

Restaurant Research's Benchmark Analysis Report

Jack in the Box

March 2011

Executive Summary

Jack in the Box (JIB) is the 8th largest QSR sandwich chain with \$2.9B in system-wide sales. All-the-same, this chain has managed to develop considerable scale as a West Coast regional player with approximately 42% of the system (927 units) located in California. This chain is distinguished by its very large, very diverse and very unique menu which makes JIB more than a traditional burger and chicken chain. Further, this concept is unique in that it has held back from an aggressive discounting strategy because of its confidence in its ability to generate robust new product news to keep customers returning. However, with economic realities what they are (particularly on the West Coast) we can see how this chain's sales performance has suffered over the last 2 years (and particularly during 2010) because of its aversion to price discounting. Having said this, we also note that the system's decision to retain its more premium product/pricing positioning has allowed JIB to preserve its brand while also maintaining unit level margins that suffered from lower sales but not from a less attractive sales mix. In conclusion, we believe JIB is poised to eventually rebound with the economy as an emphasis on operational and facility improvements boosts this distinguished brand.

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RR Clients

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Restaurant Research LLC leverages an extensive network of industry players as part of its annual Concept Benchmark Analysis due diligence process for 22 large US restaurant chains. Also, RR tracks store level data for all major chains with system-wide sales in excess of \$1B across all major restaurant segments in order to produce 11 key Industry Data Topic reports. For more information please contact us at info@ChainRestaurantData.com or 203-405-1901.