5. Chipotle

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Abstract/Summary

Chipotle's "Food with Integrity" marketing effort has caused controversy, anger, and claims of false advertising within the food and agricultural industries. Yet, Chipotle remains one of the most successful restaurants in history, with growing sales and stock market values. This apparent contradiction will be explored in this presentation. Economics will be used to explain why Chipotle is successful, in spite of angering numerous groups, and what we can learn from Chipotle's achievement. The presentation will also provide useful, forward-looking strategies and successful reactions to Chipotle's success.

chipotle
AN ECONOMIST'S VIEW

Economic Analysis of Chipotle

BENEFIT
COST
ANALYSIS

Chipotle

▶ Threat or Opportunity?

▶ Is Chipotle Good or Bad for Agriculture?

FARMING AND RANCHING

Heritage   Business

FARMING AND RANCHING

Heritage
Producer
Focus

Business
Consumer
Focus

ARGUMENT ONE

CHIPOTLE IS BAD FOR AGRICULTURE

ARGUMENT TWO

CHIPOTLE IS GOOD FOR AGRICULTURE

STORY ONE

WHY IS CHIPOTLE SO SUCCESSFUL?

STORY TWO

NATURAL BEEF

Natural Beef:

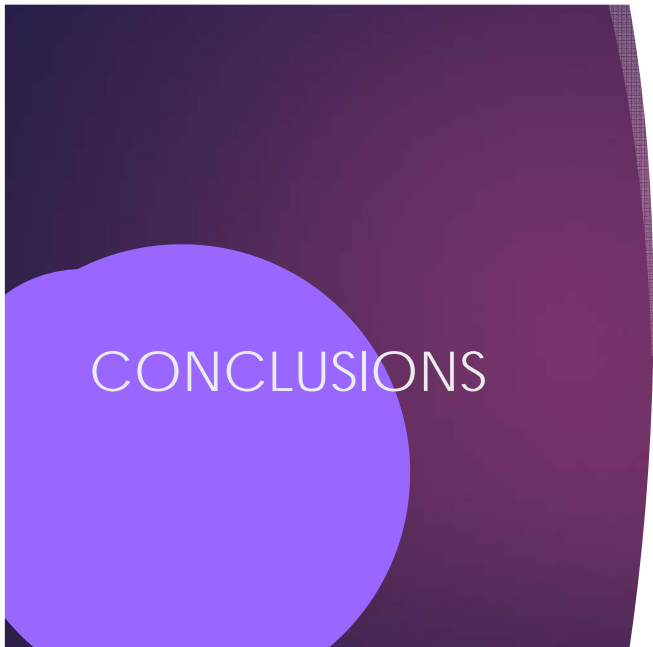▶ Good or Bad for the Beef Industry?

Product Differentiation

Natural/Organic Beef Data (NCBA)

- Share of total beef US dollar sales, First Quarter 2015: 6.3%
- Share of total beef US pounds, First Quarter 2015: 5.0%

- Average Price, conventional beef: 5.22 USD/lb
- Average Price, natural and organic beef: 6.61 USD/lb

STORY THREE

HOG CONFINEMENT

CONCLUSIONS

ONE THOUGHT EXPERIMENT AND SIX QUOTES