

Chipotle Mexican Grill (CMG, \$438.79) Goldman Full of Hot Sauce on Chipotle

Key Insights

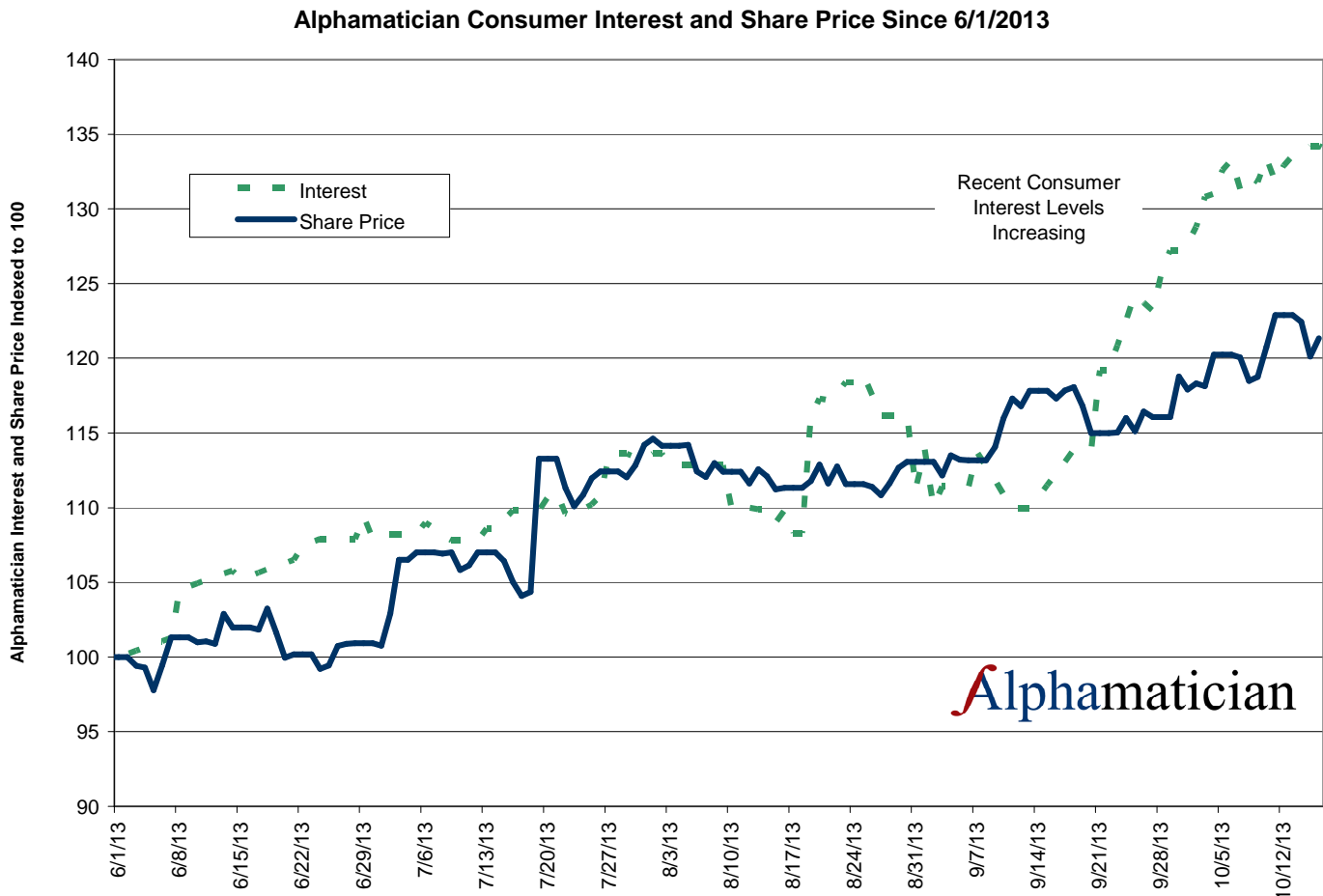
- Our analysis indicates that Chipotle’s brand remains strong and are even growing.
- This is counter to a recent report by leading sell side research firm Goldman Sachs.

In light of recent cautionary comments by Goldman Sachs on Chipotle Mexican Grill (<http://www.businessinsider.com/goldman-chipotles-it-factor-fading-2013-10>) we thought it would be interesting to see what the social data says about the brand.

We do not doubt the quality of Goldman’s work, but based on our analysis, we come to a very different conclusion than Goldman. Specifically, we see steadily rising interest in the brand and continued positive sentiment. We believe this will continue to translate to store visits on the part of consumers.

Chipotle Going Strong

Figure 1: Alphamatician Estimated Consumer Interest



Alphamatician Consumer interest scores continue to rise for Chipotle. Through much of 2013, these have tended to move at about the same rate as the share price, but recently have accelerated not declined as suggested in a recent sell side report.

Chipotle Versus Competitors

We also looked at major Chipotle competitors in the fast-food Mexican category. We found that Taco Bell, owned by Yum! Brands, Inc. (YUM) is down and both Qdoba Mexican Grill, owned by Jack in the Box Inc. (JACK), and El Pollo Loco are flat over the same time period.

The Data

In arriving at our conclusions we looked at a large number of comments and trend data from sources like Twitter and Facebook. We analyzed the volume of these comments, associated discussion, and the sentiment of these comments using proprietary algorithms. We analyzed the company, its brand, and its consumers from a stock rather than a marketing perspective. We do not incorporate valuation, share price, or financial statement data.

Bottom Line

Notwithstanding a recent report from a leading sell side research firm, we see continued positive trends for Chipotle Mexican Grill.

If you have further interest in these names, Alphamatician can provide a wide range of new and traditional analytics to help you. Please contact us.

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