

Shake Shack plans to quadruple its number of locations

Article

The vision: Shake Shake mapped out a vision at the ICR conference in Orlando, Florida, in which it has at least 1,500 company-operated locations, per Bloomberg.

- That would be a massive expansion considering the company currently has 329 company-operated stores, including a record 43 locations that opened last year.

- It plans to open 45 company-operated stores this fiscal year.
- While it doesn't offer franchising in the US, Shake Shack works with licensing partners for its roughly 220 international restaurants. The company aims to open up to 40 licensed locations this year and sees plenty of opportunities to expand into Europe, South America, and other markets, per Yahoo Finance.

The strategy: Diversifying its formats to include drive-thru units and small-format locations has enabled Shake Shack to attract a broader swath of consumers.

- By accelerating its expansion, the company has gained economies of scale, reducing its build costs. It expects to spend an average of \$2.2 million per new location—an 8.3% decrease from the \$2.4 million spent last year and a 15.4% drop from the \$2.6 million it invested in 2023.
- Shake Shack is also building excitement and awareness around its brand by boosting its advertising spend and introducing limited-time offerings like a black truffle burger.
- Those efforts aim to ensure Shake Shack preserves its status as a premium brand.

Our take: Shake Shack occupies a sweet spot in the restaurant ecosystem, offering higher-quality food than traditional fast food but at a more affordable price point than [sit-down mid-tier restaurants](#). This approach, which fueled a 4.3% increase in same-store sales in Q4, appeals to an affluent customer base that's eager to spend and should [position the brand for continued success](#) as it expands its reach.

This article is part of EMARKETER's client-only subscription Briefings—daily newsletters authored by industry analysts who are experts in marketing, advertising, media, and tech trends. To help you finish 2024 strong, and start 2025 off on the right foot, articles like this one—delivering the latest news and insights—are completely free through January 31, 2025. If you want to learn how to get insights like these delivered to your inbox every day, and get access to our data-driven forecasts, reports, and industry benchmarks, [schedule a demo with our sales team](#).