

## TRENDS ON THE MARKET OF THE RESTAURANTS CHAINS WORLDWIDE

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**Abstract:** *The paper presents the main specific indicators of the restaurant industry and trends of the restaurant chains market worldwide. The franchise is a trading system used mainly in the industry of the restaurant. Therefore, the paper analyzes the development of the specific indicators of the restaurant chains: sales, profit, the value of the assets and the market value of both worldwide and for the present ones in Romania.*

**Key words:** *industry restauration, franchise, chain of restaurants, trends*

### INTRODUCTION

Hospitality Industry includes the industry services of accommodation and service industry of food, which are consumed outside the dwelling individual or family allowances.

Hospitality Industry is a business that develops quickly in many parts of the world, mainly due to the increase of business travel. The rapid growth of this industry can be attributed to other factors too, such as: the extension of the international evolution of business, increasing economic prosperity, improvement and diversification of transport services.

The restaurant industry comes out as a distinct component of the economy, facing the meet of the population needs with good quality food, having an important role in the economical and social life.

Frequently, in the specialized literature, the term of the restaurant is used instead of the syntagma "food", the field of activity which includes production (culinary preparation of pastries and pastry) and marketing them, beverages, too, the activity being carried out in the framework of economic units.

Catering services belong to the category of benefits of the basic standards which have the role of meeting the food needs of tourists, and other special needs such as those of leisure and entertainment, services that are developing in relation to accommodation services.

The contract of franchise is a variant relatively recent cession contract by which an undertaking producing or providing services (hereinafter referred to as the transferor or Franchiser of), in return for remuneration, giving of another undertaking (hereinafter no grantee, franchisee or beneficiary, the mark to the product or service, along with technical support and all the means and methods of marketing, able to ensure the management in the best conditions of return.

The benefits of enlargement by franchise are numerous such as: expanding your business with the minimum of capital, obtaining the profit of the franchise fees and taxes continue/periodic franchise contribution to the expenditure of advertising, the sale of products and services by franchisers, they are motivated to be successful.

### MATERIALS AND METHODS

The research consisted in the collection of data with regard to the specific indicators of the chains of restaurants at world level, as well as the: turnover, profit, assets and market value. To this end have been consulted sites Global Forbes CMO Network 2000 and Franchise Times. On the basis of the data available, analysing trends chains of restaurant at world level.

**RESEARCH RESULTS**

The chains of restaurants have expanded in a fast rhythm especially in the segment of the market (the proportion of sales) during the last three decades. Thus, the big chains of restaurants in the USA generates, at present over half of the total sales in restaurants (51.3% against less than 33%, at the beginning of the '70 years).

McDonald's is the biggest and most known chain of restaurants with quick serving in the world, operating over 36258 restaurants in 2015. The vision of the McDonald's is to be recognized as a restaurant with fast service that provides the best experience to its customers. To be the best will involve in the perception of the company, to achieve and maintain certain standards of quality, serving professional and clean (QSC-Quality, Service, Cleanliness) to build up a working relationship as more closely with customers.

Corporations in the restauration occupies an important place in the global economy. The results of the top of the Forbes CMO Network of year 2014 shows that in the category of Restaurants appear 8 companies. After the same coefficient calculated, after the 4 indicators on the top positions can be found McDonald's, Comapass Group, Yum Brands and Starbucks.

**Table 1.**

**The world corporations in the restauration industry, 2014**

Rank	Company	Country	Sales Billions \$	Profits Billions \$	Assets Billions \$	Market Value Billions \$
1 (186)	McDonald's	United States	28.1	5.6	36.6	96.9
2 (553)	Compass Group	United Kingdom	27.4	0.7	14.8	27.3
3 (673)	Yum Brands	United States	13.1	1.1	8.7	33.7
4 (919)	Starbucks	United States	15.3	0	10.3	55.9
5 (1542)	Darden Restaurants	United States	8.7	0.3	7.2	6.8
6 (1561)	Chipotle Mexican Grill	United States	3.2	0.3	2.1	18
7 (1892)	Tim Hortons	Canada	3.2	0.4	2.3	7.7

Source: *www.forbes.com*

After sales volume, McDonald's is a leader with 28 billion dollars, closely followed by Compass Group with 27 billion dollars and the Starbucks with 15 billion dollars.

On the basis of the profits are in the last year, McDonald's be separated by 5.6 billion dollars, followed by Yum Brands with 1.1 billion dollars and by Compass Group with 0.7 billion dollars. Tim Hortons has recorded the year 2014 a profit of 0.4 billion dollars, and Darden Restaurants, only 0.3 billion dollars.

After the value of the assets, McDonald's and Compass Group are leaders with assets amounting to 36.6 billion dollars, respectively 14.8 billion dollars, followed by Starbucks, Yum Brands and Darden Restaurants.

The market value of the McDonald's almost reaches 97 billion dollars, leading detached rankings, Starbucks housed in place 2, with 55.9 billion dollars.

Table 2.

## The world corporations in the restauration industry, 2015

Rank	Company	Country	Sales Billions \$	Profits Billions \$	Assets Billions \$	Market Value Billions \$
1 (189)	McDonald's	United States	25.4	4.8	37.9	110.1
2 (389)	Starbucks	United States	20.2	2.5	12.9	85.3
3 (467)	Compass Group	United Kingdom	27.2	1.3	13.3	28.9
4 (649)	Yum Brands	United States	13.1	1.3	8.2	33.1
5 (1197)	Restaurant Brands International	Canada	4.1	0.51	18.4	9.2
6 (1370)	Chipotle Mexican Grill	United States	4.5	0.48	2.7	13.1
7 (1413)	Whitbread	United Kingdom	4.3	0.59	6.3	10.2
8 (1509)	Darden Restaurants	United States	7.0	0.34	4.5	8.0

Source: [www.forbes.com](http://www.forbes.com)

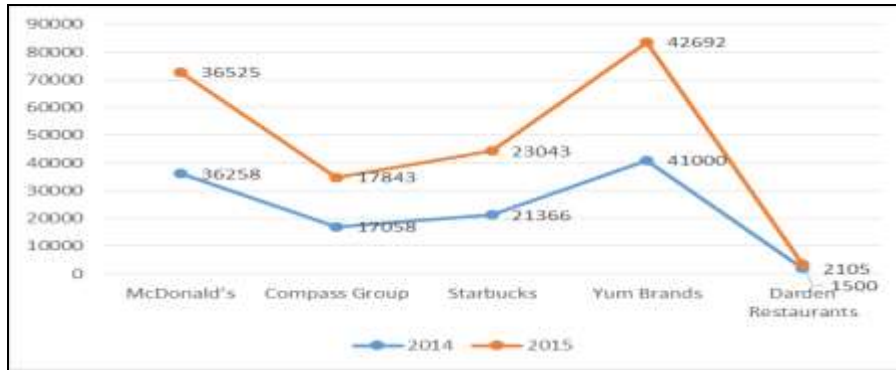
Regarding the volume of sales in the year 2015, the union leader is the Compass Group with approximately 27 billion dollars, which registers a decrease of EUR 0.2 billion dollars as compared to the year 2014. This is followed by the McDonald's with 25,4 billion, which also has recorded a decrease in 2015 from 2014 with 2.7 billion dollars. A significant increase of the sales it holds Chipotle Mexican Grill with 1.3 billion dollars.

Depending on the profits recorded in 2015, McDonald's maintains its position of leader although it has recorded a significant decrease with 0.8 billion, then the Starbucks with 2.5 billion occupying such second place, Yum Brands and Compass Group with 1.3 billion dollars.

After the value of the assets, McDonald's is the leader who has an increase in the year 2015 in relation to that for the year 2014, with a value of 1.3 billion dollars. It is then the Restaurant Brands International, which holds assets amounting to 18.4 billion dollars, occupying second place, place that in the year 2014 was occupied by Compass Group. In 2015, a significant increase in the value of assets has a Starbucks with about 2.6 billion dollars.

Regarding the market value, with the first place, as well as in the 2014, is owned by McDonald's, which registers an increase by 13.2 billion dollars, being followed by Starbucks that has in 2015 from 2014 an increase by 29.4 billion. The third is held Yum brands with a total value of 33,1 billion dollars.

With regard to the number of units in the corporate world by sacking industry, the situation shall be presented in accordance with the following diagram:

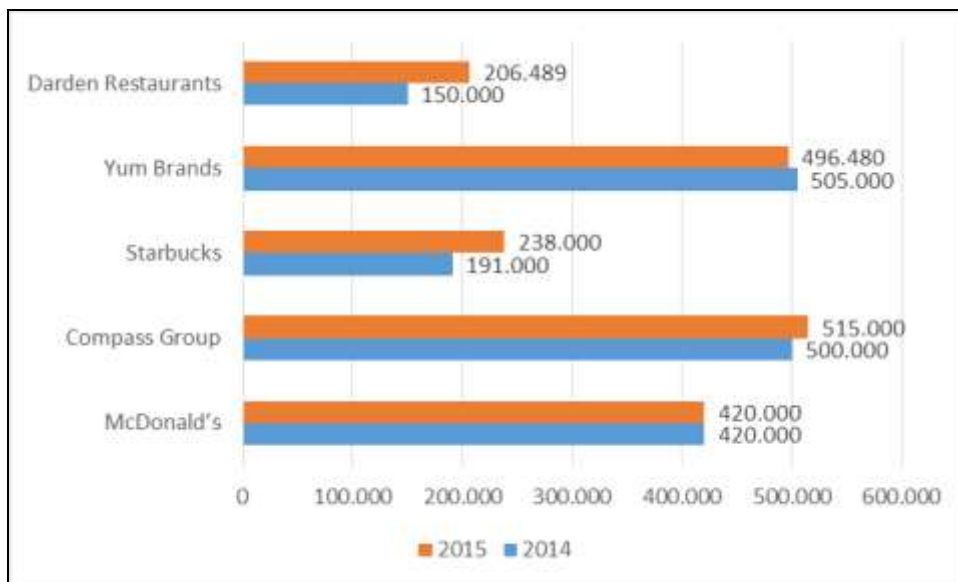


**Figure 1. Top 5 Global corporations in the restaurant industry, after the number of units**

Source: Forbes Global, 2000

The leader of the restaurant industry, depending on the number of units, is the company Yum Brands which registers an increase in 2015 compared to that of the year 2014 with 4.12 %. This company is followed by McDonald's with an increase of 0.74 % of units. The third is owned by Starbucks, which also represent a significant increase in the units with a number of 7.85%. Starbucks has over 20,000 cafes in 65 countries and is known as being the most important brand of coffee in the world.

The last place in the ranking is owned by Darden Restaurants, which has registered in the year 2015 in relation to that for the year 2014 a significant decrease in the number of units, i.e. 605



**Figure 2. Top 5 Global corporations in the restaurant industry, after the number of employees**

Source: Forbes Global, 2000

As it can be seen in the above figure, the leader on the world market, in respect of the number of employees is the Compass group which has result of the favorable evolution in 2015 from 2014, with an increase in the number of employees with 15,000. Second place in this top of corporate enterprises on the world by sacking industry is occupied by Yum Brands, with all that in the year 2015 to a decrease in the number of employees with 5.520. This company is followed by McDonald's that during the two years, as it can be seen from the table opposite, has a stagnation in the number of employees.

The last place in this top is occupied by the company Darden Restaurants, but who nevertheless has been a result of the favorable evolution of the number of employees in the year 2015 in relation to that for the year 2014 with 56.489.

From a financial point of view, the purchase of franchises in tourism represents one of the most accessible ways to enter into a business in the hospitality industry. Access to technology, training programs and promotion of it represents a few of the advantages of the purchase of a business in the restaurants industry. In the following table is achieved a ranking of chains of restaurants in franchise system at international level. As regards the number of units held in the restaurant industry, it is noticed 4 of them (Subway, Burger King, Dunkin' Donuts, Tim Hortons), for which has registered a maximum percentage of the units franchise.

**Table 3.**  
**Top 10 franchises from the restaurant industry, after the sales volume for the year 2015**

2015	Franchise	Global sales \$millions	Franchised Units		Total Units	Percent franchised
			In country	International		
1	McDonald's	87786	12833	16711	36258	81%
2	KFC	23400	4185	9977	19420	73%
3	Subway	18200	26958	16196	43154	100%
4	Burger King	17017	7074	7246	14372	100%
5	Pizza Hut	12200	7382	5866	15605	85%
6	Wendy's	9300	4895	663	6515	85%
7	Dominos	8900	4690	6562	11629	97%
8	Taco Bell	8500	5024	242	6192	85%
9	Dunkin' Donuts	8770	8047	3228	11310	100%
10	Tim Hortons	6611	871	3787	4671	100%

Source: [www.franchisetimes.com](http://www.franchisetimes.com)

Franchise McDonald's holds supremacy at the level of turnover taxes, followed by the chain of restaurants KFC and Subway, the latter holding the largest number of open units at world level. In January 2016, the chain SUBWAY restaurants had 44603 restaurants in 111 countries, of which 27058 in the USA. Subway network offers excellent opportunities for the development of a business in the franchise. Over 19.400 of restaurants serve KFC daily over 12 million customers in 109 countries. In Romania, the chain KFC include 60 restaurants, is part of the group of YUM! Brands, the largest chain of restaurants and one of the largest employers at world level.

Pizza Hut is the name of a chain of restaurants in the United States, held by Yum! Brands, Inc, established by the brothers Dan and Frank Carney of the Wichita, Kansas, in the year 1958. Pizza Hut is considered the hugest chain of pizzerias in the world, with over 15600 of restaurants.

In Romania, McDonald's is the market leader restaurants, with 68 restaurants in 21 cities. McDonald's represents one of the first and the main supporters of the evolution of the economy of the past two decades, the time during which has invested in Romania over 800 million lei and receives daily over 190.000 customers.

## CONCLUSIONS

Franchise stimulates the economic development. Even units by type "fast food", often criticized - from the point of view of skills and of compliance with the standards - bring with them the discipline of which they are needed so the least developed countries. Fast-food the ranks among the first in the largest chain of restaurants in Romania, with a total of almost 150 open units in recent years, five times more than the size of the aggregate amount of the largest network of traditional restaurants. The market restaurants in Romania is divided between the name as international McDonald's, KFC and Subway, who are fighting on the fast-food and local entrepreneurs who developed from zero restaurants fever, either with the Romanian specific, either with international cuisine.

If initially only international networks of restaurants have chosen to develop in the franchise, in recent years and local businesses have discovered this model, which allows them to earn more and more of the market. The costs of the Romanian allowances are smaller than those required to implement some concepts imported, a fact that make them to increase, obviously, attractiveness, small entrepreneurs are much more inclined to operate within the framework of a network of franchise, than to hold a business type start-up, thanks to the advantages conferred by the membership to such a business.

The market chains of restaurants has become more powerful, as customers are increasingly demanding, eager to experiment with things and new places and the income in this industry will have the increasing trend.

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