

## Chapter 5

# Restaurant Industry Organization: Chain, Independent, or Franchise?

# RESTAURANT INDUSTRY ORGANIZATION

- This chapter will focus on restaurant company organization—that is, how companies are organized
- This is important to know because there are significant differences between chains (corporate), independents, and franchises
- Currently, the industry growth is being driven by chains so we will start with them

# CHAINS

- Chains have strengths in seven areas:
  - Marketing and brand recognition
  - Site selection
  - Access to capital
  - Purchasing economies
  - Centrally administered control and information systems
  - New product development and
  - Human resource development