

# Chick-fil-a company background

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Chick-Fil-A Company Background Name: Institution: Chick-Fil-A Company  
Background Chick-Fil-A is an American food restaurant franchise having its head office in Georgia, USA. The company was established in 1946 and has gradually entrenched itself in the American food industry as a cultural icon in the Southern United States for its specialty in preparation of chicken sandwiches. Chick-Fil-A prides itself for the establishment of over 1690 branches located within the United States alone as well as its economic contribution to the larger part of Western America and California. It realized sales of around \$4.

6 billion in 2012, which reflected a 14 percent increase over the overall performance experienced in the previous year by the chain while the same-store sales performance increased by 8 percent. In Houston, Texas, the greatest performer realized a 7.2 million total gross sale in 2012. Chick-Fil-A uses a significantly distinct model, notable in the retention of the ownership of each restaurant since its acquisition. Chick-Fil-A selects the most suitable restaurant location, undertakes its construction, then takes over its ownership. Chick-Fil-A requires a payment of only a \$5,000 as capital to become an owner of their branch while its rival franchises pay almost \$2 million. The company receives over 15,000 submissions annually from interested franchise operators for the available 70 slots.

Chick-Fil-A receives a bigger allocation of income in comparison to other chains amounting to \$190,000 per year. Chick-Fil-A's solid mission statement and its captivating slogan clearly demonstrate its commitment to efficiency in service provision. Truett Cathy, the founder of the chain, started by making chicken sandwiches inspired by the idea of quick food service and <https://assignbuster.com/chick-fil-a-company-background/>

emphasized on the fundamentals: focus on the customer, concentrate on providing quality before contemplating growth, and prioritize value. In pursuit of accomplishing the mission, Chick-Fil-A set unique operations strategy, established a distinguished marketing campaign, ensured higher quality services, and improved employee relations. Chick-Fil-A attained second position in the ranking of the largest private restaurant franchises in the United States for its quality services. Its main competitors include prominent fast-food establishments such as Taco Bell, Burger-King, and KFC that sell hamburgers as their primary food products and normally focus on advertisement of promotions and discounts to draw customers.

In contrast, Chick-Fil-A's signature product is the chicken sandwich that is considered a "healthier" alternative to hamburgers. In addition to that, the chicken sandwich requires less preparation time thus offering a competitive advantage with speed and consideration of health. Chick-Fil-A has an outstanding performance in comparison to its competitors in terms of sales revenue growth, which is impressive due to its high pricing system with no "Dollar Menu" and closure of business on Sundays. Chick-Fil-A's value relies on the delivery of first-class services to customers that is characterized by speed, quality, and employee efficiency.

The company specialized on a producing only one product (chicken) and concentrated on perfecting its quality. Efficiency is evident due to the speed that enables production of more sandwiches in less time with a relatively simplistic and comprehensive menu. The sophisticated recruiting and training program ensures higher customer service that gives customers

more emotional and personal experience. Since 1967, Chick-Fil-A has experienced 45 consecutive incremental annual sales with a strong loyal clientele and has earned recognition for offering positive experiences. Hundreds of customers stay two or three days whenever Chick-Fil-A opens a new stand-alone restaurant, in order to be the first customer of new units with free annual meals and various recreation activities. The Richards Group created the chain's signature advertising slogan, "Eat morchikin" in 1995, featuring cows with the inscription: "EAT MORCHIKIN."

"According to the advertising campaign, the cows protest against the high consumption of beef. They urge the Americans to avoid eating beef burgers and other beef by-products, and instead switch to consuming healthier white meat (chicken), which is Chick-Fil-A's main commodity. As an extension to its marketing campaign, the Cow Appreciation Day held each year offers a free meal for customers wearing full cow costumes. In 2012, at least 600,000 cow-clad customers graced the event across countrywide. These efforts pay off by converting satisfied customers to loyal clients. Chick-Fil-A bases its success on the value of services offered to customers. High quality, quick delivery, healthy food, and excellent customer service help sustain high level of customer satisfaction.

In this success, managers play very crucial roles that realize results that offer them satisfaction. Approximately 5 percent of Chick-Fil-A operators leave the chain in a year, with most remaining in the company for over 20 years. The president of Chick-Fil-A, Dan Cathy regularly reminds his stores' managers that when an employee sees their colleague enduring any

personal problems, they should see beyond that individual and in the process, have their complete attention and respect when talking about customers. Chick-Fil-A founded a Leadership Scholarship Program in 1973 as a motivation for workers to increase their competence and skills by offering sponsorship to eligible employees. Initially, Chick-Fil-A Company was the first fast food franchise to offer the program in the United States although the rivals adopted similar programs with time. The program emphasizes on the importance of employee to practice community service and leadership abilities. Through its Leadership Scholarship Program, Chick-Fil-A has spent over \$26 million in financial assistance to at least 25, 000 restaurant team members enrolled in 2, 138 colleges, universities and other learning institutions throughout the country. In 2010, the company awarded over \$1.9 million worth of scholarships to its restaurant team members. Chick-Fil-A retains a program that looks into the employees' welfare. All the employees get a day off on Sundays, Thanksgiving, and Christmas, which is exceptional in the fast food industry. These Sunday-off policies enable the employees rest and engage in social activities. Chick-Fil-A sets some rules in service provision to ensure quality services. The 'core 4' outlines the ethics in approaching and taking care of each customer. It includes the use of an enthusiastic tone, smile, emotional connection, and eye contact with the customers.

Employees should connect emotionally to people, make them feel important and appreciated, even on their low moments. This influences the customers'

purchasing decisions in the favor of the restaurant. This is the most crucial and the first step in service approach.

‘Operational Excellence’ rule requires a clean restaurant, excellent customer service, and excellent food. The external and internal quality control assessment ensures effectiveness in the application of these rules. External evaluation occurs under the direction of strict guidelines and high-tech materials in pursuit of perfection. The restaurant undergoes the extremely strict and subjective evaluation and one negative aspect may taint the overall restaurant’s image. Internal evaluation conducted within the restaurant on a daily and/or weekly basis for quality assessment based on a quality requirement guide helps detect any faults.

They top up the excellent customer service by perfecting the customers’ experience through a ‘second miles service’ that creates an extraordinary value. The concept derives its name from the setting in first-century Israel during the Roman occupation. Roman law allowed a soldier to require anyone to carry his or her backpack for one mile after which the one-mile marker would be let go to carry on his journey that may be in a different direction.

Christian teachings encourage the notion of going an extra mile; if your enemy requires you to go one mile, go for an additional mile. Thus, Chick - Fil-A’s strategy includes providing a second-mile service. The CEO of the company, Dan Cathy, offers an illustration while explaining the concept; having salt and peppershakers at each station was adopted from the first

mile principle. Being served salt and pepper by waiters from a wooden grinder was the second-mile service.

This is expected as a first mile service in a restaurant charging \$30. 00 per meal but is unusual in a \$6. 00 a meal quick-serve restaurant.

Thus, the second-mile service concept commits to provision of value-added services and an extraordinary value for the business. Emotional connection marketing through use of famous cows and appreciation days strengthen their marketing strategy, charity programs, and sponsored events. Chick-Fil-A's consistency shows in the uniformity of performance from various stores and the experience received by the customers. The ongoing customization of furniture in the stores is unacceptable since it interferes with the standardization of the franchise and distinguishes the stores as distinct business units.