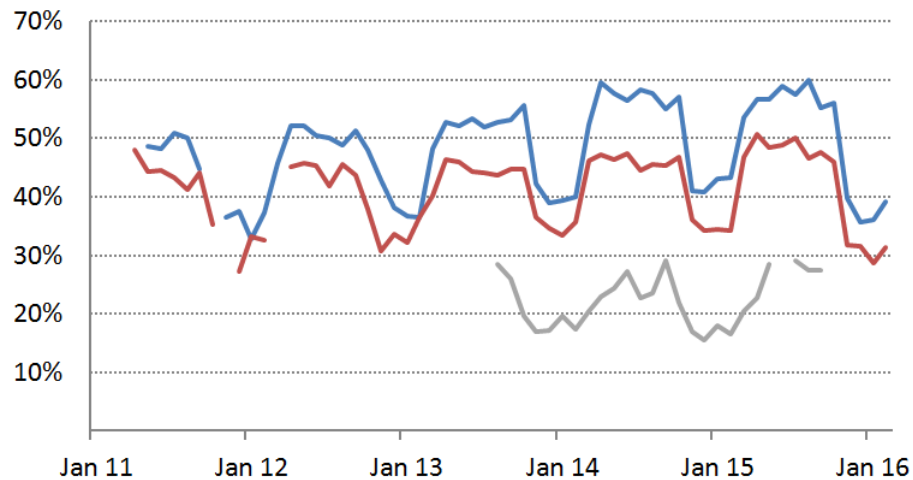


- A series of *E. coli* outbreaks starting 19 Oct. 2015 have caused the stock to drop almost 40% as of 25 Apr. 2016.

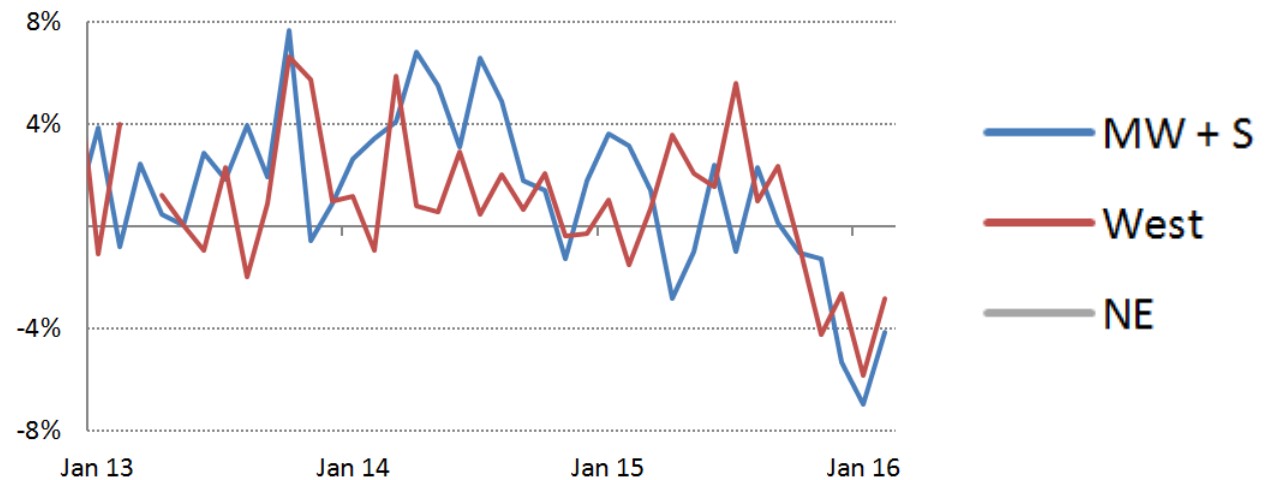
# RS Metrics

- RS Metrics provides parking lot fill rates from satellite imagery.
- We identified three regions in the US with consistently different fill rates:

*Average monthly fill rate*



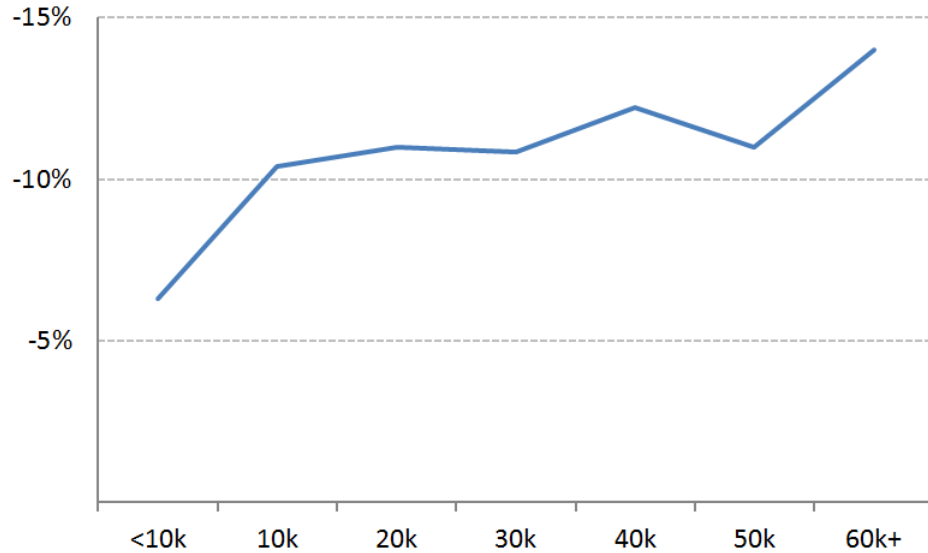
*Average YoY change*



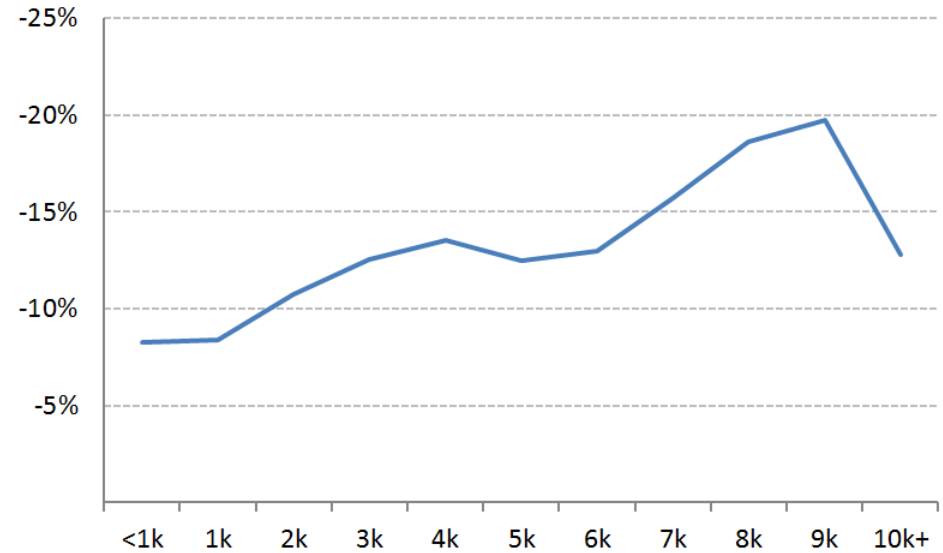
# Possible bias

- *E. coli* impact was greater in urban areas – which is where analysts tend to live:

*Fill rate impact vs. Population*

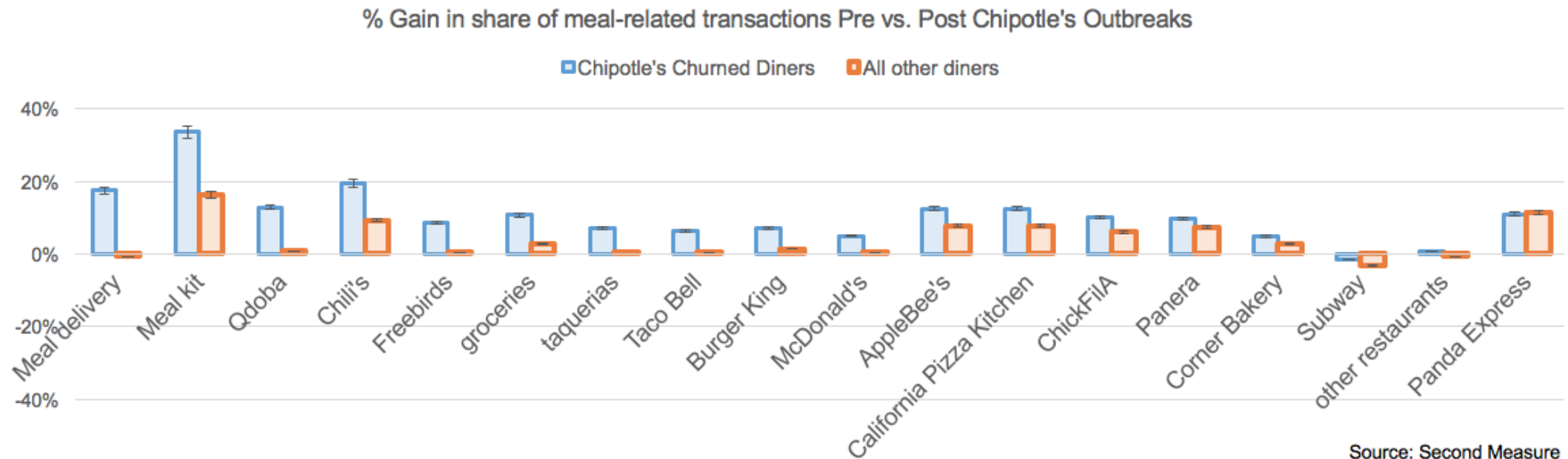


*Impact vs. Population density*



# Seasonal effect

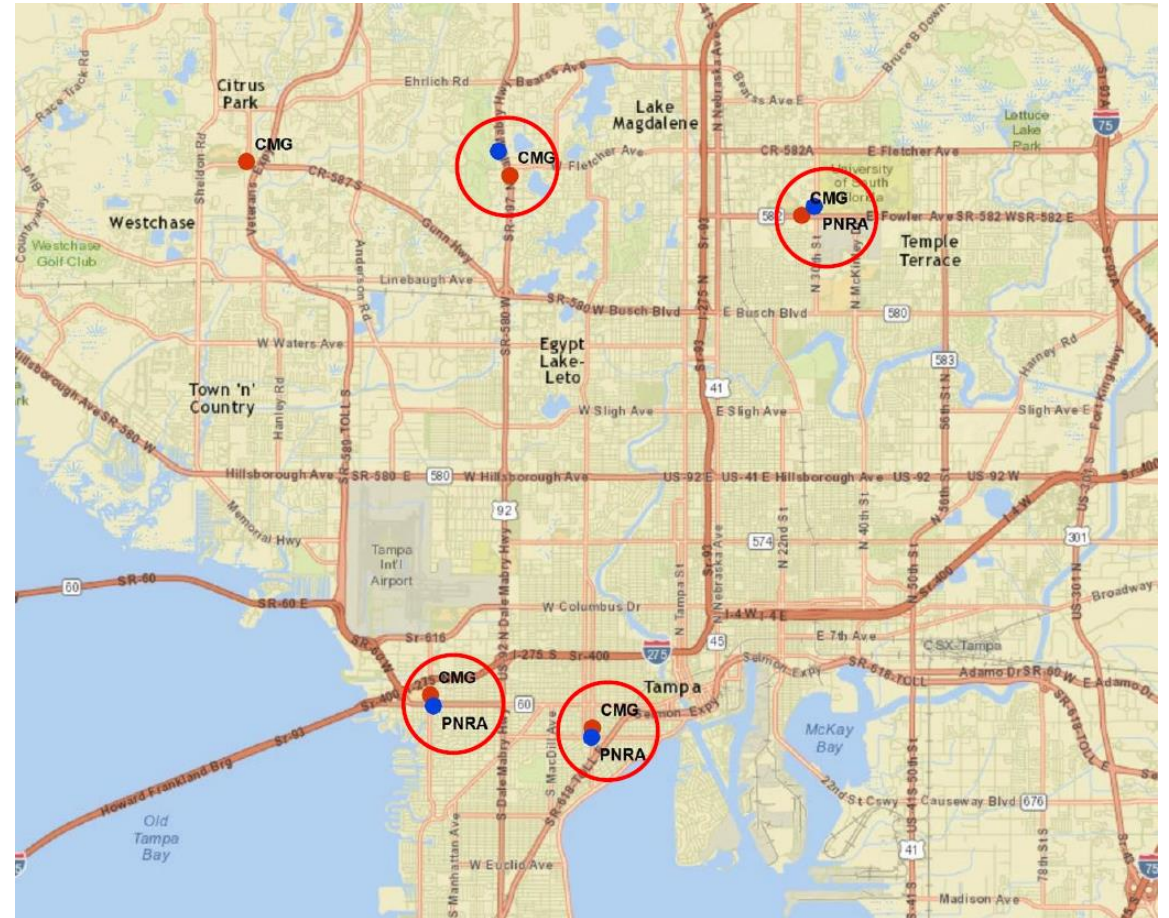
- Second Measure's analysis for Chipotle's churned customers:



- Most churned customers simply eating at home – but *this is seasonal*.

# Head to head: Chipotle vs Panera

- RS Metrics identified 686 pairs of CMG / PNRA locations where the two are within 5km of each other; these represent:
  - 38% of all CMG locations
  - 35% of all PNRA locations
- 76,434 car count observations since April 2011.

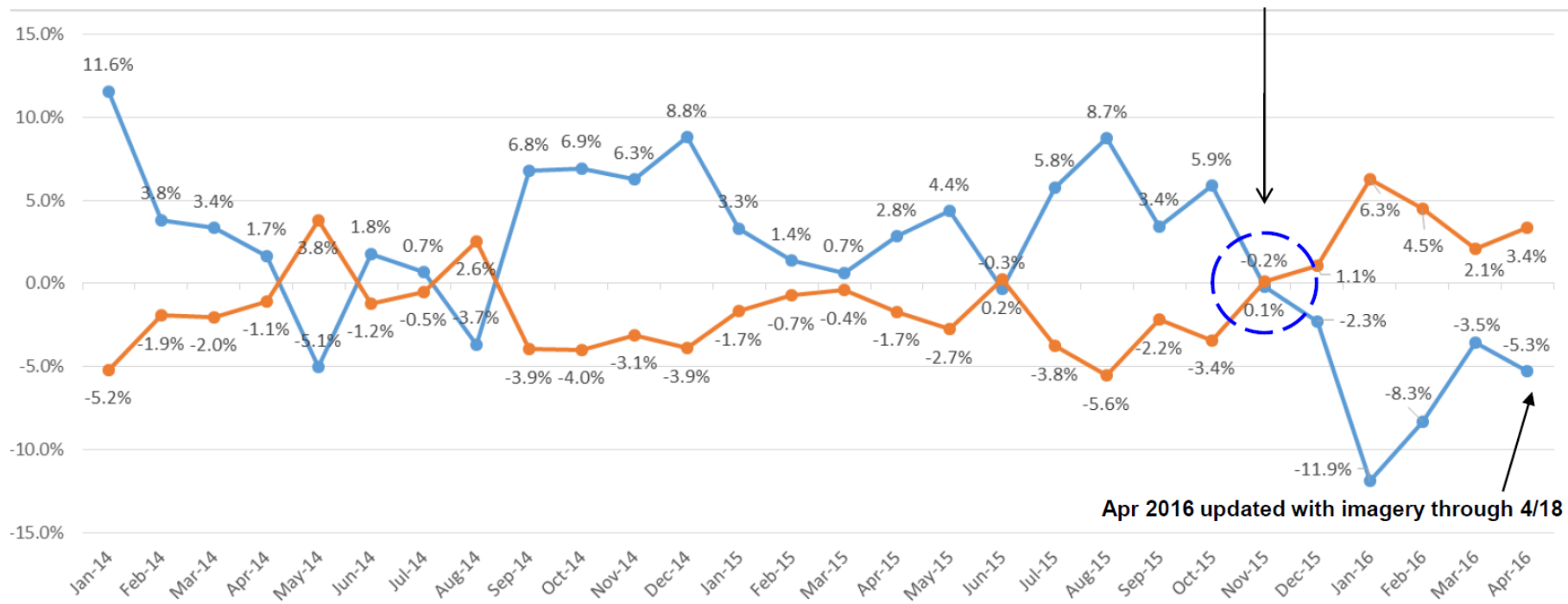


# Head to head: Chipotle vs Panera (cont'd)

- On YoY basis, CMG simply gave back market share it gained last year:

From Jan 2014 through Oct 2015, CMG gained Y/Y market share from PNRA in all but 3 months.

Starting in Nov 2015, CMG began losing share to PNRA, coinciding with health concerns.



Apr 2016 updated with imagery through 4/18

# Coupon program

- Chipotle has given out tens of millions of coupons – and these have been successful at bringing people back:

