

Papa John Schnatter responds to growing evidence PZZA's long-term outlook is worsening

Despite pandemic-induced sales surge, industry experts show business fundamentals are flawed

LOUISVILLE, KENTUCKY, UNITED STATES, February 2, 2021 /EINPresswire.com/ -- Today, Papa John Schnatter, the founder and former Chairman and CEO of Papa John's International, Inc. (PZZA), commented on the growing evidence that the strategic direction by Papa John's is off course, and that, despite the pandemic-induced sales surge the company is enjoying right now, the long-term outlook for its financial performance is worsening.

Schnatter's comments follow reports from industry experts, including the 2020 American Customer Satisfaction Survey (ACSI) in which Papa John's lost out to Domino's for the first time since 2009, an October ACSI Special COVID-19 Restaurant Study 2020 showing that Papa John's customer satisfaction is now lower than the industry average, and lower than both Domino's and Pizza Hut, and finally, a new report from Technomic Ignite consumer brand metrics data, in which Papa John's DID NOT even make the list of "The Ten Most Craveable Pizza chains" despite launching numerous new products over the past year.

"The current management team at Papa John's has placed line extensions or new products over value as a strategy, and while sales have surged during the pandemic, this is a losing long-term game plan as it relates to customer satisfaction.

"I founded the company based on two core principles: making a superior quality product and taking care of our people. When the company abandoned its quality positioning – i.e. Better ingredients. Better pizza. – and my product quality measurement system, it was quite predictable that customer satisfaction would suffer. When they started to lay off employees who were with the company for decades, it was only a matter of time before they would also abandon my hometown of Louisville.

"In order for the company to turn around their customer satisfaction debacle, they must re-commit to our founding principles of making quality pizza and putting people first – i.e. People Are Priority one Always – which also includes abandoning their campaign of revisionist history about the people-centered culture we built with pride, and which got us voted the best place to work in Kentucky for four straight years before I stopped running the company day-to-day in 2016.

“While sales and stock price may be robust because of the pandemic in the short term, customer satisfaction deterioration will hurt the company’s financial performance in the long term. You can only cut so many corners of quality and lay off so many people with pizza delivery business experience before the EPS picture grows more and more challenging.

“The company needs to urgently focus intensely on the core product and the people again in order to regain its standing on customer satisfaction by which we dominated the industry in the past.”

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Reference:

[American Customer Satisfaction Index \(ACSI®\) Restaurant Report 2019-2020](#)

American Customer Satisfaction Index (ACSI®) Special COVID-19 Restaurant Study 2020

[Restaurant Business: THE 10 MOST CRAVEABLE CHAIN PIZZAS](#)

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