

Franchisee satisfaction among food franchisees: an exploratory study

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ABSTRACT

In the context of franchising, the relationship between the franchisor and the franchisee is critical to the success of the individual franchise, as well as to the success of the franchise system. Food franchising is an area of franchising that continues to grow rapidly in South Africa. This rapid growth has a number of consequences, including increased competition and an increase in the number of outlets being opened.

The focus of this research is on the satisfaction experienced by franchisees in their current franchise system. The research was conducted among food franchisees throughout South Africa. The sample was a convenience sample, and the data were collected through the use of an electronic (Web-based) questionnaire. The respondents were contacted by means of an e-mail containing the link, once permission had been obtained from the franchisor.

The purpose of the study was to determine the satisfaction rating of their franchise.

The results of the study indicate that the majority of respondents rated their franchise system as average or better, and the majority of respondents believe that the franchise is the best they could have bought. Support, territory, royalty payments, communication between the parties and the terms of the franchise contract were all perceived positively. The respondents indicated that they were proud of the franchise brand that they had purchased, as well as its relative position in the market.

The study also examined the responses of franchisees, and responses regarding the franchisee representation of franchisees, and responses regarding the franchisee representation of franchisees, and responses regarding the franchisee representation of franchisees.

Key words: food, satisfaction, relationship, relationship satisfaction

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Introduction

Franchising is defined as a marketing system revolving around a two-party legal agreement whereby the franchisee is granted the privilege to sell a product or service and conduct business as an individual owner, but is required to operate according to the methods and terms of the franchisor (Longenecker, Moore & Petty 2003: 145–146). As an entry strategy, franchising is important in the South African economy, with an estimated turnover of the franchise systems in South Africa amounting to R256.46 billion for the period ending February 2008 (Gordon 2008). This is approximately 12.5% of GDP (Gordon 2008).

As an entry strategy, there are two main parties in the franchise, namely the franchisor and the franchisee. The relationship that exists between these two parties is critical to the continued success of the franchise system. No research has been done in South Africa on this topic, which is acknowledged as being critical to the success of a franchise system. This means that this research can be regarded as exploratory, which can be considered as reasonable when there is little scientific knowledge about a phenomenon, yet there is reason to believe there are elements worth discovering (Stebbins in Grove, Fisk & John 2003: 108).

The nature of relationships

A relationship is defined as “a mutually-orientated interaction between two reciprocally committed parties” or, in a services context, it implies that a mutual way of thinking exists between the customer and the supplier (or the service provider) (Zolkiewski 2004: 25).

A relationship exists when two preconditions are met. Firstly, both parties must believe that a relationship exists and secondly, the contact between them is more than just ‘occasional’ (Colgate & Stewart 1998: 455). In the franchise situation, there are two groups or parties between whom a relationship exists, namely the franchisor and the franchisee (Longenecker et al. 2003: 145–146). Between these parties, a relationship exists – a franchising relationship. These preconditions are met in this relationship, and this is reflected in their interactions and in the franchise contract.

Relationships can be placed along a continuum, from spurious relationships at the one end to true relationships at the other end (Liljander & Roos 2002: 594). True relationships will continue into the future, with both parties deriving benefits from being in the relationship. The literature suggests that true relationships are thus characterised by the following aspects:

- The presence of trust: Truth is the foundation for trust, and this serves as the bond between the organisation and the various stakeholders (Duignan & Bhindi

1997: 195). Trust exists when one party has confidence in an exchange partner's reliability and integrity (Morgan & Hunt 1994: 23), and the parties thus have a positive judgement regarding the exchange partner (Roberts, Varki & Brodie 2003: 171). In the case of the franchisor–franchisee relationship, this trust has to exist between the parties. This will develop as the parties get to know each other better, while also knowing that the truth supports this relationship.

- Commitment: Morgan and Hunt (1994: 22) regard commitment as a critical ingredient of a relationship. Relationship commitment is defined by Morgan and Hunt (1994: 23) as the belief of an exchange partner in the importance of the ongoing relationship with the other party, due to the party's believing that it is worth the effort.
- Relationship (relational) benefits: Relational benefits are the perceived advantages that the customer receives from long-term relationships with the organisation that are beyond the core service (Gwinner, Gremler & Bitner 1998: 102). These rewards are thus gained by a long-term patronage of the organisation. In the case of franchising, the franchisee has to perceive that he/she is receiving benefits from the franchisor. These benefits need not be financial, but could be related to attention or praise.
- The absence of negative bonds: Relationship bonds keep the customer linked to the organisation (Liljander & Roos 2002: 597). Positive bonds are those relational benefits that the customer receives from being in relationship with the organisation. In true relationships, these negative bonds are not present (Liljander & Roos 2002: 597). In the case of the franchisee, the absence of negative bonds will mean that they will stay in the relationship because of the benefits, rather than because there is a contract between the parties.
- Commitment to the service providers so that both parties benefit (Zolkiewski 2004: 24; Sin, Tse, Yau, Lee & Chow 2002: 657): Commitment is defined as the enduring desire to maintain a valued relationship (Morgan & Hunt 1994: 23). This is essential within the relationship, and needs to exist within both parties, failing which the relationship will not continue. This means that both parties work at the relationship (and the associated characteristics of relationships, such as communication) in order to contribute to the relationship.

Franchisor–franchisee relationships

Franchisee relationships are made more complex by the franchisor's having to build relationships with franchisees and customers (Justis, Olsen & Chan 1993: 121). One reason for this is that in a franchising relationship, the parties have differing

objectives in the relationship (Boe, Ginalski & Henward, in Justis et al. 1993: 122). The franchisor will consider the performance of the entire franchise system, while the franchisees will focus on the performance of their particular outlet. However, both parties focus on improving profits for themselves. Despite this, strengthening this relationship involves the sharing of benefits and costs (Grünhagen & Dorsch 2003: 367). It has further been suggested that franchisees remain in the franchise due to the perception that they continue to derive value from their involvement in the franchise.

Franchisee satisfaction in franchisor–franchisee relationships

Customer satisfaction is regarded as the customer's attitude towards the organisation, product or service (Piercy 2002: 29). Storbacka, Strandvik and Grönroos (1994) define customer satisfaction as the cognitive and affective evaluation of the customer, based on the personal experiences of the customer across a number of different service episodes in the context of a relationship (1994: 25). There are thus a number of episodes that affect the overall perception of satisfaction (Liljander & Strandvik 1994: 261). From a services marketing perspective, satisfaction is defined as the evaluation by customers of whether the product or service has met their needs and expectations (Zeithaml, Bitner & Gremler 2006: 110). Not only is satisfaction linked to expectations, but there is also an emotional component, such as pleasure, contentment or delight experienced by the customer (Zeithaml et al. 2006: 110). In the case of the franchising relationship, the franchisee would determine whether the franchise had met (or exceeded) his/her expectations and what emotions accompany this situation.

Approaches to evaluating franchisee satisfaction

The literature identifies three main approaches when evaluating franchisee satisfaction (Gauzente 2003: 511–512):

- The first is the approach of the franchisee as a member of the distribution channel in marketing the product to the final consumers, where the franchisees are regarded as 'customers' of the franchisor in that they are involved in getting the product into the market among a specific group of final consumers.
- The second approach examines the franchisee as an employee due to the fact that the franchisee is regarded as an 'employee' of the franchisor (Morrison 1997).
- The third approach views franchisee satisfaction from the perspective of the activities that make up the tasks in a franchise (Hing 1995). In research conducted

in the US and Australia by Capaldo, Wilsdon, Branch & Kernbach (2004: 1), franchisee satisfaction was determined by examining six key dimensions, that comprise the task of the franchise. These dimensions included the attitude of the franchisee to life and business in general, the nature and strength of the relationship between the parties and the systems used in the franchise system, such as IT, accounting, administration and financing. These dimensions were used to determine a Satisfaction Quotient (SQ) based on the franchisee's score on each of these dimensions. The score was a weighted score, and the franchisee could score between 0 and 100 (Capaldo et al. 2004: 2).

The approach in this study

In this study, the approach is reflected in the questions that have been formulated related to the task aspects of franchises.

Food franchising in South Africa

The food sector, specifically the fast food sector, had a turnover of R10.4 billion in 2006 (the turnover in 2004 was R7.9 billion) (Planting 2007). Currently, there are 64 franchise brands in South Africa trading from 4 603 outlets, with approximately one third of these being part of the Famous Brands stable (the largest franchise group in South Africa) (Planting 2007). The effect of this can be seen in an increase in competition in this sector.

Franchising as an entry strategy in South Africa is going through a period of 'extraordinary growth' (Terblanche 2007: 9). The contribution made by franchising to the GDP of South Africa now amounts to 12.57% (Holmes 2008). One of the sectors showing this 'great growth' is the food sector. This growth is reflected in the profit growth experienced by the largest listed operator for food (both fast and eat-in) outlets, Famous Brands. This company expects headline earnings and earnings per share to increase by between 40% and 50% (Planting 2007).

The reasons cited for this growth include the increase in disposable incomes of customers, the convenience of fast food, good service and new store openings (Planting 2007).

J Uf]ci g'hmdYg'cZ'ZccX'ZfUbVW]gYg'jXYbh] YX

Various types of food-related franchises can be identified in this market. The Franchise Association of South Africa (FASA) identifies four main categories of food-

related franchises, namely fast food, Italian-style food, bakery and pub concepts. Within the fast-food market, various types of food can be identified. The type of fast food with the highest market share is chicken (29%) followed by pizza/Italian (13%) (Planting 2007).

The research problem

To contribute to the success of the franchise, it is necessary to ensure that franchisees are satisfied with the performance of the franchisor in the context of the relationship, while also determining the areas of satisfaction that the franchisee experiences. The purpose of the research is to investigate the relationship and level of satisfaction between franchisees and franchisors in the franchise food sector in South Africa, as well as the areas of satisfaction.

Research objectives

The purpose of the definition of the research objectives is to clarify the direction in which the research should proceed (Zikmund & Babin 2007: 403). For this research, the *primary research objective* is to determine the overall satisfaction of franchisees towards the franchisor in their franchise system, and thereafter to determine the relative importance of the various factors in the satisfaction of food franchisees.

The *secondary research objectives* include the following:

- To determine the franchisees' perceptions towards financial issues, relational issues and support services among food franchisees
- To determine the franchisees' perceptions towards the brand image, entrepreneurial control and territory issues
- To determine the franchisees' perceptions towards communication, the franchise control, the franchisee association and training
- To determine the franchisees' perception towards the relationship as a whole.

Research methodology

The development of a sound research methodology is critical to the success of any investigation (McDaniel & Gates 1998: 5). This section aims to propose a research methodology that will attain the objectives of the research. Secondary data analysis was initially used, after which primary data were collected from the franchisees.

Population

The population of any research is defined as the total group of people from whom the information is desired (McDaniel & Gates 1998: G5). The population for the research is all franchisees in South Africa in the area of food franchising (including fast food and casual dining). The data required regarding the respondents is contained in the demographic section of the questionnaire.

Sampling

A sample is defined as a subset of the larger population (McDaniel & Gates 1998: G6). A convenience sample is an example of a non-probability sample where there is not an equal possibility that all units can be selected (Zikmund & Babin 2007: 149). Contact was made with a franchise expert, who supplied a contact list of food franchisors (a total of 36 franchisors, mainly fast food franchisors). All the franchisors were contacted in order to gain permission to contact their franchisees. Once this had been obtained, contact was made with each franchisee through the use of electronic data collection to complete the questionnaire. A total of 307 franchisees were contacted, and 34 responded, which represented a response rate of 11.07%.

Questionnaire design

A questionnaire is defined as a set of questions that is designed to gather data from the respondents (McDaniel & Gates 1998: G6), and is designed specifically to attain the research objectives. The questionnaire that was used had been developed and used in previous studies, and has 10 sections that contribute to the measurement of franchisee satisfaction (Wadsworth 2007). The topics covered in these sections include financial issues, relational issues, support services and training given by franchisors, brand image, entrepreneurial control, territory issues, communication between the parties, the franchise contract and the franchisee association (or franchisee council) to which the franchisees belong. The final section seeks to gather demographic information concerning the respondents and the franchise system in which they operate.

The questionnaire was adapted to local conditions with the assistance of those who are experts in franchising (both in the area of consulting and those associated with the financing of franchises).

The scales used included open-ended questions (as used in the demographic sections of the questionnaire) and 7-point Likert scales on the other statements. For these statements, the scale for this section is 1 = Very strongly agree and 7 = Very strongly disagree.

Pre-testing of the questionnaire

The questionnaire, which had been used in the United States (Wadsworth 2007), was adapted to the South African situation. This was done in conjunction with a leading South African franchising consultant. Changes made include the term 'franchisee representative council' (rather than a franchising association).

Data collection

There are a number of ways in which data can be collected from respondents when using the survey methodology, including personal, mail, the Internet and telephonic collection (Zikmund & Babin 2007: 53). In this study, use was made of electronic collection. This was done through an e-mail sent to the franchisee that contained a link to the survey. The advantages of this method of collection include speed and cost-effectiveness, visual appeal, interactivity and respondent participation (Zikmund & Babin 2007: 149).

Data analysis

Use was made of Statkon (the Statistiese Konsultasiediens) at the University of Johannesburg. The tests that were carried out included descriptive research using SPSS15. All negatively-phrased statements were recoded in order to facilitate comparison.

Findings of the research

The responses received

The response rate to the questionnaire was 11.07%, which is relatively low. A reason for this could include the time of the year when the research was conducted (November/December). Other reasons for non-response will need to be investigated.

The rating by the franchisee of the franchise

The respondents were initially asked to indicate their overall rating of their franchise system on a 5-point scale where 1 = excellent and 5 = poor. The mean on this question was 2.52, and the standard deviation was 0.795, which indicates a high level of agreement among the respondents. From the individual responses,

the majority of respondents indicated that their franchise systems could be rated as excellent (12.1%), above average (30.3%) or average (51.1%).

The typical respondent

Demographical responses related to the outlets owned, the location of the outlets and whether the franchisee was a second generation franchisee. The typical respondent had been in the franchise system for four years or less (55.9%), and the majority (73.5%) owned one store. Nearly one third (32.4%) indicated they had had no previous business experience before entering their first franchise. Most of the respondents were located either in Gauteng (44.1%) or in the Western Cape (29.4%). The locations of the outlets were equally spread between shopping malls, strip malls or stand-alone premises.

Additional questions

This section posed specific questions on the areas already indicated, and the scale for this section is 1 = Very strongly agree and 7 = Very strongly disagree.

Financial operations

The responses regarding the financial returns of the franchise appear to indicate that the returns do not exceed expectations (mean = 4.47; SD = 1.331). This is supported by responses regarding profit that matches the time and effort in the franchise (mean = 4.59; SD = 1.559). The findings are shown in Table 1.

Respondents were asked to indicate the year in which they had broken even. A total of 44% of respondents indicated that they had broken even in the first year, while a further 20% had broken even in the second year. The balance had taken longer than two years to break even.

Royalties

Linked to the questions of financial operations, questions were posed on the royalties paid to the franchisor. Initially, the respondent was asked to indicate the percentage of royalties paid. The responses received indicate that the majority of the respondents (73.5%) pay a royalty of 5%. Respondents were then asked specific questions on their perceptions of the royalties paid. In general, the perceptions regarding the payment of royalties are that they are fair (not excessive) and reasonable (see Table 2). Re-

Table 1: Financial operations of franchisees

	Mean	Standard deviation
How satisfied are you with the return on your investment?	4.47	1.331
My franchise provides a good return on my investment	4.27*	1.606
How satisfied are you with the return on your investment in owning and managing a franchise?	4.59	1.559
If my franchisor sells the company, my investment will be protected	3.76	1.519

* recoded

respondents were also given the opportunity to indicate any dissatisfaction that they might have regarding royalty payments. Reasons for any dissatisfaction include dissatisfaction regarding how the money is spent as well as the perception that they receive no direct benefit from the advertising campaign.

Table 2: Royalties paid by franchisees

	Mean	Standard deviation
The royalty rate I pay my franchisors is fair	3.82	1.381
My franchisor charges me excessive fees	4.13	1.479
The advertising fees I pay are reasonable	3.91	1.489

The relationship between franchisees and the franchisor

The relationship between the parties is perceived positively by the respondents (mean = 3.09; SD = 1.288). Relationships are also perceived from a long-term perspective (mean = 4.56; SD = 1.353). The findings are reflected in Table 3.

Table 3: The relationship between the parties

	Mean	Standard deviation
My relationship with my franchisor is very good	3.09	1.288
My franchisor values a long-term relationship	3.44*	1.353
My franchisor shows a genuine interest in me as a franchisee	3.76	1.372
My franchisor is competent to run this franchise system	3.38*	1.349

* recoded

Respondents were also asked to indicate whether they had received any threats from their franchisors. The majority of respondents (70.6%) indicated that they had never been threatened by the franchisor or a representative of their system. Despite this, 29.4% indicated that they had been threatened. The most common way in which respondents had been threatened was verbally (20.6%).

Support services

Respondents were asked to indicate the nature of the support services offered by their franchisors. The majority of respondents (54.2%) indicated that they receive the support they require. The findings are reflected in Table 4. Respondents were also asked to indicate the reasons why they perceive the support from franchisors to be inadequate. Their reasons included not receiving the promised support as well as perceptions of a decline in the quality of the support.

Table 4: The nature of support services

	Mean	Standard deviation
My franchisor provides adequate support services	3.85*	1.480
My franchisor provides adequate support services	3.64	1.432

* recoded

Brand image of the franchise

From the responses received, it can be seen that there is a high degree of pride among franchisees regarding the franchise brand they have selected (mean = 2.47). The benefit of brand recognition is seen in the low mean score (mean = 2.29). This brand position also takes the competitors into account in the last statement (mean = 3.03). The findings are shown in Table 5.

Table 5: The brand image of the franchise

	Mean	Standard deviation
I am proud to be a member of this franchise system	2.47	1.261
A mZfUbwVWjgcfMj'a Uf_Yhjb[Y cftg'a U_Y'a midfcXi Wtg'cf'gYfj]Wg' more recognisable	3.85*	1.690
My franchisor has a recognisable company name or trademark	2.29	1.360
A mZfUbwVWjgcf' bXg]bbcj Uhj Y'k Untg'hc'a Uf_Yh'hY'VfUbX	3.62	1.371
My franchise system has an excellent brand image compared to our closest competitor	3.03	1.867

* recoded

The precise breakdown regarding pride, brand recognition and relative brand position is seen in Table 5. In general, franchisees reflect a great deal of pride, while also having positive perceptions of the brand dimensions.

Entrepreneurial control

Apart from agreement regarding the imposition of selling prices of products (mean = 1.97; SD = 1.185), there appear to be a variety of opinions regarding the extent to which franchisees can reflect the entrepreneurial abilities. There appears to be a perception among franchisees that they have the freedom to determine how they manage their businesses (mean = 3.41). The findings are shown in Table 6.

Territory

Most respondents indicated that they had not been coerced into purchasing a nearby outlet (mean = 4.97). The detailed analysis shows a spread of opinions on the statements, with many respondents being neutral regarding territory. The findings are shown in Table 7.

Table 6: Entrepreneurial control experienced by franchisees

	Mean	Standard deviation
A mZfUbwV jgY' gngYh'a 'Jg' Yl J]V'Y'Ybci [\ 'Zcf' h\Y']bbcj Uh]cb' cZ new ideas or products	4.21*	1.635
My franchisor gives me the amount of freedom and independence that I ideally want in owning a business	3.91	1.444
I cannot exploit my entrepreneurial abilities	3.85*	1.228
Selling prices are imposed on me by my franchisor	1.97	1.185
I have the freedom to determine how I manage my business	3.41	1.104

* recoded

Table 7: The territory of franchisees

	Mean	Standard deviation
I have a guaranteed and protected territory	4.27	1.663
My franchisor has encroached upon (entered into) my business	4.42	1.300
My franchisor coerced me into purchasing a nearby outlet by threatening to sell it to another franchisee	4.97	1.425
My territory is adequate for my franchise	3.66	1.335

Linked to this, respondents were asked to indicate whether they could own a franchise belonging to another franchise company. A total of 53.3% of respondents indicated they could, while 46.7% indicated that they could not do so. Of those who had experienced encroachment, 77.8% of respondents (9 respondents) indicated that it had affected their profits.

Communication

Franchisees have a clear knowledge of the contacts in the franchisor's office (mean = 2.67). The communication received from franchisors is frequent (mean = 3.09),

is of a high quality (mean = 3.33) and helps in the running of the franchise (mean = 3.33). The findings are shown in Table 8.

Table 8: Communication between the parties

	Mean	Standard deviation
I have a question or query	2.67*	1.723
My franchisor actively listens to my concerns	3.27	1.281
My franchisor provided adequate disclosure information to me to make an informed franchise purchase decision	3.36	1.319
My franchisor maintains frequent communication with franchisees	3.09	1.259
I receive high quality communication from my franchisor	3.33	1.339
The communication I receive from my franchisor helps me run my franchise	3.33*	1.291

* recoded

Franchise contract

Contracts contain clear terms that are clear to franchisees (mean = 2.97) while the franchisor lives up to the terms of the contract (mean 3.35). The summarised findings are shown in Table 9.

Franchisee representative council

This term was selected rather than the use of the term ‘franchising association’, which in South Africa could be confused with the Franchising Association of South Africa (FASA), a separate organisation of franchisors. Statements in this regard exhibited many neutral responses (where the respondent neither agreed nor disagreed). The findings are reflected in Table 10.

Training

The question of training elicited varying responses linked to the various franchises that took part in the research. The findings are shown in Table 11.

Table 9: The contract between the parties

	Mean	Standard deviation
The terms of my franchise contract are clear to me	2.97	1.000
The terms of my franchise contract are fair to me	3.71*	1.338
My franchisor lives up to the terms of the franchise agreement	3.35	1.125
A mZfUbwVW]gY' VtbfUWV]g' Yl]V'Y'Ybci [\ 'hc'U'ck 'a Y'hc' [fck ' my sales volume	3.59	1.328
A mZfUbwVW]gY' VtbfUWV]g' Yl]V'Y'Ybci [\ Zcf'a Y'hc' Yl dUbx'fUXX' outlets)	3.53	1.436
A mZfUbwVW]gY' U[fYYa YbhVWUf'm]XYbh] YX'h.Y'gi ddcfhgYfj]Wg' to be received in exchange for fees	3.66	1.428
A mZfUbwVW]gY' U[fYYa Ybh' c' Yfg' UXYeI UhY' Vtbf]VW' fYgc'i h]cb' methods	4.24*	1.347
I clearly understand the criteria my franchisor has set for me to expand (add outlets)	3.45	1.277

* recoded

Table 10: Franchisee representative council

	Mean	Standard deviation
Our franchisee representative council bylaws favour franchisees' interests more than the franchisor's interests	4.36	1.365
Franchisees determine our franchisee representative council meeting agenda	4.39	1.283
Our franchisee representative council represents the interests of franchisees	4.00	1.388
All members of our franchisee representative council are elected by franchisees	4.83	1.466
Our franchisee representative council is a strong advocate for franchisees	4.24	1.380
Our franchisee representative council has a strong voice in setting direction for our system	4.38	1.347
Ci f' ZfUbwVW]gYY' fYdfYgYbHh] Y' Vtbf bVW' a U_Yg' U'dcg]h] Y'X] Yf- ference in the overall value of my franchise	4.34*	1.396

* recoded

Table 11: Training perspectives

	Mean	Standard deviation
My franchisor has an excellent training programme	3.82	1.783
Training provided by the franchisor is fairly priced	4.06	1.434
Training provided by the franchisor is of good value	3.91*	1.487
The training I receive creates a learning environment where franchisees learn from one another	3.74	1.563
The training I receive creates a learning environment where franchisees are encouraged to participate	3.70*	1.334

* recoded

General issues in the relationship

The franchise is perceived as ‘the best that the franchisee could have bought’ (mean = 3.48), while there is a generally positive perception of the franchise and the decision to purchase the franchise. The findings are shown in Table 12.

Table 12: General issues in the relationship between the parties

	Mean	Standard deviation
This is one of the best franchises I could have bought	3.48	1.302
This franchise is exactly what I wanted to invest in	3.64	1.245
Ua gUhg YX`k Jh`a mXYWjcb`rc`Vi mh`jg`ZUbW`jgY	3.67	1.514
My choice to buy this franchise was a wise one	3.64	1.410
I have truly enjoyed this franchise	3.61	1.368
I am sure it was the right decision to buy this franchise	3.61	1.368

Summary values in each area

Further analysis was conducted on the various dimensions in the questionnaire. Once all negative statements had been recoded, a recoded mean was calculated for the specific statement (as reflected in the preceding discussion). Thereafter, a mean score was calculated for each dimension in the questionnaire, using the

recoded scores. The average score for each dimension is shown in Table 13. The dimension with the lowest mean is 'Brand image of the franchise' (3.05), followed by 'Communication' (3.18). These responses indicate that, from the franchisees' perspective, the issues of brand image and communication are perceived positively, and presented the greatest areas of satisfaction in their franchising experience. The dimension with the highest mean is the franchisee representative council (4.36), probably because some of the franchise chains do not have active councils.

Table 13: Mean score per dimension

Dimension	Mean score
Financial operations	4.27
Royalties	3.95
The relationship between franchisees and the franchisor	3.42
Support services	3.73
Brand image of the franchise	3.05
Entrepreneurial control	3.47
Territory	4.33
Communication	3.18
Franchise contract	3.56
Franchisee representative council	4.36
Training	3.85
General	3.60

Limitations of the study

A possible problem when determining relationship quality among current franchisees (as with consumers), is that a bias can be detected towards satisfaction with the relationship, as is evident in other research that has been conducted (Liljander & Strandvik 1994: 268). Franchisees who have left the franchise system will obviously supply different evaluations of the relationship.

Another possible problem is that the respondents may be inclined to react to one particular episode when evaluating the relationship, which may not be a true reflection of the overall relationship (Liljander & Strandvik 1994: 261). The implication of this may be that the franchisee has focused on only a single episode in responding to the questionnaire.

A response rate of 11.07% was obtained, which was relatively low, making it difficult to generalise the findings of the survey. Moreover, two franchisors declined to take part due to the timing of the research. (The research was conducted in

November/December 2007, which is traditionally a busy time for the franchisor and franchisees in the retail food industry.)

Further research

Due to the small number of respondents, a repeat of this study is necessary to gain a clearer understanding of franchisee satisfaction among food franchisees. It is also necessary to extend this research into other franchising environments in South Africa, as there are other sectors in the franchising environment that would like to be involved in studies to determine franchisee satisfaction. Furthermore, different franchisees may reflect different levels of satisfaction. As this questionnaire has also been used in the United States, a comparative study is planned to determine whether similarities (and differences) exist in the franchise environments in different countries. Relationships are dyadic by nature, and the evaluation of the franchisor's perspective is also necessary in order to have a more complete picture of satisfaction in the relationship.

Managerial implications

Franchisee satisfaction is vital to continued involvement in the franchise system. Respondents were generally positive about franchise brand and communication, and these are two areas that management needs to ensure remain positive.

This research has shown that franchisees' expectations of the financial return from the franchise may be unrealistic, and the franchisor can play a vital role in making them more realistic. Part of this task involves the franchisor educating franchisees about the value they receive from franchising fees paid, thus changing expectations. This is particularly relevant when franchises are initially marketed.

Regarding the relationship between the franchisee and the franchisor, the majority of respondents indicated that the relationships were very good and focused on the long term. Despite this, a number indicated that they had been threatened in one way or another by the franchisor.

With respect to the support systems between the franchisor and the franchisee, the findings reflect that support services are adequate; however, some respondents indicated that their contracts did not indicate support from the franchisor. Franchisors should ensure that the support that is provided is the type of support needed to strengthen the franchise system.

It is suggested that franchisors continue to actively support the brand, as franchisees have high levels of pride in the franchise brand with which they are associated and believe that they have a recognisable company name or trademark.

Communication between franchisees and the franchise is regarded as frequent and useful, and for the success of the franchise, this needs to remain a focus of franchisor activities.

Conclusion

The franchisees who participated in this research indicated a high degree of satisfaction with their particular franchise. This is seen in the comments regarding the purchase of the franchise, and the agreement that it was a wise decision to purchase the particular franchise system. Areas of some dissatisfaction were identified, which challenge both parties to ensure that the relationship continues to develop to the benefit of each party, as well as the final consumer.

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