**1. Chick-fil-A: “Eat Mor Chikin” (Except on Sunday)\***

Video Cases

There aren’t many companies like Chick-fil-A. Most U.S. companies struggle to balance ambitious financial objectives with the desire to be ethical in business dealings and demonstrate a social conscience. Chick-fil-A easily surpasses industry norms for financial performance and eagerly embraces and protects a corporate culture rich with religious values and charity. The contrast is striking to most observers. Yet the Chick-fil-A phenomenon is easily understood when you study its entrepreneurial heritage. S. Truett Cathy, founder, chairman, and CEO of Chick-fil-A started his restaurant career in 1946 when he and his brother Ben opened a restaurant in Atlanta called the Dwarf Grill (renamed the Dwarf House two years later). It was not until 1967 that Cathy opened the first Chick-fil-A restaurant in Atlanta’s Greenbriar Shopping Center. He is credited with introducing the original boneless breast of chicken sandwich and pioneering the placement of fast-food restaurants in shopping malls. Today, Chick-fil-A is the second-largest quick-service chicken restaurant chain in the United States, based on sales ($1.975 billion in 2005). It operates more than 1,250 restaurants in 37 states

and Washington, D.C.

Chick-fil-A’s unique corporate culture derives from Cathy’s Christian background and his desire to inspire and influence people. The company’s official statement of corporate purpose is “to glorify God by being a faithful steward of all that is entrusted to us and to have a positive influence on all who come in contact with Chick-fil-A.” This level of commitment to religious values is reflected in a number of ways. For example, all Chickfil-

A locations, in a mall or stand-alone, are closed on Sundays.

Cathy has been quoted on numerous occasions as saying, “Our decision to close on Sunday (starting in 1946) was our way of honoring God and directing our attention to things more important than our business. If it took seven days to make a living with a restaurant, then we needed to be in some other line of work. Through the years, I have never wavered from that position.” Chick-fil-A also has an extensive corporate giving program.

The company has helped thousands of restaurant employees, foster children, and other young people through the WinShape Foundation that Cathy established in 1984 to help “shape winners.” The foundation sponsors WinShape Homes, which currently operates 14 homes in Georgia, Tennessee, Alabama, and Brazil. The WinShape College Program at Berry College in Rome, Georgia, is a co-op program offering joint four-year scholarship funding to incoming freshmen of up to $32,000. In addition to the WinShape scholarships, Chick-fil-A offers $1,000 college scholarships to its restaurant team members. Camp WinShape is a summer camp for boys and girls. WinShape Marriage provides development, education, and encouragement for married couples on the campus of WinShape Retreat, a multiuse conference and retreat facility located on the Mountain Campus of Berry College.

Chick-fil-A’s unique corporate culture is matched by its equally unique marketing efforts, especially in the advertising and promotion areas. Its “Eat Mor Chikin” campaign is one of the longest-running advertising campaigns in the United States. Started in June 1995 when the first Chick-fil-A billboard was erected in Atlanta, the Eat Mor Chikin cows have become cult figures, convincing diners to stray from the herd of beef-burger eateries and to “eat mor chikin”—particularly in Chick-fil-A restaurants. In focus groups, respondents rate

the cows as one of the three things they like best about the Chick-fil-A brand—the other two being the food and the company’s policy of being closed on Sundays. The Eat Mor Chikin theme, created by Dallas-based ad

agency the Richards Group, was first introduced in 1995 as a three-dimensional billboard concept depicting a black and-white cow sitting atop the back of another cow painting the words “Eat-Mor-Chikin” on the billboard.

Since then, the theme has been used as the basis of an integrated marketing campaign, which encompasses billboards, in store point-of-purchase materials, promotions, radio and TV advertising, clothing and merchandise (e.g., plush cows, bobble-head cows), and calendars. Introduced in 1998, Chick-fil-A’s cow calendars have been a marketer’s dream come true. The calendar is produced annually by the Richards Group. Sales have sharply increased—from 337,000 for the first printed calendar to 1.5 million for the 2006 renaissance-themed calendar entitled “Cows in Shining Armor,” featuring “famous” medieval cows named Angus Kahn, Charbroilemagne, Boldhoof, Lady Guineveal, and Moolius Caesar. The calendars sell for $5 and contain Chick-fil-A food and beverage coupon offers. Sponsorship of collegiate sports such as the Chick-fil-A

Peach Bowl (renamed the Chick-fil-A Bowl in 2006) are another way in which Chick-fil-A builds its brand. A local promotion emphasis at the market and restaurant level completes Chick-fil-A’s integrated marketing approach.

In 1998, the Eat Mor Chikin campaign won a national silver EFFIE award in the Fast Food/Restaurants category for creativity and effectiveness in advertising. The outdoor Advertising Association of America recognized Chick-fil-A and its renegade cows with the organization’s OBIE Hall of Fame Award in 2006.

Chick-fil-A is growing rapidly through store openings and menu additions. Menu additions include Chick-fil-A Chick-n Strips in 1995, Chick-fil-A Cool Wraps in 2001, Chick-fil-A Southwest chargrilled salad in 2003, fruit cup in 2004, and a breakfast menu featuring Chick-fil-A Chick-n Minis, a chicken or sausage breakfast burrito, and a chicken, egg, and cheese bagel in 2004. The chain introduced the industry’s first premium two-blend coffee line in 2005 with Café Blends and the complementary Cinnamon Cluster. Hand-Spun milkshakes were launched in 2006.

The company had sales of $1.975 billion in 2005 and forecasts sales of $3 billion by 2010. Also by 2010, the company looks to double its current size in terms of new locations, primarily through stand-alone restaurants and aggressive expansion into the western United States. Chick-fil-A also has licensed restaurants in nontraditional locations such as airports, corporate offices, hospitals, and college campuses. Dan Cathy, the son of S. Truett Cathy and Chick-fil-A’s current president and COO, takes restaurant openings

seriously. The openings are not simple ribbon-cuttings. Cathy holds a dedication dinner during which he and other company leaders wait on newly hired employees. He also “camps out” the night before a store opening with Chick-fil-A raving fans and customers. Beginning in 2003, Chick-fil-A offered the first 100 customers in line at its new stores a free combo meal each week for a year. People lined up hours in advance, setting up tents and lawn chairs overnight in the parking lot to ensure a place in line. Observing this, Cathy decided to join them

and since then, camping out with Chick-fil-A fans and customers at store openings has become a tradition for him.

Dan Cathy takes his role as a leader seriously and defines his role through his interaction with customers and employees. He frequently visits Chick-fil-A restaurants and often pitches in to help. Like his father, Dan Cathy is on a mission to meet customers, franchisees, and employees face to face and spread the Chick-fil-A business philosophy of “Second Mile” service, great food, and influencing others.