Five guys burger and fries: ingredients for success research paper examples

Business, Company



Introduction

Five Guys was founded by Jamie and Jerry Murrell and their sons, all five of whom first begun the business in 1986 with one branch in Westlake shopping centre, where they lived. However, the family expanded and eventually operated six locations in Northern Virginia. The franchise gained popularity with both locals and visitors, and the franchise started to expand at a rapid rate; in 2010, there were more than 670 restaurants operating across America and Canada.

Five Guys have survived on their basic philosophy of keeping things simple. They do not have drive throughs, their kitchen is open for everyone to see, and their menu never changes. Co-author of the book Authenticity: What Consumers Really Want, Jim Gilmore, has said, ' Five Guys stores seem to say, in the most loving way possible, " Shut up, sit down, and eat."'

This report analyzes the several factors that contribute to the success of this popular fast food chain.

Philosophy

As mentioned before, the company believes in keeping things simple, as made obvious by their core philosophy "We cook the best burgers and fries and have a high quality and the best value.". Their original menu still holds and hasn't changed since 1986. Five Guys has a strong belief in the food they serve and how they serve it. This special emphasis on food can be observed by discussing one of their main menu items; their fries. Their potatoes are grown in Idaho, where they grow slowly, and the weather conditions are such that they grow solid and have a better taste. They even employ a different method of frying their fries, as compared to other restaurants.

The Five Guys management does not invest in the décor of the restaurants; the majority of their financial capital is spent on their food. They offer readymade beef burgers with a large helping of fries, which for most Americans can be categorized as a generous meal; this factor allows the company to charge more than their rivals, Mcdonalds and Burger King.

Original Values

It was lerry Murrells belief that the primary aspect towards competing against large fast food chains at the time was a need to concentrate on what quality their product had and how satisfied their consumers were. Jerry Murrell stated himself " Sell a really good, juicy burger on a fresh bun. Make perfect french fries. Don't cut corners." The meat that is used in their burgers, is 80% lean, is always kept fresh and is never frozen. The Five Guys management does not focus on money primarily; Murrell is reported to have also said "I enjoy seeing the kids, the managers and the franchisees make money. I like to see everyone have fun." Five Guys also had to face issues, especially when it came to handling the expansion of the franchises during the worst part of the recession; this is when the franchisees were told to slow down the opening of new stores. . In fact, Monte Burke reports that Five Guys were able to perform surprisingly well during that time period. Due to the rescession, they were able to get better real estate for opening new branches and whatever experienced employees were laid off from their competitors, five Guys were able to hire. They did so

well, that they currently have a \$100 million line of credit with General Electric and have near 6000 new corporate employees.

Factors that make Five Guys a successful fast food chain

- At Five Guys, it is a belief that " the customer is the best salesman". " Five Guys does zero advertising, but by delivering consistently great customer experience, they're able to build a word-of-mouth buzz that continues to bring new customers through the door," as stated by Janet Eden-Harris, CMO, Market Force .

- The brand message the company projects is also of the utmost importance. The brand message is as straightforward as it can get. As mentioned before, Five Guys offers a selected number of food items, and they like to keep their menu short and concise (their menu hasn't changed since 1986). This aspect benefits the company in two ways; their customers know what they want when they enter a branch, and the company is able to specialize in whatever so they produce.

- The way they treat their employees can also be considered. They believe that every employee showed take part in the decision making process .

External threats

One major threat that affects Five Guys is the growing health concern prevailing America. It is stated in the Journal of Public Health Policy (2007) that the sizes of fast food items is directly related to increase in rate of obesity, hence fast food chains such as Wendys were told to reduce the size of their menus . This information portrays the threat Five Guys' burgers might face. Five Guys already has a set menu which is their permanent menu and contains only a select few things; they are known for this aspect of their chain. If they are asked to reduce the menu, then that would have to mean that an entirely new menu may have to be drafted.

Conclusion

Companies need to maintain a general " social conscience" when dealing with customers and stakeholders . Five Guys portrays this social responsibility quite well; their marketing is consumer based; they make sure they are able to motivate their employees using certain methods.

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