

# Restaurant Research's Benchmark Analysis Report

## Popeyes

April 2009

### Executive Summary

Historically, Popeyes has been distinguished as an urban fried chicken chain with a unique Louisiana flavor profile. However, secular demand for bone-in chicken continues to wane as today's under 30 crowd is mostly accustomed to boneless, white chicken fare. Resultantly, the brand is working hard to reposition its menu and marketing message to become more relevant during the new millennium. No longer Popeyes Chicken & Biscuits, the brand is now called Popeyes Louisiana Kitchen. At the margin, the chain seeks to offer more value, portability and boneless options that also better target the lunch, snack and late-night dayparts (as bone-in chicken often serves as a dinner replacement option – which, by-the-way, means growing external competition from supermarkets and Wal-Mart). All-the-same, the chain must continue to deal with the reality that the urban locations of its stores make it difficult to successfully market “yuppie” foods – especially when considering the chain's limited marketing clout with a \$37MM budget for measured ad spending. This means Popeyes must continue to forge ahead with bone-in – promoted with value offerings at least until the economy turns. In any case, we do like that Popeyes is so keenly focused on fixing its operations and we believe that efforts underway are beginning to gain traction. This is key as the chain suffers from extremely slow service speed which is a product of the complexities of preparing fried chicken which is further constrained by their heat lamps' limited hold times. In conclusion, it is our opinion that while Popeyes is headed in the right direction with its brand repositioning, this process will likely take a relatively long-time to fully implement as leadership must overhaul the chain's complete infrastructure with relatively limited resources given this system's small scale (at about 30% the size of segment leader KFC).

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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](mailto:info@ChainRestaurantData.com) or 203-405-1901.