

Chipotle's Comeback Plan: Company-Wide Meeting and Marketing

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Chipotle Credit: Chipotle

Chipotle Mexican Grill is ready to move past its food safety scandal and start a fresh marketing push following a Feb. 8 company-wide meeting.

Chipotle is calling 2016 an investment year and said margins will continue to suffer as it works on its primary focus for next 12 months: food safety and bringing customers back in.

Chipotle has made "unprecedented" changes in food safety practices since E.coli and norovirus issues in 2015 led to dozens of sick customers, bad press and steep declines in sales, margins and the company's stock price, executives said Wednesday. Their comments from the [ICR](#) Conference in Orlando were also broadcast over the internet and came a week after Chipotle said fourth-quarter sales at longstanding restaurants plunged 14.6%.

Founder and Co-CEO Steve Eells said a variety of steps, including high-resolution testing of fresh produce and moving the chopping of tomatoes from restaurants back to central commissaries, will reduce the risk of another outbreak "to near zero." He said customers want to hear that it is safe to eat at Chipotle.

Weeks ago, Chipotle said it would wait for a signal from the Centers for Disease Control that its investigation had concluded before ramping up its marketing and other outreach. Now, it appears more prepared to move on without

that green light, though it is hopeful that the CDC will make an announcement "relatively soon."

Chipotle said its "all-company" meeting on Feb. 8 will show the public how seriously it has addressed the issues. Stores will be closed for a few hours that morning, it said.

"They should take a page from Starbucks when Howard Schultz returned to the helm back in 2008 and point to the meeting as an example of how they're getting themselves back on track – refocusing everyone on the basics of their business," said Denise Lee Yohn, a consultant who works with restaurants and retailers on brand strategy and was with Jack in the Box during that chain's 1993 E. coli outbreak.

Chipotle said its wider communications and marketing push is set to begin in mid-February. A variety of efforts will be used, including reaching out to the chain's most loyal customers with a detailed story about what happened. In December, the company said its plans would include more traditional marketing than it has done before and increase use of direct mail, which could include offers such as a buy-one, get-one coupon.

On Wednesday, Chipotle said it would speak with the press to share how it believes its food safety issues are over and discuss the changes it has made. However, the company's marketing push to welcome customers back into the restaurants will not focus on food safety, said Chief Creative and Development Officer Mark Crumpacker. Humility is likely to be an undertone in some of the marketing, Mr. Crumpacker said.

Ms. Yohn said "communications that tell a positive story about the brand without getting into weeds of food safety" would work best to reach customers who may have stayed away after hearing about the recent problems.

"Chipotle should not resort to discounting or heavy promotional activity as it would likely do more damage to the brand long-term," she added.

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