

Restaurant Research's Benchmark Analysis Report

Pizza hut

May 2011

Executive Summary

Pizza Hut has re-established its leadership position which represents its rightful station as the largest pizza chain with domestic system-wide sales that come close to totaling the sum of the #2 (Domino's) and #3 (Papa John's) players. This reflects the brand's move to flat-rate pricing which makes pizza purchases more simple and affordable for consumers who were apparently losing interest in this iconic food category. In turn, the resultant rebound in sales provides Pizza Hut with some breathing room as it can turn its attention away from triage towards improving its operations. To this end, we see Pizza Hut upgrading its facilities while figuring out how to make new unit development affordable once again for its franchisee base. Also, we are beginning to see a much needed focus on operational improvements which have been badly needed for quite some time. In summary, while menu development and marketing work well enough, Pizza Hut is making progress on what was broke for so long: pricing, facilities and operations.

Table of Contents

	<u>Pages</u>
Strategy	1-2
System statistics	3
Sales performance	4
Operational performance	5
Unit level data	6-9
Remodeling	10
Franchisee overview	11

RR Clients

Includes major lenders, investors, major US restaurant chains, operators and industry consultants. Please check www.ChainRestaurantData.com for a partial client list and customer testimonials.

More About Us

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.