ÁREA TEMÁTICA: ESTRATÉGIA ORGANIZACIONAL E INOVAÇÃO

UNVEILING COMPETITIVE ADVANTAGES: STRATEGIC RESOURCES AND CAPABILITIES IN A RESTAURANT CONTEXT IN VILA VELHA/ES- BRAZIL

ABSTRACT

This study explores the strategic resources and capabilities that contribute to the competitive advantage of Restaurant Favoretti, located in Vila Velha, ES, Brazil. It aims to identify key factors that drive the restaurant's success in a competitive market. Using Barney and Hesterly's VRIO model, which focuses on valuable, rare, difficult-to-imitate resources, and well-organized capabilities, the research examines how these elements contribute to maintaining a competitive edge. A qualitative approach was used, involving semi-structured interviews with the restaurant's founder to understand its strategic practices and resource management. The study highlights the restaurant's growth, adaptability, and strategic adjustments over time. Findings indicate that effective resource allocation, strong branding, and operational efficiency are crucial to Favoretti's competitive positioning and economic performance. The research concludes that adept management of strategic resources and capabilities is key to sustaining competitive advantages in Vila Velha's restaurant industry. This study provides valuable insights for other businesses looking to enhance their market position through strategic resource management.

Keywords: competitive advantage; strategic resources; restaurant management

RESUMO

Este estudo investiga os recursos e capacidades estratégicas que contribuem para a vantagem competitiva do Restaurante Favoretti, localizado em Vila Velha, ES, Brasil. O objetivo é identificar fatores-chave que impulsionam o sucesso do restaurante em um mercado competitivo. Utilizando o modelo VRIO de Barney e Hesterly, que se concentra em recursos valiosos, raros, difíceis de imitar e bem-organizados, a pesquisa examina como esses elementos ajudam a manter uma vantagem competitiva. Foi adotada uma abordagem qualitativa, com entrevistas semiestruturadas com o fundador do restaurante para entender suas práticas estratégicas e gestão de recursos. O estudo destaca o crescimento, a adaptabilidade e os ajustes estratégicos do restaurante ao longo do tempo. Os resultados mostram que a alocação eficaz de recursos, uma marca forte e a eficiência operacional são cruciais para o posicionamento competitivo e o desempenho econômico do Favoretti. A pesquisa conclui que a gestão habilidosa de recursos e capacidades estratégicas é fundamental para manter vantagens competitivas na indústria de restaurantes de Vila Velha. Este estudo oferece insights valiosos para outras empresas que buscam aprimorar sua posição no mercado por meio da gestão estratégica de recursos.

Palavras-chaves: vantagem competitiva; recursos estratégicos; gestão de restaurante

1. INTRODUCTION

The globalized world and new management paradigms have intensified competition among organizations, making survival in the market an increasingly daunting challenge (HAMEL, 2000). Understanding why some companies thrive while others falter over time is crucial, emphasizing the analysis of their competitive advantages (Barney, 1991). Nelson (1987) and Porter (1996) underscore the importance of differentiation in maintaining a strong market position, stressing the need for a strategic plan focused on distinguishing products or services from competitors. In the restaurant sector, owners need to attract consumers' attention and build loyalty to differentiate themselves in a competitive market (LEE; PUNG; DEL CHIAPPA, 2022). Identifying and leveraging distinctive resources are essential for developing competencies that are difficult to imitate, thereby constituting enduring competitive advantages (BARNEY, 2001).

The food service sector is particularly dynamic and complex, witnessing significant growth in the number of establishments (LI et al., 2023; LEE; PUNG; DEL CHIAPPA, 2022). Intense competition in this sector demands continuous strategy formulation and effective resource exploitation to sustain competitive advantages (KRETZER; MENEZES, 2006). Carvalho et al. (2019) highlight the need for a qualitative understanding of the elements contributing to superior performance in this type of business, given the diverse competitive environment.

This study aims to investigate the capabilities and resources that enable a restaurant in Vila Velha/ES - Brazil to maintain its competitive advantage. Specific objectives include identifying key value-generating factors, analyzing the rarity and imitability of capabilities and resources, and evaluating the restaurant's organizational capacity to exploit its strategic assets. To achieve these objectives, the paper is structured into four main sections covering theoretical frameworks, methodology, results, and conclusions.

This research seeks to contribute to understanding how companies in the food service sector can differentiate themselves and sustain competitiveness in an increasingly challenging and dynamic market.

2. THEORETICAL FRAMEWORK

2.1 Value Creation and Competitive Advantage

The concept of value extends beyond financial aspects, encompassing customer satisfaction in acquiring a product or service. According to Bowman and Ambrosini (2000), consumers establish expectations that correlate perceived value with the degree of satisfaction achieved. Products differentiated by perceived quality have the potential to be valued above competitors, providing a superior consumer experience. Pfeffer (1995) emphasizes that value creation fundamentally depends on individuals within the organization, highlighting that resources such as raw materials and machinery are insufficient on their own to secure competitive advantage.

Krishna (1991) and Kotler (2007) broaden this perspective by linking consumer willingness to pay more for products or services that offer perceived superior benefits. In a highly competitive market, differentiation and customer loyalty are essential for the stability and growth of companies. Barney (1991) argues that competitive advantage arises when a company can create value superior to competitors, while Ma (2000) underscores the importance of customer satisfaction as the foundation for such differentiation.

2.2 Defining Strategy

The concept of strategy has evolved significantly from its initial use in wartime contexts to encompass organizational strategies within businesses (ANSOFF, 1965). Kotler (1992), Ansoff (1965), and Mintzberg (1978) characterize strategy as a dynamic managerial process, essential for adapting to market changes and opportunities.

Porter (1996) emphasizes that the essence of strategy lies in differentiation, opting to perform activities uniquely compared to competitors. Nelson (1987) adds that market leaders distinguish themselves by offering something distinct to consumers. Therefore, it is evident that there is no one-size-fits-all approach when formulating strategy within an organization, given the myriad factors that must be considered. However, certainly, the effective, or optimal, use of internal resources can lead an organization to achieve predefined goals and become more competitive in its market.

2.3 Resource-Based View (RBV)

Barney and Hesterly (2007) define resources as tangible and intangible assets controlled by the organization, which can be utilized to create and implement strategies. The Resource-Based View (RBV) focuses on the organization's internal resources as a source of competitive advantage, highlighting the importance of developing capabilities that are difficult to imitate (BARNEY, 2001).

According to Barney (1991) and Peteraf (1993), organizational heterogeneity is linked to differences in the disposition and utilization of internal resources, influencing their capacity for innovation and differentiation from competitors. Rumelt (1984) defines that a resource can become a competitive advantage if it mitigates external threats, is scarce in the market, and is difficult for competitors to imitate. Resources that are widely available have less potential to offer sustainable competitive advantages (BINDER, 2009). These concepts provide a robust theoretical foundation for understanding how organizations can use resource-based strategies to achieve and sustain significant competitive advantages in the market.

The VRIO Model, presented by Barney and Hesterly (2007), is a strategic tool designed to analyze the sources of organizational competitive advantages, focusing on evaluating resources based on the four essential criteria: Value, Rarity, Imitability, and Organization, as detailed in Table 1.

Table 1. Key Questions on the VRIO Model

VRIO	Key Questions
Value	Does the resource enable the company to exploit an environmental opportunity and/or neutralize a threat?
Rarity	Is the resource currently controlled by only a small number of competing firms?
Imitability	Do firms without the resource face a cost disadvantage in obtaining or substituting it?
Organization	Are the company's other policies and procedures organized to support the exploitation of its valuable, rare, and costly-to-imitate resources?

Source: Based on Barney and Hesterly (2007).

Barney and Hesterly (2007) argue that this analysis – as presented in Table 1 – is crucial for determining the potential for competitive differentiation within an organization. According to Hitt, Ireland, and Hoskisson (2008), all organizations differ from one another, making it vital to possess resources and capabilities that can translate into significant competitive advantages. Identifying these resources requires a thorough analysis of both the internal and external environment of the organization, especially from the perspective of the VRIO Model criteria.

Resources that hold significant value for an organization are those that can drive its operations and contribute to achieving strategic objectives. Understanding the value chain, as defined by Porter (1989), is essential for selecting appropriate resources that will support the delivery of high-quality products and services to consumers. According to Porter (1989), the value chain model emphasizes that all activities within an organization, from production to distribution, must be strategically coordinated to ensure maximum efficiency and quality of final products or services.

The rarity of a resource is directly related to its scarcity among competing firms. Common resources do not offer sustainable competitive advantages, as discussed by Gonçalves, Coelho, and Souza (2011). To differentiate itself, an organization must possess resources perceived as unique by the market.

The ability to imitate resources is a critical factor in determining competitive advantage. Resources that are difficult to imitate, due to high costs or technical complexity, are more likely to provide sustainable competitive advantages. Barney and Hesterly (2007) argue that resources that are difficult to replicate can be important sources of differentiation.

To effectively exploit valuable, rare, and difficult-to-imitate resources, an organization must have well-structured organizational policies and procedures. This includes management control systems, a strong organizational culture, and an organizational structure that supports the exploitation of these resources (BARNEY, HESTERLY, 2007; SOBRAL, PECI, 2008).

2.3.1 VRIO Model Synthesis

Building upon the previous discussions, it is possible to synthesize the outcomes generated by combining the components of the VRIO model. Table 2 illustrates these outcomes in terms of competitive implications and economic performance.

Table 2. Relationship between VRIO Model and Competitive Implications and Economic Performance

The resource or capability is...					
1st Step	2nd Step	3rd Step	4th Step	Results	Results
Valuable	Rarely	Difficult to imitate?	Exploited by the organization?	Competitive implications	Economic performance
No			No	Competitive disadvantage	Below average
Yes	No			Temporary competitive parity	Average
Yes	Yes	No		Temporary competitive advantage	Above average
Yes	Yes	Yes	Yes	Sustainable competitive advantage	Above average

Source: Adapted from Gonçalves et al. (2011).

By analyzing Table 2, it is possible to conclude that a sustainable competitive advantage, i.e., with a perspective of longevity over time, will only be achieved, from the theoretical perspective of the Resource-Based View (RBV), through the combination of valuable, rare resources with low imitability and with an organization structured efficiently and effectively (RUMELT, 1984; BARNEY, 1991; PETERAF, 1993).

3. METHODOLOGY

3.1 Nature of the Research

The research adopted a qualitative approach as it aims to deeply understand the phenomena involved in the context of Favoretti Restaurant located in Vila Velha, ES / Brazil. According to Gil (2019), qualitative research is suitable for investigations that require multiple interpretations of reality and values testimonies, discourses, and meanings from the involved participants. Given the complexity of the organizational environment and the investigated phenomena, this approach allows for a detailed and rich description of the elements studied.

Additionally, the research utilizes a descriptive approach, as suggested by Godoy (1995), which seeks to understand the phenomenon as a whole, describing the explanatory factors that emerge from the study's objectives. This methodological choice is crucial to capture the complexity of the practices and strategies adopted by Favoretti Restaurant throughout its trajectory. It is also important to note that this is a single case study, justified in Yin's (2015) view when the analysis pertains to a common context—providing insights into the management practices of the business that can be applied to other similar cases.

3.2 Data Collection and Treatment

Data were gathered through semi-structured interviews with one of the founders and partners of Favoretti Restaurant, employing a recording technique for subsequent transcription. According to Cervo, Bervian, and Silva (2007), this approach is effective in obtaining detailed information that addresses the research questions. The interview took place during July 2022 and lasted approximately 40 minutes.

The selection of the interviewee was strategic, considering their deep experience and direct involvement in the restaurant's daily operations. The interview was based on questions crafted with a focus on Barney and Hesterly's VRIO model (2007) concepts, as exemplified in Table 3.

Table 3. Guiding Principles for Obtaining Primary Data

<table>
<tr><th>VRIO
CATEGORY - RESOURCES</th><th>VALUE</th><th>RARITY</th><th>IMITABILITY</th><th>ORGANIZATION</th></tr>
<tr><td>Physical</td><td colspan="4" rowspan="4">What are the main differentials that enable the restaurant to remain in the market for such a long time?
Are there direct competitors for the restaurant?
Why do competitors fail to surpass the restaurant in a way that hinders its activities?
What prevents competitors from performing the same activities with the same quality as the restaurant?
What does the restaurant do to maintain its quality and continually seek improvement?</td></tr>
<tr><td>Organizational</td></tr>
<tr><td>Human</td></tr>
<tr><td>Financial</td></tr>
</table>

Source: adapted from Barney and Hesterly (2007).

Transcription of the interviews enabled a detailed analysis of the data, following the principles of content analysis proposed by Bardin (2015). This systematic analysis was essential for understanding the insights provided by the interviewee and linking them to the theoretical concepts discussed in the framework.

3.3 The Analyzed Case – Favoretti Restaurant

Favoretti Restaurant was founded by two brothers in 1992, located in the commercial and industrial region of Vila Velha, ES. This region is named Gloria. Initially known as Paladar Restaurant, it started with a modest structure and focused on buffet-style meals by weight, primarily serving on-site dining.

Over the years, the owners invested in food quality, customer service, and cleanliness, gradually expanding their operations to include takeaway services and expanding the restaurant's physical space. In 2007, after acquiring the building they initially rented and the neighboring one, the restaurant was renamed Favoretti, in honor of the family of one of the founders' wives.

From 2013 onwards, further expansions occurred with the purchase of two more neighboring buildings, consolidating the restaurant in its current structure. By 2017, the restaurant reached its peak workforce, employing 25 staff members, before being reduced during the COVID-19 pandemic in 2021. However, by 2022, the restaurant managed restored its workforce and maintains a physical space of 700 square meters, with a capacity for up to 280 people.

4. ANALYSIS AND DISCUSSION OF RESULTS

4.1 Key Factors for Generating Value Resources

The Favoretti Restaurant, which celebrated its thirtieth anniversary in 2022, attributes its longevity to its ability to create value in the final product. According to the owner, this capability stems from expertise in efficiently organizing the value chain, aligning with Porter's (1989) conceptualization. When asked why Favoretti Restaurant's final product is more valued than its competitors', the owner conveyed to the researcher the focus on quality across all company processes, alongside recounting a brief history of their first business in Espírito Santo.

> When I arrived in the state, I had no money in my pocket, just a desire to grow. I started making coconut candy and selling it in Glória to earn extra money, as I had a job in the clothing industry. My product sold well because I used the best ingredients, the best coconut, the best condensed milk. I didn't use anything old or expired, and I would arrive at the shops smiling and chatting. That way, I could charge higher prices because everyone loved my candy. To give you an idea, even years after I stopped producing it, people still asked me for coconut candy. (Interviewee - Owner).

Upon analyzing the statement above, it became evident that the owner's strategy regarding the sale of cocadas (sweet coconut candy) already involved choosing quality inputs. Three years later, upon starting the restaurant, the owner implemented once again the lessons learned from selling cocadas into the new business. However, the processes of a company—such as the restaurant—are significantly more complex than those of a self-employed worker, given the involvement of factors such as employees, suppliers, and physical space.

> My mother always cooked well; at home, every lunch was a feast. So, my siblings and I always enjoyed cooking. She knew how to teach well. When I thought about opening the restaurant, I immediately called my brother, who was a trader like me, good at talking and business. We called our mother because she knows how to make the tastiest food on this planet. She even stayed to train a cook to maintain the standard. (Interviewee - Owner).

From the statement above, it is evident the concern for maintaining a superior quality standard. It was clear that the environment serves as a daily lunch spot for many people, necessitating the upkeep of high standards, particularly in the food served and the environment provided to customers, including food quality, physical space, and service, aiming to provide the best lunchtime experience. In this regard, it is observed the coordination of what Porter (1989) termed as the integration of support activities (company infrastructure, raw material acquisition, etc.) and value activities (internal logistics, cleanliness, customer relationship marketing, provision of superior services, etc.), aiming to create differentiation and thereby achieve a competitive advantage. When asked about the restaurant's key value differentiators, the owner was straightforward in his response.

> You have to be passionate about the business! Everyone wakes up in a bad mood, but you leave your grumpy face at home and smile at the customer, chat, strike up a conversation, listen to what the person wants to tell you. Our restaurant is a success! I have customers from São Paulo who come only once a year and always say the standard remains the same. Another thing is the seasonings, basic stuff, no heavy condiments, no industrialized seasoning; Brazilians like salt, onion, and garlic. Our seasoning is the same as people cook at home; the food is lighter and tastier. (Interviewee - Owner).

Thus, regarding the main differentiators related to the value chain, as explanatory factors for the restaurant's long-term market presence, the owner's opinion aligned closely with that of the interviewer and participant observer. The key points are outlined below:

- Procurement and Purchasing: Perishable products such as vegetables are sourced twice a week directly from producers, with one of the owners responsible for selecting the highest quality ingredients (see Figure 1).

Figure 1. Fresh vegetable and greens boxes, recently purchased

Source: Provided by the owner.

Additionally, frozen products with longer shelf life are stored in two refrigeration chambers, one for freezing and another for cooling, depending on the product. This allows for the use of consistently fresh ingredients and enhances the quality of the final product. Moreover, the restaurant offers premium items such as Argentinean shrimp, rump cap (picanha), salmon, codfish, and other dishes.

- Marketing and Sales: The restaurant has historically focused its marketing efforts on the Gloria region. However, in order to expand its customer base, ongoing marketing initiatives have been implemented, particularly leveraging social media platforms and prominent outdoor advertising locations (see Figure 2). The marketing strategy emphasizes the quality of the food, highlighting the variety and abundance of options available to enhance the perceived value of the final product.

Figure 2. Outdoor on the Third Bridge, Vila Velha-ES/Brazil - July 2022

Source: Provided by the owner.

Another perspective that aligns with Porter's (1989) observation is that despite companies within the same industry—specifically in the food sector—having similar value chains, a distinguishing factor for superior performance lies in local operations. It was found that due to the expertise acquired over time, the owner, who remains on-site during operating hours, possesses the intuition to ensure a varied menu without overproducing, thus minimizing waste at the end of the day.

In this context, it is noteworthy that at the time of the study, the restaurant offered a menu with approximately 180 options. This diversity also aligns with what Barney and Hesterly (2007) identified as a value differentiator—understanding the operational intricacies of the chain.

4.2 Capabilities and Rare Resources

Restaurant Favoretti can be considered a reference in the region; however, initially, it was just another restaurant, as there were two other more traditional ones operating in the area. The owner was asked about the competition at the beginning of operations and responded with great enthusiasm.

> We were very small; people came to lunch at my restaurant saying they were there because the two bigger ones were full. I saw this as an opportunity to build customer loyalty, treated them even better, and they ended up coming back (Interviewee - Owner).

Over time, the two largest restaurants mentioned by the owner above closed down. As a result, a significant portion of the customers migrated to Favoretti. However, market consolidation was achieved through consistency and quality of work. Regarding this matter today, the owner provided the following response regarding competition:

> As I grew, I started taking customers from competitors, and eventually, they closed down while I continued. When we renovated in 2007, I had the idea to name it Favoretti, my wife's surname. It's an Italian surname from the mountainous region of the state, and many people identify with Italian culture here. Today, we have a high-standard restaurant. Therefore, our prices are a bit higher; many people can't afford to eat here every day and go to the competition. In Glória, there are many cheap restaurants with dishes priced at 10 or 15 reais. There's only one other restaurant of a better standard, on average 20% cheaper than mine, but with much lower quality. There's no competition at the level of Favoretti, but there is competition due to economic barriers (Interviewee - Owner).

The owner's statement begins with the idea of changing the name in the past, as the entire space had been modified. Such preference for the name can be considered a rarity, as it evokes the concept of familial heritage for the customer. This rarity, in this sense, can be perceived from the owner's opportunity recognition of cultural identification by choosing the surname for updating the commercial establishment's name.

It is important to recall that Barney and Hesterly (2007) indicate that while other restaurants certainly possess valuable resources, the rarity lies in the perspective of linking cultural identity to the intangible asset (commercial name) with the region where it is established, and therefore with potential consumers. Supporting this idea, Maguire (2010) points out that cultural intermediaries - such as the Italian surname, for example - actively mediate production and consumption based on existing symbolic production in the relationship. Given that this symbolic relationship has been established for a long time, it is possible to indicate the rarity of the resource in question and, in this sense, its capacity to generate competitive advantage, as outlined by Barney and Hesterly (2007).

However, during the research, it was discovered that the name is not yet registered with the National Institute of Industrial Property (NIIP), something important to consider in order to avoid this competitive advantage, as delineated by Barney and Hesterly (2007), from becoming temporary due to the risk of a competitor deciding to register the Favoretti name early for use in similar commercial establishments, either in the same location or even using the name to open a restaurant in another municipality and capitalize on the clientele.

Additionally, another factor that can be considered rare is the physical space. The Glória region, where the restaurant is located, is the largest fashion hub in the state of Espírito Santo (the yellow region in the Figure 3), with approximately 900 shops, mostly small in size (averaging between 25 and 50 square meters). In addition to clothing stores, there are some industries. This distribution allowed all the previously available plots of land to be bought, and small shopping centers with small shops to be built in these locations (see Figure 3).

Figure 3. Geographic Region Where Restaurant Favoretti is Located*
(*The restaurant is situated within the area indicated by the red circle.)
Source: adapted from o Melhor do Bairro (2022).

Therefore, there is a difficulty in finding spaces to set up a restaurant of the size of Favoretti (approximately 700 square meters), requiring a very high investment to aggregate several small points into a larger space. As seen in Figure 3, there is a dense cluster of constructions occupying the geographic space of the region, which ends up making new businesses in the food service sector unfeasible. In this sense, the restaurant's location characterizes its rarity in terms of geographic location availability.

4.3 Level of Imitability of Capabilities and Resources

The current physical space is considered one of the restaurant's primary resources, as it features a two-story dining hall capable of accommodating 280 seated guests simultaneously. When asked about the potential for imitation of this resource, the owner responded without hesitation.

> Gloria [neighborhood] has grown significantly, and so has the cost—it's now 3,000 reais to rent even a small 40m2 shop, let alone a large 700m2 space. There's no land left to buy; everything's occupied. To set up a restaurant like Favoretti today would require a surreal investment, buying multiple shops, and no one wants to sell because everything is leased out; there's a waiting list for shop rentals (Interviewee - Owner).

The difficulty in obtaining a physical space that could compete with Favoretti may be considered a sustainable competitive advantage akin to Barney and Hesterly (2007), given that physical space is deemed a resource with low replicability due to its high duplication costs and hence its rarity. It is concluded, therefore, that the availability of geographically favorable locations, being rare, also entails impediments to the imitability of the restaurant's business model in its current structural form.

Favoretti has had two competitors of similar standard throughout its history; however, one ceased operations in 2008 and the other in 2012. Since then, no other competitor of the same standard has emerged. In light of this, the owner was asked why competitors have been unable to surpass the restaurant and disrupt its activities.

> Running a restaurant is the hardest thing there is. The first competitor closed because the owner fell ill, his children were too young, and his son-in-law couldn't manage it. He left it to the employees, and it went bust quickly. The second competitor closed because they opened another unit and neglected the one in Glória [neighborhood], started losing customers, and had to shut down. For a restaurant to work, you have to be there all the time, open and close every day—it's a lot of work. Buying supplies almost every day, you can't stock too much because they perish. In Glória, a new one opens now and then, but they can't last. Today, it's very difficult to compete with Favoretti; we've been here for 30 years, always with the same standard. You can come here any day and find everything at its best (Interviewee - Owner).

The interviewee emphasized the difficulty of maintaining a restaurant operating at the desired standard, as there is a high likelihood of overwhelming the owner. In the case of Favoretti, the presence of two owners with the same industry experience is considered a competitive advantage that is hard to replicate. Additionally, the inconsistency of new restaurants in the area hinders imitation, as they fail to develop the necessary expertise, considering the previously mentioned constraints needed to ensure a superior differentiation. This expertise can also be understood in line with what Gonçalves, Coelho, and Souza (2011) highlighted—the establishment of a strong organizational culture. In this case, it is evident that the practice of the owner or his wife always being present has developed over time and is perceived as a distinctive feature compared to other competitors.

> My business is 100% focused on quality; our goal is to provide customers with the best lunchtime experience. Lunch is the main meal for Brazilians, so people want to eat well, with light, tasty food and options that change every day. Nobody likes to eat the same thing every day. But to maintain this standard in food quality, space, and service, there is a cost involved, which for many people is a barrier. Some can only come once a week, others come every day; the important thing is for people to come back. The competitor wants to offer a cheaper product than mine, but they can't deliver the same

quality because of it. So even if a customer eats at their place four times a week and only once at mine, Favoretti is still recognized as the best. When recommending to someone, they will recommend Favoretti (Interviewee - Owner).

The strategy of differentiation through quality was established by the owners when they became market leaders, thus aligning with Porter's perspective (1996) where the business focus shifts towards providing customers with the best possible service experience. Despite the necessity of charging a higher price, Bowman and Ambrosini (2000), Kotler (2007), and Krishna (1991) reinforce the idea that customers are willing to pay more to ensure they consume a product they trust and enjoy. This strategy enabled Favoretti to distance itself from its competitors, as the opportunities for imitation became minimal.

The intense focus on quality led to the addition of a new item to the menu, the sautéed VG shrimp, which became a daily part of the buffet in July 2022 (see Figure 4).

Figure 4. VG shrimp available in the buffet

Source: provided by the owner.

Thus, while competitors are reducing quality or implementing differentiated pricing for more expensive products, Favoretti, as indicated by the interviewee, manages to remain strong in the post-pandemic and high inflation period.

Therefore, due to the difficulty of imitation, competitors have adopted a strategy of differentiation through cost leadership, which according to Porter (1996) involves cost reduction focused on lowering the final financial value of the product or service. Consequently, competitors, aiming to always be cheaper than Favoretti, given the challenges of copying the restaurant's business model, end up not forcefully competing with consumers seeking Favoretti, and instead become secondary choices when it comes to superior quality lunches in the Glória region. This fact supports Bowman and Ambrosini's (2000) suggestion that consumers apparently perceive the higher price paid reflected in the product, which creates satisfaction and ensures loyalty.

If a competitor were to decide to increase product value and improve quality, they would face the physical space factor, as a spacious environment is necessary to accommodate all the varieties offered at Favoretti, thereby increasing implementation costs. Furthermore, the issue of experience is a factor to be considered as a differential related to low imitability capacity.

We've been operating for 30 years, using the same accounting firm for 15 years, and have suppliers and employees with over 10 years of partnership. We have expertise in the industry and constantly strive for improvement. The guy from the meat company I work with has been offering me promotions before my competitors for years, and the bank where I have my business account gives me the best benefits because I'm a long-standing customer (Interviewee - Owner).

The owner addressed above the issue of suppliers, considered a key element for the restaurant's success as they ensure security in sourcing ingredients. The owner recognized this and currently maintains formal contractual relationships of exclusivity with major meatpacking companies, fishing enterprises, and distributors. This approach allows for standardization of the final product and prevents shortages of inputs, while also making it difficult for competitors to establish similar contractual relationships with these suppliers easily. Therefore, the company's relationship with its suppliers can be regarded as an intangible resource with low imitability.

4.4 Organizational Capability of the Restaurant to Exploit Its Resources and Capabilities

Maintaining a restaurant for 30 years, especially with the same high standard, is evidently not an easy task, considering the indications that other entrepreneurs' attempts have failed over time. As observed, the interviewee from Favoretti boasts of maintaining the same quality standard since 2008, with continuous improvements each year. When asked about the quality standard of the environment, the owner responded enthusiastically.

> We take great care in handling our food; it's crucial to maintain a clean environment and train our staff to always work correctly. Every November, the health department visits us and is always amazed at the cleanliness and organization of our kitchen. Most people only see the dining area in a restaurant. The majority of kitchens are filthy! Appliances covered in grease and infested with unwanted animals. In addition to that, our service environment is impeccable; we have air conditioning even in the restroom. Some customers come to have lunch and end up working on their computers at our tables for 1, 2, or 3 hours (Interviewee - Owner).

In this sense, considering the concept of organization as presented by Sobral and Pecci (2008)—indicating the relationship with the structuring of the physical environment—the space of Favoretti can be considered one of the restaurant's strengths (see Figure 5).

Figure 5. Main dining hall of the restaurant in July 2022

Source: provided by the owner.

Internally, there are 280 seats spread across two floors. The owner's idea is to accommodate guests comfortably, ensuring there is no sense of a chaotic atmosphere. Additionally, the buffet layout was planned to prevent the formation of queues. This allows customers to quickly assemble their meal and sit down to eat (see Figure 6).

Figure 6. Buffet in island format at the restaurant in July 2022

Source: provided by the owner.

However, there is concern for the future, and according to the interviewee, the owners are focused on continuous improvement in the organization of the restaurant's internal furnishings. In this regard, in 2021, all counters were replaced. It was also mentioned that in 2022, all tables and chairs will be replaced to enhance comfort. Additionally, the plan for 2023 and 2024 includes acquiring adjacent land to expand the dining area and accommodate more daily customers. It is evident that these planning actions align with the intention of better organizing the business.

Another aspect of organization, as indicated by the interviewee, pertains to the arrangement of the staff team. Throughout their visit, customers interact with four employees: the person at the entrance and exit, the person operating the scale for weighing plates, the waitress, and the cashier. It is crucial that all four behave in a desirable manner to ensure customer satisfaction. The selection and training of these employees are directly overseen by the business owner.

> I always emphasize this point: showing happiness, smiling, conveying positive energy to the customer. Everyone likes to be greeted with a "good afternoon" and a smile. Moreover, during peak times, the waitresses were getting too crowded, and hiring more would increase my costs significantly. I sought solutions and managed to implement a tablet system, making service much faster and cheaper than hiring additional staff (Interviewee - Owner).

In addition, it was mentioned that since the owner is present at the establishment for most of its operating hours, if he notices customers waiting to be served, he calls a staff member and provides the necessary directions to address the situation promptly.

To characterize some key factors delineated by Barney and Hesterly (2007) as relevant components in analyzing organizational issues as a generator of competitive advantage, the interviewee was questioned about the three aspects outlined in Table 4.

Table 4. Differentiating Components of Restaurant Organization

Key Component Analyzed	Interviewee's Responses
How is the restaurant's financial monitoring conducted?	I am responsible for the administrative and financial sectors, but I rely on the assistance of an accounting firm.
What is the remuneration policy adopted for employees?	Everyone receives R$100.00 above the minimum wage, in addition to monthly bonuses based on productivity.
Are employees encouraged to take initiatives that enhance the business's image with consumers?	We hold monthly meetings with the entire team, as well as regular individual meetings. Our goal is to convey to employees the message that consumers should have the best possible impression of the restaurant.

Source: data from the survey.

Finally, the owner also mentioned the tablet system, which was implemented in 2022. With this system, waitresses can enter orders directly from the table, and the order is printed elsewhere and prepared by another person who also delivers it. This has made the service faster, thereby increasing customer satisfaction.

5. CONCLUSIONS

This study aimed to present the capabilities and resources responsible for generating competitive advantages in a restaurant located in Vila Velha, ES, assuming that, due to the longevity of the business, there would be superior distinctive competitive factors. The results confirm adherence to the theoretical model used to understand the phenomenon (VRIO), as shown in Table 5, where competitive advantage is achieved through the existence of resources capable of creating superior outcomes for the restaurant.

Table 5. Summary of Achieved Results

	Valuable?	Rare?	Difficult to imitate?	Exploited by the organization?
Results	Yes	Yes	Yes	Yes
Reasons	Expertise in all stages of the value chain.	Valuable location with few available land options.	Valuable product and rare location make the restaurant difficult to imitate.	Constant pursuit of innovation and service improvement.
Suggestions for Improvement	Increased investment in social media to enhance product value.	Enhanced promotion emphasizing being the sole high-quality restaurant in the Glória region.	Trademark registration of the establishment with the National Institute of Industrial Property (NIIP).	Salary increase of $100 to maintain employee loyalty and strengthen the organizational culture of valuing employee commitment.

Source: Research data.

As evidenced in Table 5, the information presented indicates positively towards the presence of valuable, rare, difficult-to-imitate resources, and a satisfactory organizational structure, which according to Barney and Hesterly (2007), are sufficient conditions for creating a sustainable competitive advantage and generating superior economic outcomes.

In this context, the presentation of the four elements of the VRIO model adapted to the restaurant (see Table 5) confirmed that such a perspective is reliable when understanding and evaluating whether a resource generates a competitive advantage. However, this does not imply that these resources cannot be further enhanced to consolidate the business's competitive advantages. Consequently, Table 5 also presents some improvement suggestions derived from the empirical insights of this research.

Regarding value, it was determined that Restaurant Favoretti possesses valuable resources that generate competitive advantages. Firstly, regarding this aspect, the management's experience across the value chain—from sourcing raw materials to preparing and marketing the final product—stands out. Another significant factor is the marketing efforts focused on product quality, resulting in increased value addition and consequently arousing consumer interest.

Regarding the rarity of resources, it was observed that the chosen name can be considered rare, as it evokes a sense of cultural heritage. Additionally, another rare factor identified was the limited availability of real estate in the region.

Thus, it is evident that the aforementioned second rare resource hampers the opening of new restaurants, given the region's predominance of small properties and highly valued real estate from a speculative standpoint, which renders imitation unfeasible. Another aspect of low imitability is the accumulated experience, which has facilitated excellent relationships with suppliers and standardized the final product.

In terms of organization, Favoretti is a restaurant that continually strives for improvement, as emphasized by the interviewed owner, aiming to make the customer experience increasingly enjoyable. This involves maintaining impeccable physical spaces with updated layouts, as well as well-trained employees who are committed to pleasing customers. Moreover, there is a consistent focus on food quality and variety, constantly introducing new dishes and recipes.

Despite the findings, however, a detailed analysis reveals that the main limitation of this research was the small number of interviewees—specifically, only one. Furthermore, this sole interviewee was the restaurant's owner and founder, potentially introducing a romanticized bias towards the company. Additionally, single case studies may also limit the generalizability of findings to understanding other similar cases.

To enhance future research efforts, it is advisable to increase the number of interviewees to broaden response possibilities and confirm alignment with the presented findings. Another significant consideration for future empirical studies would be to encompass other segments of food establishments, such as cafes, à la carte restaurants, and those specializing in delivery, thereby expanding the scope of cases analyzed.

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