

Church's Chicken Acquires 10 Locations in Rio Grande Valley

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Chicken lovers in South Texas can expect more 'crunch', as Church's Chicken(R) announced today that it has acquired 10 restaurants in the Rio Grande Valley, all of which were former competitive locations.

The move represents a complete buy-out of this particular competitor in the Rio Grande Valley. Six of the restaurants will be converted into Church's company restaurants, with simultaneous grand openings slated for February 12, 2007. Plans for remaining locations are yet to be determined. This acquisition will give Church's 39 restaurants in the Rio Grande Valley and over 50% of all QSR chicken sales in the market.

'Church's has, for 55 years, continued its tradition of serving high quality, great-tasting chicken at a great value with little fanfare,' said Harsha Agadi, Chief Executive Officer, Church's Chicken. 'You can almost call us the quiet achiever, but this aggressive growth in the Rio Grande Valley is our commitment to grow in Hispanic communities and provide our tradition of quality, excellence and value while broadening our footprint strategically.'

The acquisition also represents a strategic marketing move for Church's which counts the Hispanic market as one that is particularly important to their core business. In fact, the company reports that 1/3 of their customer base system-wide is Hispanic. According to the 2006 U.S. Census, Rio Grande Valley tops the list of small markets with a high concentration of Hispanic citizens.

'Building a relationship with consumers is the cornerstone of our Value Proposition. Hispanic customers are a primary target for our brand, and the Rio Grande Valley is our most valued market. Rio Grande Valley customers know they get more than what they pay for and we are proudly expanding to make it easier than ever to visit Church's,' said Farnaz Wallace, Chief Marketing Officer. 'We are proud to serve the multi-cultural, cross-generational customer base. Most brands are general market and try to do segmentation of multi-cultural branding as a layer. Church's Chicken, since its inception, has always been a multi-cultural brand and continued a tradition of quality and excellence at a low price.'

The broader corporate development plan calls for the acquisition of independent or franchise-owned stores in core company-owned markets; and in non-core markets, the selling of company-owned stores to proven franchisees.

'This is one of several strategic initiatives to fuel new store development and to maximize operating efficiencies in both company and franchise markets,' said Doug Pendergast, Chief Franchise Officer. 'Our growth strategy at Church's Chicken is aggressive and creative, and this acquisition is only one example of that thinking.'

Church's Chicken will move on acquisitions of other brands if opportunities arise. In 2006, Church's became a billion dollar business and committed to double its size within five years.

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