

Industry Analysis

Restaurant Industry

CIMA Operational Case Study | May 2026 & August 2026



CONTENTS



1. Industry Overview



2. Competitive Landscape



3. Industry Trends



4. Real World Examples



Purpose of the Industry Analysis

- You are required to be familiar with the industry but need not be an industry expert.
- Developing a broader understanding of the industry in which the company operates will help you construct sound arguments and prepare for possible developments in the exam.

Market Definition

Restaurant industry

- *Commercial preparation & sale of food & beverages for immediate consumption*
- *Core Value Proposition: Convenience, Experience, Quality & consistency, Value for money*
- *Key formats*
 - *Quick Service Restaurants (QSR)*
 - *Full-Service Restaurants (FSR)*
 - *Casual dining*
 - *Fine dining*
 - *Café & bakery*
 - *Delivery-focused / cloud kitchens*



Service Characteristics

- *Perishable inputs + time-sensitive service*
 - *Tight stock control & waste management*
- *Labour-intensive with peak-time demand*
 - *Scheduling, training, retention are critical*
- *Service is part of the “product”*
 - *Speed, friendliness, cleanliness, ambience*
- *Menu engineering drives profitability*
 - *Mix, upselling, portion control*
- *Technology complement:*
 - *POS, kitchen display systems, reservations, delivery/loyalty apps*



Market Dynamics

- Highly fragmented industry
 - *Mix of independent restaurants & large chains*
 - *Low switching costs for customers*
- Market Drivers
 - *Urbanisation*
 - *Disposable income*
 - *Lifestyle changes*
 - *Social dining culture*
 - *Growth of delivery platforms*
- Constraints
 - *High labour costs*
 - *Food cost volatility (inflation, supply chain disruption)*
 - *High rental expenses in prime locations*
 - *Regulatory compliance (food safety, hygiene)*
 - *Economic downturn sensitivity*
- Largest Markets (by revenue)
 - *North America*
 - *Europe*
 - *Asia-Pacific (rapid urban growth)*
- Fastest growing segments
 - *Delivery & takeaway*
 - *Fast casual dining*
 - *Health-focused concepts*
- Major Players
 - *McDonald's*
 - *Chipotle*
 - *Domino's*

Competitive Landscape

- Presence of various global & regional players
 - *Intense competition*
 - *Low barriers to entry for small operators*
 - *Brand loyalty varies by segment*
- Companies compete on;
 - *Price*
 - *Location*
 - *Quality & taste consistency*
 - *Speed of service*
 - *Brand reputation*
 - *Customer experience*
 - *Digital convenience (apps)*
- Growth strategies
 - *Franchising*
 - *Menu innovation*
 - *Cost control & waste reduction*
 - *Expansion into delivery-only formats*
 - *Strategic partnerships with delivery aggregators*

Segmentation

■ Price

- *Budget: Value*
- *Mid-market: Casual*
- *Premium: Fine dining*

■ Customer type

- *Families*
- *Students*
- *Professionals*
- *Tourists*
- *Health-conscious*

■ Format

- *QSR*
- *Casual dining*
- *Fine dining*
- *Café / bakery*
- *Cloud kitchen*

■ Distribution channel

- *Dine-in*
- *Takeaway*
- *Delivery apps*
- *Direct online ordering*

Industry Trends

■ Digitalisation

- *Online ordering systems*
- *Mobile apps*
- *Self-service kiosks*
- *Data analytics for demand forecasting*

■ Sustainability

- *Reduced food waste*
- *Ethical sourcing*
- *Eco-friendly packaging*

■ Health & wellness

- *Plant-based options*
- *Calorie transparency*
- *Allergen-friendly menus*

■ Cost pressures

- *Automation*
- *Lean inventory systems*
- *Supplier negotiations*

■ Experience-driven dining

- *Themed restaurants*
- *Social media-friendly presentation*
- *Customer engagement*
- *Loyalty programmes*

Real World Examples

McDonald's

- Global QSR leader using a predominantly franchised model (asset-light growth)
- Competitive advantage from scale: purchasing power, process design, marketing reach
- Convenience engines: drive-thru, extended hours, quick throughput, dense footprint
- Digital & loyalty to shift demand to first-party channels (app, offers, CRM)
- Operational focus: standardised menu & kitchen workflows offering consistency and speed



Chipotle

- Competes on perceived quality, freshness, and brand values (not lowest price)
- Simplified menu architecture supports throughput and training
- Strong digital ordering & pickup formats to manage off-premise demand
- Supply chain risk is central (food safety, ingredient availability, cost volatility)
- Illustrates trade-offs:
 - *Growth vs consistency*
 - *Innovation vs operational simplicity*



THANK YOU!





VALUE BASKETS

Combine & Save
Entrée + Side + Drink



LEMON ICE

COLLAGE & SMOOTHIES

Regular 3.99 780-1400

Smoothie 3.99 780-1400

Smoothie 3.99 780-1400

PRETZEL BITES

6.29

THE CULINER'S DOUBLE

Double Bacon Deluxe

Butterburger 5.99 780-1400

Value Basket 9.29 780-1400

GRILLED BACON

Melt

Sandwich 5.29 780-1400

Value Basket 8.59 780-1400

SPICY CRISPY CHICKEN

Sandwich

Sandwich 5.29 780-1400

Value Basket 8.59 780-1400

SHAKES & MALTS

Shake 3.29 780-1400

Malt 3.29 780-1400

Choose up to 2 Mix-ins

FRESH FROZEN CUSTARD

Concrete Mixers

Choose up to 2 Mix-ins

SUNDAES

Choose Your Own

Vanilla 4.99 780-1400

Chocolate 4.99 780-1400

Strawberry 4.99 780-1400

CREAM YOUR OWN

Ice Cream

Vanilla 4.99 780-1400

Chocolate 4.99 780-1400

Strawberry 4.99 780-1400

CONES & DISHES

Choose up to 2 Mix-ins

8 SNACKPAK MEALS

Choose up to 2 Mix-ins

DRINKS

Soft Drink 2.99 780-1400

Tea or Sweet Tea 2.99 780-1400

Hot Coffee 2.99 780-1400

White Chocolate Milk 2.99 780-1400

Root Beer Float 2.99 780-1400

SALADS

Chicken Caesar 6.99 780-1400

Cherry Tomato 6.99 780-1400

Grilled Chicken 6.99 780-1400

Grilled Chicken Sandwich 6.99 780-1400

4 pc. Chicken Sandwiches

4 pc. Chicken Sandwiches 5.49 780-1400

Value Basket 8.79 780-1400

6 pc. Butterfly Jumbo Shrimp

6 pc. Butterfly Jumbo Shrimp 9.29 780-1400

Value Basket 8.59 780-1400

GRILLED CHICKEN SANDWICH

Sandwich 5.29 780-1400

Value Basket 8.59 780-1400