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## INFORMATION TECHNOLOGY AND FINANCIAL PERFORMANCE IN THE RESTAURANT FIRMS

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### ABSTRACT

Information system literature suggests that strategic users of information should expect increases in "bottom-line" measures such as profitability. Information technology has the potential to provide easier access to penetrate a new and/or existing markets, to provide cost efficiencies, and to present the goods and services more effectively. The objective of this study is to observe changes in the competitive position of the restaurant firms as measured by relative profitability and market share before and after the installation of the information technology and to determine the factors affecting sustainable competitive advantage. This study evaluates longitudinal changes in performance measures of 57 restaurant firms that have used and installed information technology. The results of this study indicate that there are "sustainers" and "non-sustainers" in the competitive advantage which was measured by market share and profit margin. In addition, industry factors that affect determination of "sustainers" and "non-sustainers" were tested. Results indicate that technological base along with capital availability could be prerequisites to increasing market share and profitability for the restaurant firms.