

## Restaurant Research's Concept Benchmark Analysis Report **Carl's Jr.**

October 2009

### Executive Summary

Carl's is a large, regional chain on the West Coast that has carved out a brand centered on feeding young, hungry males with over-the-top indulgent burgers. While this story line is quite interesting (especially when you add-in the use of seductive advertising to attract the chain's target market), it may not tell Carl's entire story. This reflects that in today's world, diversity is the word of the day and reality suggests that there is more even to Carl's than young, hungry males. Granted, this story worked well enough in the past as Carl's burgers and marketing worked its charm. However, the world has changed over the last 1 year+ and Carl's sales declines suggest that the brand has some tweaking to do to fit in to the new normal (which includes the introduction of McDonald's Angus Third Pounder along with heightened price competition not only at QSR but also at the casual chains - taking away Carl's low-hanging trade-down fruit). We suspect that Carl's will get it right and use the same innovation which put indulgent burgers on the map to figure out their way going forward. In any case, it is our opinion that the chain has ample brand equity to weather a transition once management commits to pursuing the necessary tweaks.

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### RR Clients

Includes major lenders, investors, major US restaurant chains, operators and industry consultants. Please check [www.ChainRestaurantData.com](http://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](mailto:info@ChainRestaurantData.com) or 203-405-1901.