

**THE FRANCHISEE LIFE CYCLE CONCEPT - A NEW
PARADIGM IN MANAGING THE FRANCHISEE-
FRANCHISOR RELATIONSHIP**

By

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SUBMITTED IN FULFILMENT OF THE REQUIREMENTS FOR THE DEGREE

MCOM (MARKETING MANAGEMENT)

IN THE

FACULTY OF ECONOMICS AND MANAGEMENT SCIENCES

AT THE

UNIVERSITY OF PRETORIA

STUDY LEADER: PROF AN SCHREUDER

Pretoria, South Africa

October 2000

ACKNOWLEDGEMENTS

I would like to thank Consulta Management Consultants and the Deloitte and Touche Franchising division, for the opportunity to use the data collected for the 1999 National Franchising Study. Consulta Management Consultants were commissioned by Deloitte and Touche to execute the market research and I was the client director / project leader for this research project.

ACKNOWLEDGEMENTS

I wish to express my sincere gratitude to the following individuals and organisations who assisted me in various ways during the preparation of this masters dissertation:

- My Creator for giving me the courage and strength to complete the dissertation.
 - My husband, Willem for his encouragement, support and unconditional love.
 - My family, especially my mother and father for their trust and moral support during my studies.
 - My promotor, Prof Adrè Schreuder, for his guidance, motivation and endless hours of discussion.
 - My employer, Consulta Management Consultants for support during the project and generously granting my leave to complete the dissertation.
 - My colleagues at Consulta, who had to carry my workload when I was on study leave.
 - The Deloitte and Touche Franchising division for granting me permission to use the data collected for the 1999 National Franchising Study.
 - The ABSA Direct (Outbound) call centre for their assistance in the data collection process.
 - Claudia Fratini, for editing and proofreading the dissertation.
 - Last, but not least, my friends for their understanding and interest.
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SUMMARY

This dissertation explores the relationship between franchisees and franchisors with the aim of modelling the franchisee life cycle. It is proposed that distinctive phases (with a certain duration) in the relationship between franchisees and franchisors exist, and that there are significant differences in the commitment-trust dimensions and relationship quality index levels representing the franchisee-franchisor relationship between each life cycle phase. It is also proposed that franchisees can move through the life cycle stages at different speeds and that the speed of movement influences their relationship quality levels.

Computer Aided Telephonic Interviews were conducted with 652 randomly chosen franchisees from 27 different franchise systems. A multi-stage sampling design was used to ensure representivity.

The measurement instrument consisted of, amongst other, scales from the Disenchantment Curve (Nathan 1993) and the Commitment-Trust theory (Morgan and Hunt 1994). Specific questions were also asked pertaining to franchisee satisfaction levels as well as various classification questions such as the relationship duration. Highly satisfactory reliability and validity results were obtained using the Cronbach Alpha-coefficient and principal component factor analysis. Correspondence analysis revealed that a four stage life cycle concept provided a better fit with regards to the duration of the relationship than proposed in the six stage life cycle originally suggested by Nathan (1993). Further analysis was done on the four-stage life cycle solution, which lead to the creation of the Franchisee Life Cycle Concept (FLC). Directions for further research, limitations to the research and managerial implications are also provided.

OPSOMMING

Hierdie verhandeling ondersoek die verhouding tussen vergunningsooreenkomsgewers en vergunningsooreenkomshouers met die doel om die vergunninghouer se lewensiklus te modelleer. Daar word voorgestel dat unieke fases (met 'n spesifieke duur) in die verhouding tussen vergunningsgewers en vergunningshouers bestaan en dat daar betekensvolle verskille tussen die toegewydheid (commitment) en vertrouens dimensies en verhoudingskwaliteits-indeksvlakke van die verskillende fase bestaan. Daar word ook voorgestel dat vergunningshouers teen verskillende tempos deur die lewensfasies kan beweeg en dat die spoed van beweging 'n invloed op die verhoudingskwaliteitsvlakke het.

Rekenaar Ondersteunde Telefoniese Onderhoue is met 652 ewekansig gekose vergunningsooreenkomshouers van 27 verskillende vergunningsgroepe voltooi. 'n Meervoudige stadium steekproefontwerp is gebruik om verteenwoordiging te verseker.

Die meetinstrument bestaan uit onder andere skale van die "Disenchantment Curve" van Nathan (1993) en die "Commitment-Trust" teorie van Morgan en Hunt (1994). Spesifieke vrae oor vergunningshouers se tevredenheidsvlakke asook klassifikasievrae soos die verhoudingslewensduur is ondersoek. Hoogs bevredigende betroubaarheids- en geldigheidsresultate is verkry met die gebruik van beide die Cronbach Alpha-koëffisient en 'n faktor analise. Die "correspondence" analise het 'n vier fase lewensiklus ontbloot wat 'n beter passing met die lewensduur van die verhouding gelewer het as die ses fase lewensiklus soos oorspronklik voorgestel deur Nathan (1993). Verdere analises is op die vier fase lewensiklus gedoen, wat gelei het tot die ontwikkeling van die "Franchisee Life Cycle Concept (FLC)." Aanduidings vir verdere navorsing, die gebreke en tekortkominge van die huidige navorsing asook bestuursimplikasies word gegee.

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