

Showdown at Cracker Barrel

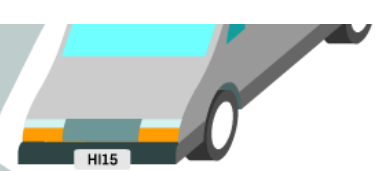
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Cracker Barrel

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- Home-style environment
- Diverse
- Long history to learn from
- Progressive

Considerations

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- Consistent growth for decades
- Differentiation
- Location is key
- Pleasing People



External Analysis

- Buyers, suppliers have low power
- New entrants pop up consistently, but none can rival the chain power
- Threat of substitutes and firm rivalry are high

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- Strongest consumer market in the world, economy is growing
- Vegan menu opened up to more consumers
- Secret suppliers could have negative CSR impact due to lack of transparency

Internal Analysis

Advantages

- Location near busy highways
- Domestic expansion
- Licensed products in supermarkets
- High reputation of customer service satisfaction
- Employee personal achievement program
- Wide variety of retail products

Disadvantages

- Cleanliness in kitchens
- Racism accusations



Alternative: Online Sales

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Positives

- Lower capital investment
- Enhanced brand awareness/advertising
- Increasing online purchases
- *Recent report found 41% of consumer are shopping via smartphone and 35% via tablets

Disadvantages

- Detracts from the value proposition
- Logistic challenges
- Loss of unique Cracker Barrel experience
- Increased competition (online shops)
- No passing foot traffic, less impulse purchases

Alternative: Hotels

- Caters to the same consumers (travelers)
- Same market
- Growing hotel industry
- Cost of infrastructure

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Alternative: Expansion to Canada

- Similar in infrastructure and culture
- Main highways- TransCanada (target market)
- Gift Shop Attraction
- No closely related competition

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