

# Swot analysis on chipotle research paper

[Business](#), [Company](#)



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## **Order# 209465570**

### Marketing

Chipotle is one of the highest rated restaurants in the United States. The company has constantly been improving its services to meet healthy consumer lifestyles, health laws and standing against farm animal cruelty. The SWOT analysis is strengths, weaknesses, opportunities and threats. The analysis helps the company not only to find their strengths, but also turn their weaknesses into strengths, and threats into opportunities. The SWOT analysis will also help Chipotle create a strategic management style that will keep the company progressing and supporting their mission statement and visions. The SWOT analysis is important because it does not only focus on the company, but also in the industry where the company operates.

## **SWOT Chart for Chipotle**

### Strengths

The first strength of Chipotle is its strong reputation for providing healthy

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foods to its consumers. Over the years, Chipotle has built its reputation as providing healthy organic food to its consumers. The company uses premium meats, vegetables and other ingredients in their foods. Also, the company also stands up for animal cruelty; this means that they buy from farmers that feed growth hormones to their animals. The company differentiates itself from competitors with this strength because not many fast food restaurants can boast of using organic ingredients in their foods. The founder and CEO of Chipotle Perry Ellis focus on making his restaurants have “ food with integrity” to keep their customers healthy

Secondly, the company has a large restaurant chain in the United States, UK and Canada. Chipotle has a total of 1, 527 restaurants in the U. S., UK and Canada. The company is growing its restaurant chains in North America to control the market. There are many fast food chains in America and Chipotle is creating locations to serve its customers in their target geographic locations. Also their expansion into the UK shows that the company plans on going global in years to come (OneSource, 2014).

## **Weaknesses**

Many restaurants are known for the poor wages, unhealthy working conditions and poor benefits. Many restaurants, even Chipotle cannot escape this weakness. A former employer filed a lawsuit against the company. Lawsuits and other complaints will affect the strong reputation of Chipotle. Consumers do not buy from companies that do not treat its customers well, so Chipotle could find this weakness and make sure that it does not repeat itself again.

## **Opportunities**

The first opportunity for Chipotle is to expand its market globally. Chipotle has a potential market in South America, Europe, Asia and Africa. The food that Chipotle offers is different from many of the typical fast food restaurants. Chipotle's use of organic ingredients will also attract customers from different countries and the restaurant also has different menus they can offer the customers. Also Chipotle will be successful in expanding its business because people are health conscious and the restaurant uses organic ingredients and it will be a plus for the company's reputation in the global market.

Secondly, the company can start a loyalty program to encourage current and potential customers to visit the restaurant regularly. Customers appreciate companies that value them and the loyalty program will not only benefit the company, but also the customers. This will allow the company to attract more customers from every place and that will give consumers one more reason to love Chipotle.

## **Threats**

There are many competitors in the fast food industry. The closest competitor to Chipotle is Taco Bell. Unlike Chipotle, Taco Bell is a lower cost competitor. Taco Bell offers a similar menu to Chipotle, but Chipotle uses organic ingredients. Taco Bell's food is much cheaper compared to Chipotle and they also have many stores. Other competitors include McDonald's, Burger King and many others. Competition in the fast food industry is a threat to Chipotle's business.

Also, government inspections relating to health and safety issues are a

threat to Chipotle. Many fast food restaurants have poor health and safety environments where they make their food. The inspection involves the checking the maintenance of food production equipment, food processing and storage. When a company fails the inspection, they might as well go out of business because customers are going to stop buying from them (OneSource, 2014).

Another threat is fluctuating raw material prices. Chipotle uses raw materials such chicken, beef, vegetables, cheese and many others. The price of beef and cheese has been increasing in the market. Since Chipotle uses premium and organic raw materials, the increase in the prices of raw materials will affect the prices of chipotle foods. Also many organic vegetables are exported from other countries and these are expensive for the company to acquire. Some of the reasons of the fluctuations include bad weather conditions, natural disasters, government controls and many others. The fluctuation in the prices of raw materials will affect the Chipotle's cost structure and budget.

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