

加盟連鎖總部評量工具發展之研究－以餐飲連鎖業為例

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加盟連鎖總部評量工具發展之研究—以餐飲連鎖業為例

The quality of franchisors in foodservice industry: Developing a measurement scale

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中文摘要

本研究結合加盟連鎖之相關理論，以餐飲連鎖業之加盟者為對象，運用量表發展之方法論試圖發展出加盟總部之評量工具。本研究之評量工具發展流程，包括發展初始問項、評量工具題項篩選、蒐集資料以及評估測量工具之信效度等四個階段。本研究運用探索性因素分析(exploratory factor analysis; EFA)以及驗證性因素分析(confirmatory factor analysis; CFA)用以量表之信、效度與確認假設模式是否成立。本研究之發展量表共包括五個構面：(一)籌備期的支援；(二)物流系統的建立；(三)營運上的協助；(四)行銷與財務管理；(五)網際網路的運用。本研究共取得 331 個有效樣本，資料分析方法以驗證性因素分析(confirmatory factor analysis, CFA)檢驗因素結構模式的配適度。研究結果發現所發展之量表具良好的配適度。基於先前研究尚未建立相關量表，以及餐旅業加盟連鎖體系蓬勃發展之際，根據研究結果，本研究提出有關餐旅業加盟連鎖實務管理以及學術上之意涵。最後，提出研究限制與未來研究建議。

關鍵字：加盟、連鎖、餐廳、餐飲業、評量工具

Abstract

This study aims to develop a measurement scale for the quality of franchisors in restaurant franchising industry. The scale development procedure includes four steps: developing initial items, implementing purifying measures, data collection, and assessing the reliability and validity of the proposed measurement scale. Both exploratory factor analysis (EFA) and confirmatory factor analysis (CFA) are used to test the reliability and validity of the measurement scale thus developed. Five dimensions were incorporated in the development process scale: (1) Logistics system, (2) Preparatory work, (3) Operational support, (4) Marketing and financial management, (5) Internet application. Given the scarcity of research on the evaluation of franchisor, the measurement scale developed in this study will serve as a foundation for future research. The findings of this study may help to stimulate future empirical research on the relationship between franchisors and franchisees.

Keywords: franchising; franchisor; franchisee; measurement scale; restaurant.

1. Introduction

Franchising, it's a way which a lot of enterprises have expanded the domain and increase the market share (Hoover, Ketchen, & Combs, 2003). So far, the enterprise type has already contained the categories of many kinds of service industries. According to the statistics of Small and Medium Enterprise Administration, Ministry of Economic Affairs of Taiwan (2009), due to the economic recession, the numbers of small and medium enterprises decreased. However, from the survey of Department of Statistics, Ministry of Economic Affairs (2009), the sales of chain and franchising industries are growing gradually. It revealed that the development of industrial franchising is a trend of service industries. In addition, from the survey of wholesale or retailing industries and foodservice industries, most of them are in the operation of chain or franchising. As it can be seen, it's become an important role in business development. Since the first McDonald's was opened in Taipei in 1984, the Western-style chain restaurant agitation has been raised in Taiwan. Afterward, not only many Western-style chain restaurants have entered Taiwan, but various kinds of foodservice industries tried to develop in the way of franchising including Chinese fast food, breakfast, café, drinks, steak house and ethnic restaurants. For over 20 years, it exerted a tremendous influence on domestic food and beverage consumption style and facilitated the development of foodservice industries. Therefore, franchising plays a quite important role to the foodservice industries in Taiwan.

For franchising, because the general headquarters (franchisors) have intact plans for running a store, it can accelerate the duplication of branches and increase consumers' confidence with goodwill and popularity of the general headquarters. Moreover, it could reduce the cost and simplify operating procedure by mass purchasing, and improve the competitiveness of enterprises by joint advertisement. In addition, the assistance from professional personnel of franchisors will be offered to the franchisees, such as educational training, site selection, market survey and promotion activities (Khan, 1999). These advantages for franchisees have attracted a lot of entrepreneurs to choose franchising. Franchising is considered as the strength that drives the restaurants to grow up (Hua & Templeton, 2010). Therefore, in the recent years, more and more entrepreneurs joined the franchising system, it resulted in less and less independent stores.

Nowadays, by employing the way of franchising, more and more small and medium enterprises of foodservice industries extended their market share successfully. Taking an example as 85°C Coffee Chain Stores, its scope has been a listed company owning more than 300 branch stores in the world. It's the main reason why franchising attracted lots of entrepreneurs. However, due to the increase of franchised companies, some negative effects emerged; such as franchisees addressed that franchisors requested high capital for the start, high cost for ingredients, the profit not as the expected, and so on. And, during the popular

period, some franchisors extended branches quickly but failed very soon, too. It was caused by franchisors' poor supervision or lacking for long-term plan and support. It revealed the importance of franchisors' management and vision. Falbe and Dandridge (1992) proposed that the establishment and implementation of franchisors' supporting system is very important to maintain the entire quality of franchisees. Taiwan Chain and Franchise Association (2011) pointed out that the development of a franchised industry is related with franchisors' quality. Especially while facing economic recession, the franchisor with bad quality is hard to treat various operational problems. Only to make the franchisors better, it will facilitate the company pass economic recession and search for sustainable operation. It revealed that franchisors' quality is very important and worth of being paid much more attention.

However, regarding the quality of franchisors, there's not any evaluation tool for the franchisees yet. What are the important factors influencing the quality of franchisors? What are the items which can be based on by franchisees to choose franchisors? It can be believed that to establish an evaluation tool for franchisees to choose franchisors will be helpful to franchisors' success. Thus, it can facilitate the mutually beneficial relationship between franchisors and franchisees. On the other hand, this evaluation tool can also offer the franchisors to carry on the self-assessment and inspection and be benefitted to franchisees. In this way, it'll contribute to achieve a mutually beneficial relationship. It is believed that during the period of prosperous development of franchised foodservice industry in Taiwan, this research will be of quite important implication. It's a motive of this research.

In recent years, due to the influence of globally economic recession, the new branch stores of foodservice industry decreased; however, the company with good-quality franchising management still grows very quickly. As it can be seen, the competition has transferred from quantity to quality. Gradually, many franchisors reviewed current franchising operation and management and then modified the goal and strategy, such as the pace of extending branches. According to these indications, the importance of good-quality franchisor emerged.

To synthesize the above, the theories of franchising will be applied in this research. By utilizing the method of scale development, trying to develop a measurement scale for franchisees to evaluate the quality of franchisors. It is believed that this has certain contribution value to the relative academic research. It's expected to provide the franchisees a tool to evaluate franchisors; and, it also offers the franchisors a reference while drafting franchising system. Finally, this research will propose more concrete suggestions on the development of franchised foodservice industries. It's expected that the result of this research can make much contribution to promote the quality and development of franchised industries.

According to above-mentioned research background and motive, this research established a measurement tool for franchisors by analyzing the indicators of evaluation. Moreover, by taking foodservice industry in Taiwan as the objects, an empirical research was proceeded to explore the key factors and relative contribution degree of each factor to develop

a measurement tool of franchisors. Therefore, the purposes of this research are as followed:

1. To explore the key factors and indicators of the measurement tool for the quality of franchisors in food industry.
2. To develop a measurement tool, the validity of the tool and the relative contribution of each factor will be examined.

2. Literature review

2.1. Restaurant franchising in Taiwan

Chain operation includes two types- direct chain and franchising management. Direct chain management means that the headquarter owns trademark, products and operational model (operational techniques) and makes total (100%) investment. All of the employees are belonged to the corporation; and, all of the branches used the same trademark, operational model and centralized management.

The other type is franchising management. According to International Franchising and Chain Association, franchising is defined as “A relationship exists between franchisors and franchisees. The franchisors assigned franchisees a license and authority to keep operating their business and facilitate them on organizing, training, purchasing and management; certainly, the franchisees are requested to give feedbacks”. The meaning of franchising management is that several branches used the same trademark and partially or entirely employed the same service style and operational techniques. Under the whole plan and draft, the management team implements standardization, specialization and centralized management.

In franchising system, a variety of management types existed. These models could be classified into two categories (Khan, 1999):

(1) Product and trade name franchising

Product and trade name franchising are a relationship between suppliers (franchisors) and sellers (franchisees). The franchisees could acquire product identification from franchisors; and, the franchisees' products are the same as those of franchisors. Moreover, in a certain level, the trade name and product name are the same. The franchisees obtain the right assigned by franchisors to distribute and sell products in an identified name or trademark.

(2) Business-format franchising

Business-format franchising is an entire management model, not a single product or trademark. Its characteristic is a continuing relationship of business. In this model, it not only contains products, service and trademark, but only involves the whole management concept; such as marketing strategy and project, operating manual and regulations, quality control, centralized purchasing advantages, research and development, educational training, assistance and supervision, and so on. The franchisees could follow

the regulations regarding the operation from franchisors, including operation procedures, products and service quality and the store layout. The mutual communication is kept between both sides. Foodservice franchising is belonged to this type of operation.

According to the survey of Taiwan Chain and Franchise Association (2011), there are around 1,600 franchisors in Taiwan. Totally, it includes 70,000 franchised stores and 27,000 chain stores and occupies 48% of total sales in retailing and foodservice industries. It revealed that franchising hugely affects industrial development and is more and more popular in business operation. And, the franchised operation techniques have been more mature gradually, its concept is also commonly applied to various industries.

Regarding the development of franchised foodservice industries in Taiwan, through the development in recent decades, it has been more mature. Until 2010, there were more than 400 franchisors of foodservice industries. By employing franchising, it could make the investors easily join franchising and result in prosperous development. As it can be seen, franchising is an important drive for foodservice industry development. Please refer to table 1 for the statistics of franchised stores of foodservice industry.

Table 1 The statistics of chain/franchised foodservice industries

	Companies	Total branch stores	Chain	Franchising
Fast food	147	18,152	2,375	15,777
Café	49	1,626	576	1,050
Restaurant	175	2,546	1,349	1,197
Leisure drinks	54	2,681	374	2,307
Foodservice industries	425	25,005	4,674	20,331

Note: “*Taiwan Chain Store Almanac 2010*” by Taiwan Chain Stores and Franchise Association (2010), Taipei: Taiwan Chain Stores and Franchise Association.

2.2. Why franchising

Franchising system originated from the 1900’s in the States and had experienced rapid and prosperous development. It not only pushed domestic economy forward in the States, but also played an important role in global economy through international franchising association. Additionally, in service industries, franchising is an important organizational type and becomes an important feature of modern economy (Combs, Michael, & Castrogiovanni, 2004). Therefore, why franchising, what the advantages and disadvantages are for the franchisors and franchisees have become focused issues.

Regarding why the company provides franchising, agency theory and resource scarcity are two primary viewpoints (Combs & Ketchen, 2003; Hoover, Ketchen, & Combs, 2003). For agency theory, it means that the regency relationship exists when one side employs an individual or an organization to provide a service and authorize the right of implementation to him. Many researches proposed that agency theory explained the existence of franchising (Fama & Jensen, 1983; Matheson & Winter, 1985; Brickley & Dark, 1987; Lafontaine, 1992). The other theory- resource scarcity treats franchising as a way for a company to extend its market share while facing a limited capital, management and information (Oxenfeldt & Kelly, 1968; Caves & Murphy, 1976; Norton, 1988; Carney & Gedajlovic, 1991; Shane, 1996). The franchised company could approach lower capital, motive experts and knowledge of the market (Aliouche & Schlenrich, 2009). When the enterprise is young and small scope, it's very difficult to obtain sufficient capital from traditional financial market to display management ability and the knowledge of local market (Katz & Owen, 1992). In addition, for franchising, the importance of intellectual capital could also be emphasized. A good enterprise could own its confirmed human resources system and develop intellectual capital to compensate for the incomplete human resources system. Through franchising, the acquired intellectual capital could replace intellectual capital from the inside (Ketchen, Combs, & Upson, 2006).

In order to maintain good franchising system, making the franchisors and franchisees keep a mutual beneficial and symbiotic relationship is very important (Khan, 1999). Thus, how to sustain this relationship has become a focused issue worth of being explored. Based on the perspective of agency, this problem is how the franchisors can authorize franchisees' actions; however, the franchisors and franchisees have different goals. This different goal causes the conflict between the franchisors and franchisees. Therefore, by well utilizing the controlling system, it can result in the both sides to access the same motive and result for both sides (Eisenhardt, 1985). Vazquez (2008, 2009) found that there's better consistency between both sides, lower failure possibility would be revealed.

For the consistency between both sides, many researches proposed that establishing and keeping a trustful relationship between the franchisors and franchisees is very important to the success of franchising because the essence of this business includes mutual cooperation (Das & Teng, 1998). The franchisors should treat franchisees as partners not subordinates, and the franchisees need to understand corporate culture. The franchisees have to recognize the brand personality of franchisors and strive for the franchisors' demands and expectation, not concentrate on short-term financial goal.

Since the trustful relationship and goal consistency played an important role for the success of franchising, both sides need to have clear perception on the advantages and disadvantages to keep this mutual beneficial relationship. Thus, the advantages and disadvantages are described as followed.

2.2.1. The advantages and disadvantages of franchising- For franchisees

Franchising, through investing capital, management experience and risk sharing, it can facilitate small and medium enterprises and boost their growth (Roh, 2002). The performance of franchised enterprises is higher than independent enterprises; to be compared with independent companies, the franchised companies tend to have lower failure possibility (Claver-Cortes, Molina-Azorin, & Pereira-Molina, 2007). And, Hua and Templeton (2010) addressed that franchising is a driving force which promotes market share and sales of the restaurants. Moreover, based on agency theory and resource scarcity, in franchising system, franchisees' benefits are getting operational supports from franchisors. In *Restaurant Franchising*, Khan (1999) proposed that the advantages for franchisees include franchisor's managerial concept, facilitating technique and management, establishing standardized operation procedure and service quality control, lower capital, facilitating research and development, facilitating advertisement and promotion, and so on.

Additionally, franchisees' satisfaction was explored in previous researches. Roh and Yoon (2007) employed pre-opening support, centralized purchasing, congeniality /communication, business assistance to measure if the franchisee was satisfied with the franchisor. It was found that the most unsatisfied item was business assistance, and the most satisfied items were centralized purchasing. Please refer to table 2 for the measurement items.

For chain restaurants, Kim and Kim (2005) proposed that brand awareness and perceived quality were related with company's performance. The establishment of brand equity is very important to chain restaurants. When a franchising system owns a good brand, it can facilitate the franchisors create a gate which is hard for the competitors to duplicate the image and products. Thus, the competitive advantage is formed (Roh & Choi, 2010). And, the crucial elements for chain restaurant brand were addressed by Miller (2008), including operating system, operating procedures, restaurant designs of the interior and exterior building, interior memorabilia, training programs for key staff, and new store opening teams, and so on. These elements are consistent with those of Roh and Yoon (2007).

In addition, standardization is an imperative approach to promote service quality (Kim, & Kim, 2004). Developing a standardized system of products and service, it's crucial for international franchisees to duplicate products and service (Preble, 1992). Lee, Khan and Ko (2008) proposed that the key success factors for chain restaurants are strong training programs, innovative human resource management, flexibility in marketing strategies, custom menus and operations, competitive service strategies, innovative site selection, a close relationship of franchisor and franchisee, and so on.

Moreover, the importance of internet should not be ignored. The relationship of internet and franchising is the most prevalent and potential issue in current operation (Cedrola & Memmo, 2009). For franchisors, the opportunities provided by internet are as followed:

1. a tool for communicating with the end user;
2. an e-commerce tool for promoting and selling products and services;
3. a tool for finding new franchisees;
4. a tool for communicating with the franchisor's network of franchisees and with suppliers;
5. a tool for conveying information and training that can be used alongside, or instead of, traditional methods.

To sum up the above, it focused on the support provided by franchisors or the advantages for franchisees. However, for franchisees, there are some disadvantages such as unachieved expectation, lack of freedom, the expense of advertisement and promotion, franchising fee, too much dependent on franchisors, etc. (Khan, 1999). Combs (2008) also pointed out that the franchising wouldn't be maintained if the franchisor couldn't offer suitable freedom or devote more efforts on franchisees' learning. Otherwise, when the franchisor was unable to present entire operational concept, knowledge of the market and appropriate economic scope, its facilitation to franchisees would be limited (Klonowski, Power, & Linton, 2008).

Table 2 The items measuring franchisees' satisfaction on franchisors

Dimension	Items
Pre-opening support	Explanations about disclosure documentation
	Initial franchise fee
	Royalties and other expenses
	Restrictions on interior design and layout of the store
	Site selection
	Initial training
	Procedure of ordering supplies
Central purchasing	Respond to order
	Flexibility to changes in order
	Punctuality on delivery date
	Return policies
Congeniality /Communication	Legal/tax advice
	Franchisor on-site visit
	Regular meetings with franchisor
Business assistance	Research and development
	Co-operative advertising
	Customer data base
	Helping to recruit competent employees

Note: From “Franchisor’s ongoing support and franchisee’s satisfaction: a case of ice cream franchising in Korea” by Roh et al., 2007, *International Journal of Contemporary Hospitality Management*, 21 (1), 91.

2.2.2. The advantages and disadvantages of franchising- For franchisors

For franchisors, Khan (1999) proposed that there are some advantages for enterprises (Hoover et al., 2003). On the other side, there are some disadvantages for franchisors, including lack of freedom on management, different franchisees’ financial situation, responsible for recruiting franchisees, selecting and hiring (Khan, 1999). It would hurt the franchisor if the franchisee couldn’t pay franchising fee or make efforts on maintaining the standard of quality (Combs et al., 2004). To synthesize the literature, the supporting is listed in table 3.

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Table 3 The dimensions and items of franchisors’ supports for franchisees

Dimensions	Items	
Pre-opening support	Explanations about disclosure documentation	Roh & Yoon (2007)
	Initial franchise fee	
	Royalties and other expenses	
	Restrictions on interior design and layout of the store	
	Site selection	
	Initial training	
Logistics system establishment	Procedure of ordering supplies	Roh & Yoon (2007)
	Respond to order	
	Flexibility to changes in order	
	Punctuality on delivery date	
	Return policies	
	Bulk purchasing programs	Aliouche & Schlenrich (2009)
Congeniality/ Communication	Legal/tax advice	Roh & Yoon (2007)
	Franchisor on-site visit	
	Regular meetings with franchisor	

Business assistance	Research and development	Roh & Yoon (2007)
	Customer data base	
	Helping to recruit competent employees	
	motivated managerial expertise proven system of operation franchisor-provided training and support	Aliouche & Schlenrich (2009)
	managerial experience	Roh (2002)
	existed managerial concept facilitating technique and management standardized operation procedure and service quality control facilitating research and development	Khan (1999)
Brand and marketing	Co-operative advertisement	Roh & Yoon (2007)
	Established trademark Advertisement	Aliouche & Schlenrich (2009)
	Robust brand	Roh & Choi (2010)
	Facilitating advertisement and promotion	Khan (1999)
Internet application	Applying the internet to communicate with franchisees	Cedrola & Memmo (2009)
	Applying the internet to promote and sell products and services	
	Applying the internet to convey information and training	
Financial support	Access to cheaper capital	Aliouche & Schlenrich (2009)

Lower capital.
Support of the loan

Khan (1999)

In order to understand the quality of franchisors, the indicators for franchisors were established in this research. Based on the above theoretical perspectives, seven dimensions- pre-opening support, logistics system, communication/congeniality, business assistance, brand and marketing, internet application and financial support were proposed. The seven factors of conceptual framework were formed to be the measurement of franchisors' quality. The hypotheses were based on what the latent variables had common characteristics and reflected a higher level of latent construct (franchisors' quality). Therefore, these seven latent variables formed the original franchisors' measurement scale.

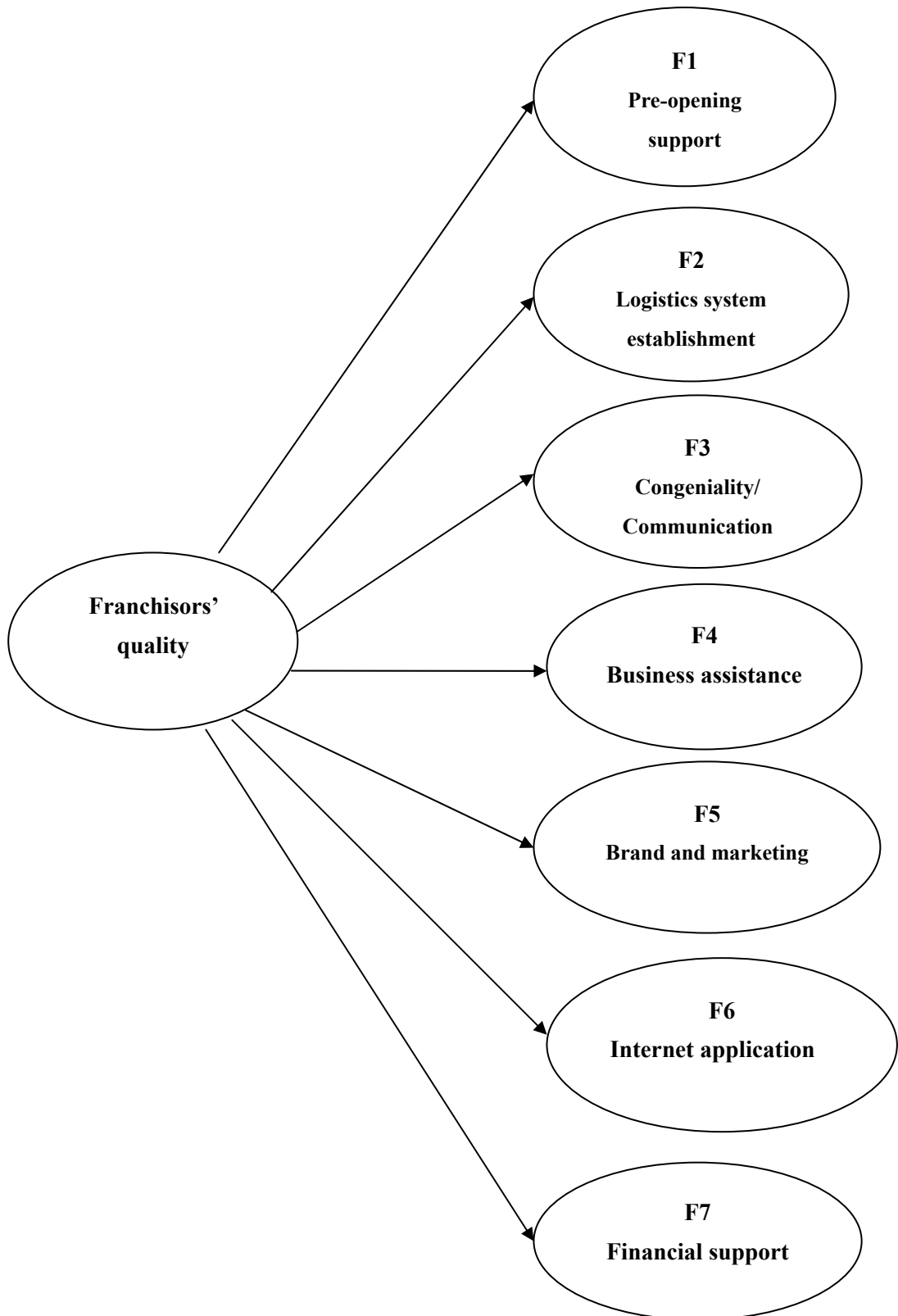


Fig.1 Original concept model

3. Measurement scale development

According to the scale development procedures recommended by Kong, Cheung and Song (2011), Netemeyer, Bearden and Sharma (2003), Churchill (1979), the research design includes four major steps: (1) Developing initial items; (2) implementing purifying measures; (3) collecting data; and (4) assessing the validity and reliability of the measurement scale proposed.

3.1. Developing initial items

In the first stage, we reviewed the relative books, journal papers and official websites to search for the documents and data. Based on the items developed by Roh and Yoon (2007), we investigated franchisees' satisfaction, further to involve the advantages for franchisees (Khan, 1999) and the supports from franchisors (Aliouche & Schlenrich, 2009; Roh, 2002; Roh & Choi, 2010; Cedrola & Memmo, 2009), the initial items were developed. Afterwards, we conducted semi-construct interviews of senior franchisees of foodservice industry. A total of 7 personal interviews were conducted from September-November 2011 to collect information on franchisors' support. The target sample in the interviews consisted of the franchisees of fast food restaurants, full-service restaurants, coffee shops and casual drink shops (please refer to table 1). The interviewer started the semi-construct interviews by taking the participants through reviewing a listed items of supports from franchisors, and asking them to describe the supports from franchisors in their franchising system. As a result, a list of 34 items (roughly 7 dimensions) were formed as followed (please refer to table 4).

1. Preparatory work

Regarding the pre-opening support, it could help the franchisees operate and start a new business. It includes explanations about disclosure documentation, initial franchise fee, royalties and other expenses, law consultant, restrictions on interior design and layout of the store, site selection and evaluation and initial training.

2. Logistic system establishment

For establishing logistic system, the main purpose is to provide the operational support. It includes the establishment of bulk purchasing programs, simple procedure of ordering supplies, immediate and accurate respond to order, flexibility to changes in order, punctuality on delivery date and reasonable return policies.

3. Communication and support

In order to facilitate franchisees operate more smoothly, keeping on-going communication is important. It includes offering legal/tax advice, regular franchisor on-site visit and regular meetings with franchisor.

4. Business assistance

In assisting the business operation, it mainly covers the management. It includes facilitating research and development, facilitating the establishment of customer data base,

helping to recruit competent employees, providing managerial experience and existed system of operation, providing training and support, franchisors' managerial concept, facilitating technique and management, establishing standardized operation procedure and service quality control and equipment/facilities maintenance.

5. Brand and marketing

A franchisor could promote a company's reputation by establishing the brand and implementing marketing the strategy. It includes establishment of trademark, owning a robust brand and facilitating advertisement and promotion.

6. Internet application

Internet is a current important tool for an enterprise to communicate with the inside or the outside of the company. It includes applying the internet to communicate with the franchisees, applying the internet to promote and sell products and services and applying the internet to convey information and training.

7. Financial support

Regarding the financial support, it mainly facilitates the entrepreneurs to start their business for the capital. It includes access to cheaper capital and support of the loan.

Table 4 A list of initial scale items generated from literature reviews

Dimension	Scale items
F1: Preparatory work	1 Explanations about disclosure documentation
	2 Initial franchise fee
	3 Royalties and other expenses
	4 Law consultant
	5 Restrictions on interior design and layout of the store
	6 Site selection and evaluation
	7 Initial training
F2: Logistic system	8 Establishment of bulk purchasing programs
	9 Simple procedure of ordering supplies
	10 Immediate and accurate respond to order
	11 Flexibility to changes in order
	12 Punctuality on delivery date
	13 Reasonable return policies
F3: Communication and support	14 Offering legal/tax advice
	15 Regular franchisor on-site visit
	16 Regular meetings with franchisor
F4: Business assistance	17 Facilitating research and development

	18	Facilitating the establishment of customer data base
	19	Helping to recruit competent employees
	20	Providing managerial experience
	21	Existed system of operation
	22	Providing training and support
	23	Franchisor's managerial concept
	24	Facilitating technique and management
	25	Establishing standardized operation procedure and service quality control
	26	Equipment/facilities maintenance
F5: Brand and marketing	27	Establishment of trademark
	28	Owning a robust brand
	29	Facilitating advertisement and promotion
F6: Internet application	30	Applying the internet to communicate with the franchisees
	31	Applying the internet to promote and sell products and services
	32	Applying the internet to convey information and training
F7: Financial support	33	Access to cheaper capital
	34	Supporting the loan

3.2. Purifying measures

Based on the literature review and the in-depth interviews, we identified 34 franchisors' supports that are proposed by previous research and practiced in Taiwan. We checked the content validity of these items to assess the degree to which the elements of our measurement scale were relevant to and representative of the targeted constructs (Haynes et al., 1995).

We interviewed a total of 2 franchisees, 2 franchisors of foodservice industry and 3 academic experts individually. The restaurant franchisees were first asked how they are satisfied with the 34 supports in their restaurants. They were then asked to examine the items for their content validity. The modification, deletion or retaining of any item was getting an agreement among at least four or more interviewees. We also asked the franchisees and experts to edit and comment on the items to enhance their clarity and readability in Chinese, thereby allowing for the statements in the proposed scale to be enhanced. Based on the interviewees' suggestions, "law consultant" could be eliminated from the dimension of "preparatory work", "equipment/facilities maintenance" could be excluded since it was involved in "facilitating technique and management". And, the meaning of "establishment of trademark" is included in "owning a robust brand". Additionally, the interviewees suggested

that the dimension of “brand and marketing” is a way for supporting the business and operation; therefore, the items of “brand and marketing” could be categorized into “business assistance”. According to the assessments carried out by the interviewees, the number of items was reduced to 31. The updated list shown in table 5 represents the supports provided by franchisors of franchised restaurants in Taiwan.

Table 5 A list of scale items based on the literature review and in-depth interviews.

Dimension	Scale items
F1: Preparatory work	1 Explanations about disclosure documentation
	2 Initial franchise fee
	3 Royalties and other expenses
	4 Restrictions on interior design and layout of the store
	5 Site selection and evaluation
	6 Initial training
F2 : Logistics system	7 Establishment of bulk purchasing programs
	8 Simple procedure of ordering supplies
	9 Immediate and accurate respond to order
	10 Flexibility to changes in order
	11 Punctuality on delivery date
	12 Reasonable return policies
F3: Communication and support	13 Offering legal/tax advice
	14 Regular franchisor on-site visit
	15 Regular meetings with franchisor
F4: Business assistance	16 Facilitating research and development
	17 Facilitating advertisement and promotion
	18 Facilitating the establishment of customer data base
	19 Helping to recruit competent employees 提
	20 Providing managerial experience
	21 Owning a robust brand
	22 Existed system of operation
	23 Providing training and support
	24 Franchisor’s managerial concept
	25 Facilitating technique and management
	26 Establishing standardized operation procedure and service quality control

F7: Financial support	27	Access to cheaper capital
	28	Support of the loan
F6: Internet application	29	Applying the internet to communicate with the franchisees
	30	Applying the internet to promote and sell products and services
	31	Applying the internet to convey information and training

3.3. Collecting data

3.3.1. Questionnaire design and sampling

In this research, in order to collect data, we employed questionnaire survey by taking franchisees of foodservice industry in Taiwan as the objects. The items of the questionnaire generated by the literature review and the in-depth interviews were then developed into statements before conducting a pre-test and a subsequent survey. In the pre-test, the first draft of the questionnaire was administered on thirty franchisees, as a result of which minor adjustments were made to the questions. Regarding the questionnaire design, in the first part, this study examines franchisees' perceptions of their franchisors' support, using a seven-point Likert-type scale (1= "strongly disagree" to 7= "strongly agree"). In the second part, the franchisees' information was investigated including gender, age, marital status and educational level; besides, some relative information such as the experience of being a franchisee and working in foodservice industry was surveyed.

The population of this research was based on the statistics of 2010 Taiwan Chain Store Almanac (Taiwan Chain Stores and Franchise Association, 2010). There are 425 franchised foodservice industries including 20,331 stores totally (table 1). Based on this name list, purposive sampling was used to distribute the questionnaires to the franchisees of foodservice industry. Owing to its difficulty to access the franchisees, in order to increase the number of participants, the snowball sampling was utilized to collect data through the connection of participated franchisees.

3.3.2. Respondents' profile

A total of 331 valid questionnaires were collected. Of the 331 respondents, 62.8% were male and 37.2% were female, with the main age group represented being 31-40. Most of the respondents were married (69.5%), and with the educational level of senior high school (54.1%) and college/university (31.1%). A majority of the respondents were "working in foodservice industry for the first time (81.9%)", and "being a franchisee for the first time (86.7%)". The category of the respondents included fast-food restaurants (26.0%), coffee shops (14.5%), full-service restaurants (23.9%) and casual drink shops (35.6%) (please refer to table 6). Descriptive statistics was also applied to analyze the means and standardized

deviation of 31 scale items (please refer to table 7).

Table 6 Respondents' profile (n=331)

Variables	%	Variables	%
Gender		Graduated school or higher	2.1
Male	62.8	Operating foodservice industry for the 1 st time	
Female	37.2	Yes	81.9
Age		No	18.1
<= 20 years old	0.3	Being a franchisee for the 1 st time	
21-30 years old	20.5	Yes	86.7
31-40 years old	49.5	No	13.3
41-50 years old	26.9	If not for the 1 st time	
51-60 years old	2.4	2 nd time	10.0
>61 years old	0.3	3 rd time	2.4
Marital status		4 th time	0.6
Single	30.5	If ever being a franchisee in foodservice industry	
Married, on kids	18.7	Yes	9.7
Married, with kids younger than 12	29.3	No	3.3
Married, with kids elder than 12	21.5	The category of foodservice industry	
Educational level		Fast food restaurants	26.0
Primary school	3.3	Coffee shops	14.5
Junior high school	9.4	Full-Service restaurants	23.9
Senior school	54.1	Casual drink shops	35.6
College/university	31.1		

Table 7 Mean ratings of franchisees' satisfaction on franchisors' support

Items	Mean	S.D.
1 Explanations about disclosure documentation	4.93	1.08
2 Initial franchise fee	4.90	1.08
3 Royalties and other expenses	4.94	1.14
4 Restrictions on interior design and layout of the store	5.08	1.03
5 Site selection and evaluation	5.07	1.12

6	Initial training	5.11	1.16
7	Establishment of bulk purchasing programs	4.83	1.13
8	Simple procedure of ordering supplies	5.05	1.12
9	Immediate and accurate respond to order	4.99	1.10
10	Flexibility to changes in order	4.97	1.10
11	Punctuality on delivery date	5.04	1.13
12	Reasonable return policies	4.96	1.14
13	Offering legal/tax advice	4.67	1.06
14	Regular franchisor on-site visit	4.72	1.08
15	Regular meetings with franchisor	4.76	1.11
16	Facilitating research and development	4.65	1.03
17	Facilitating advertisement and promotion	4.79	1.05
18	Facilitating the establishment of customer data base	4.71	1.12
19	Helping to recruit competent employees	4.71	1.14
20	Providing managerial experience	4.77	1.19
21	Owning a robust brand	5.06	1.02
22	Existed system of operation	4.92	1.13
23	Providing training and support	4.87	1.14
24	Franchisor's managerial concept	4.82	1.17
25	Facilitating technique and management	4.92	1.09
26	Establishing standardized operation procedure and service quality control	4.83	1.14
27	Access to cheaper capital	4.49	1.26
28	Support of the loan	4.48	1.25
29	Applying the internet to communicate with the franchisees	4.59	1.14
30	Applying the internet to promote and sell products and services	4.60	1.17
31	Applying the internet to convey information and training	4.52	1.14

3.4. Assessing the reliability and validity of the proposed measurement scale

Factor analysis is used as an exploratory technique to summarize the structure of a set of variables (Field, 2005). Exploratory factor analysis (EFA) was first used to specify the relationships of the observed indicators to their posited underlying. The Varimax rotation method was used for EFA as it is the most common rotation method (Coakes & Steed, 2001).

The minimum eigenvalue of 1.0 criterion and Cattell's (1996) scree plot were also used for factor extraction.

The 31 items were factor-analyzed and five dimensions were identified after a series of EFA (please refer to table 8). The five dimensions were labeled as:

Factor 1 (F1): Logistics system

Factor 2 (F2): Preparatory work

Factor 3 (F3): Operational support

Factor 4 (F4): Marketing and financial management

Factor 5 (F5): Internet application

As the item loadings were higher than 0.40, the 31 items were retained (Hair et al., 2002), generating five meaningful dimensions of franchisors' supports. The Barlett test of sphericity was significant and the Kaiser-Meyer-Olkin (KMO) measure of sampling adequacy was 0.80, indicating that the patterns of correlations were relatively compact and that factor analysis should generate distinct and reliable factors (Field, 2005). Cronbach's α , the most common measure of scale reliability, ranged from 0.89 to 0.91 which exceeded the minimum standard for reliability (0.7). We therefore concluded that the items comprising the five dimensions were internally consistent and stable and together from a reliable scale.

The proposed measurement model was then tested using confirmatory factor analysis (CFA), as CFA complements the traditional scale development procedures not only by providing an alternative measure of internal consistency, but also by assessing the external consistency of the scale items (Sethi & King, 1994). The Amos software package was used to test the 31 measurement scale items with five factor structures. The goodness-of-fit indices (RMSEA = 0.00, CFI = 1.00, NFI = 0.99) indicated that the proposed measurement model had good fit (please refer to table 9). The average variance extracted (AVE) reflects the overall amount of variance in the indicators accounted for by the latent construct. Higher variance extracted values occur when the indicators are truly representative of the latent construct. As shown in table 10, all of the AVE values were higher than 0.5, suggesting that the indicators were truly representatives of the construct. Furthermore, the AVE value for each construct was higher than the squared correlation coefficients for the corresponding inter-constructs, thereby confirming their discriminate validity (Fornell & Larcker, 1981). The measurement scale developed was thus valid.

Table 8 Results of exploratory factor analysis

Items and dimensions	Factor loading					α
	F1	F2	F3	F4	F5	
<i>F1: Logistics system</i>						0.91

Punctuality on delivery date	0.77	
Immediate and accurate respond to order	0.75	
Simple procedure of ordering supplies	0.73	
Flexibility to changes in order	0.69	
Reasonable return policies	0.68	
Establishment of bulk purchasing programs	0.57	
Offering legal/tax advice	0.52	
<i>F2: Preparatory work</i>		0.90
Explanations about disclosure documentation	0.77	
Initial franchise fee	0.77	
Royalties and other expenses	0.76	
Restrictions on interior design and layout of the store	0.69	
Site selection and evaluation	0.68	
Initial training	0.61	
<i>F3: Operational support</i>		0.91
Providing training and support	0.74	
Existed system of operation	0.70	
Facilitating technique and management	0.66	
Establishing	0.66	

standardized operation procedure and service quality control	0.63	
Franchisor's managerial concept	0.63	
Owning a robust brand		0.91
<i>F4: Marketing and financial management</i>		
Facilitating the establishment of customer data base	0.74	
Helping to recruit competent employees	0.73	
Facilitating advertisement and promotion	0.66	
Regular meetings with franchisor	0.61	
Providing managerial experience	0.58	
Facilitating research and development	0.57	
Regular franchisor on-site visit	0.48	
Support of the loan	0.44	
Lower capital	0.43	
<i>F5: Internet application</i>		0.89
Applying the internet to promote and sell products and services		0.79
Applying the internet to convey information and training		0.77

Applying the internet to communicate with the franchisees					0.76
Explained variance (%)	15.61	14.32	14.11	13.82	9.83
Accumulated explained variance (%)	15.61	29.93	43.04	57.86	67.69

KMO (the Kaiser-Meyer-Oklin measure of sampling adequacy): 0.95
Bartlett's test of sphericity: 7622.68 , sig.: 0.00

Table 9 Goodness-of-fit

	Indicators	Criteria
χ^2 test		
χ^2	6.39	p>0.05
χ^2 / d.f.	0.46(6.39/14)	< 3
Fit indices		
GFI	0.99	>0.90
AGFI	0.98	>0.90
RFI	0.97	>0.90
NFI	0.98	>0.90
TLI	1.02	>0.90
Alternative indices		
CFI	1.00	\geq 0.95
RMSEA	0	<0.08
RMR	0.02	<0.05

Table 10 Correlations (squared correlation), reliability, AVE, and mean

	Logistics system	Preparatory work	Operational support	Marketing and financial management	Internet application
Logistics system	1				
Preparatory work	0.67**	1			
Operational support	0.74**	0.58**	1		
Marketing and financial	0.81**	0.63**	0.80**	1	

management					
Internet	0.34**	0.29**	0.32**	0.42**	1
application					
Reliability	0.91	0.89	0.91	0.91	0.88
AVE	0.59	0.59	0.63	0.54	0.80
Mean	4.93	5.01	4.91	4.68	4.57
Std. Dev.	0.90	0.90	0.93	0.87	1.04

4. Conclusion and suggestions

In this research, we tried to develop a measurement scale for franchisors' quality for foodservice industry following the scale development procedure (see Fig. 1). A total of 31 items were identified and their reliability and validity were tested. All alpha coefficients for the data exceeded the minimum standard for reliability, suggesting a high level of internal consistency for each construct. Both convergent validity and discriminate validity were satisfactory, suggesting that all measurement items closely represent conceptually meaningful constructs. Our findings show that the proposed measurement scale for franchisors' quality is reliable and valid. The results of this study may provide both theoretical and practical implications.

Theoretically, this study provides a comprehensive view of franchisors' supports for the franchisees and develops a measurement scale of franchisors' quality of foodservice industry in Taiwan. Since it's an important and prosperously developing market, given the scarcity of relevant information on franchisors' quality, the measurement developed in this research will be a base for future studies. Moreover, the findings of this research will also be as a reference for researches relating to franchising management and development. Franchising is an important organizational type and becomes an important feature of modern economy (Combs, Michael, & Castrogiovanni, 2004). Therefore, it's important to explore franchisors' quality in enhancing franchisees' operation and management. This study may help to stimulate further empirical research on the relationship between franchisors' quality and franchisees' performance and customers' perception. Hence, the clearly defined construct and resulting scale in this study will provide useful reference for future researchers' investigation on this important issue of franchising management.

Practically, the findings of this research provide sufficient information to franchisors and franchisees on franchising management. Given the prosperous development of franchised foodservice industry in Taiwan, franchisors' quality should be an important issue in franchising management. For franchisees, an application of the scale can provide them with detailed information on franchisors' support to their need and expectation. Furthermore, many food and beverage companies have launched franchising system in Taiwan and compete with

each other in the market. The development of a valid and reliable tool of franchisors' quality can assist both franchisors and franchisees to better understand the content of this mutual beneficial relationship and to develop effective strategies to promote the quality of franchising system.

In the five dimensions identified, based on the means of the factors, preparatory work was shown to be the most satisfied franchisors' support by franchisees, followed by logistics system, operational support, marketing and financial management and internet application. The findings are consistent with the viewpoints of agency theory which explained the existence of franchising (Fama & Jensen, 1983; Matheson & Winter, 1985; Brickley & Dark, 1987; Lafontaine, 1992). The franchisees expected to start a business with the supports provided by franchisors. The importance of preparatory work was examined in this research.

To review the research by (Roh et al., 2007), except for pre-opening support (the same meaning as preparatory work), Central purchasing was involved in logistics system dimension in this research. Through franchising, the franchisees can reduce the work load regarding purchasing, supplier selection and inventory control, and so on. Business assistance, operational support in this research, is a main factor affecting franchising system. Even though with a good preparatory work, the continuing assistance is also imperative to the relationship of franchisors and franchisees. The advantages of franchising for both sides could be displayed. Additionally, franchisors' concept of marketing and financial management should be conveyed by keeping communication with franchisees.

The findings of this research provide sufficient information to restaurant franchising operators and the headquarters of franchising enterprise. Given the rapid development of the franchised foodservice industries in Taiwan, franchisors' quality should be an important issue in strategic franchising management. Hopefully, this research provides an efficient tool and start to more in-depth exploration in the future.

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