



Article Title

Does corporate growth really matter in the restaurant industry?

Citation

Chathoth, P. K., & Olsen, M. D. (2007). Does corporate growth really matter in the restaurant industry? *International Journal of Hospitality Management*, 26(1), 66-80.

<https://doi.org/10.1016/j.ijhm.2005.09.004>

Abstract

In this study, the authors hypothesize that growth strategies are not necessarily always performance-enhancing strategies that are sustainable. This is contrary to what industry managers tend to believe to be the outcome of growth strategies. Based on past research, a second hypothesis is developed that corporate liquidity impacts performance in a more positive way than growth strategies, and therefore, should be considered in the decision-making framework of firms before they launch into new products and/or markets. The interrelationship between corporate growth and liquidity is also tested, which further highlights the importance of pursuing corporate liquidity.

Methods

Correlation matrix, regression analysis

Results

Results indicate that the multivariate distribution of the independent variable is close to the diagonal. It should be noted that achieving perfect normality is difficult in social science research and hence distributions close to the diagonal was considered to be a good indicator of normality.

Conclusion

This study provides a basis for conducting future research related to growth strategies in the hospitality industry since not much work has been done in this area.