

## Conceptualising Franchise Success and Failure in the South African Quick Service Restaurant Sector

### Abstract

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The ability of a franchisor to sustain a productive working relationship with its franchisees over time has been shown to ensure the continued success of the franchise system. This involves developing a strong and mutually beneficial relationship between the parties. This study sought to understand how this relationship could be damaged or irreparably affected due to a breakdown between the franchisor and the franchisee. Improving this relationship would allow for a more sustained commercial arrangement between the parties, reducing the cost associated with early contract termination and de-franchising. A multiple case study approach was used as the methodological framing for this study. The sample group consisted of de-franchised franchisees who had prematurely cancelled a quick-service restaurant franchise contract. A snowball sampling technique was used, and information was gathered using semi-structured interviews and analysed using ATLAS.ti. Seven themes were identified and used to construct a conceptual model that informs the nature of a lasting and mutually beneficial franchising relationship. This study and the resulting model are valuable for franchisors in helping to select the most appropriate franchisees and ensure that the investment made into quick-service restaurant franchise brands is supported throughout the franchise relationship.

**Keywords** Franchising, franchisee, franchisor, Quick Service Restaurants, franchise success

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### Introduction

Franchising is among the most common methods for geographic expansion of an entrepreneurial business (Balsarini et al., 2023; Gillis & Castrogiovanni, 2012; Singh & Sarangal, 2021), especially among quick-service restaurants (Hsu et al., 2010; Maumbe, 2012; Wingrove & Urban, 2017). Franchising offers the entrepreneur a proven revenue generation and cost management system within an umbrella brand that offers support, group marketing and peer learning. The ability of a franchisor to sustain a harmonious relationship with a franchisee over time has been shown to ensure the continued success of the franchise system and a sustainable relationship in the future (Frazer et al., 2012). In addition, this affiliation can become part of the franchise's strategic capability. The franchise model is such that the franchisor provides the necessary expertise to a franchisee, and, in turn, the franchisee provides finance and management to the franchisor, thereby setting up an interdependent relationship (Leslie & McNeill, 2010; Paswan & Wittmann, 2009; Zachary et al., 2011). Little is known as to how the franchisor-franchisee relationship develops over time. If the relationship is broken down to the point of a franchisee de-franchising or a franchisor cancelling a franchise contract, this process is often costly for both parties. Franchisees are independent traders who undertake a personal risk when investing in a franchised business: the objective is for these franchisees to operate their stores and maximise their profit. Often, franchisees access debt or invest their life savings into the system to change their career paths; it follows that their venture must be successful (Kaufmann, 1999; Legendre et al., 2021). The current study was undertaken within the South African environment and argues that certain underlying factors drive franchise success and failure. The study's premise is that franchisors and franchisees must avoid destructive relationships to guarantee continued business success (Davies et al., 2011; Rahatullah & Raeside, 2008). This study used an exploratory cross-sectional inductive research approach with a multiple case study methodology. It adopted a snowball sampling technique to interview franchisees who had been de-franchised and franchisors who had prematurely cancelled franchise contracts. The interview process consisted of semi-structured in-depth interviews. The researchers created a conceptual framework using the elements identified in the study's findings. Franchisees can use this framework when joining a new franchise to strengthen their relationship with their franchisor. Franchisors can use the model to ensure all the franchisee/franchisor relationship elements are considered to guarantee the affiliation is fruitful. Furthermore, the model can be adopted within academia for further research in franchisee and franchisor relationships.

### Literature review

Franchising remains one of the most widely used growth strategies for Quick Service Restaurants worldwide (Balsarini et al., 2023; Dant et al., 2011; Kauffman, 1999; Rosado-Serrano et al., 2018; Singh & Sarangal, 2021). A franchisor sells a business system to a franchisee, which comprises knowledge and expertise for managing information within and across organisations (Alon et al., 2021; Elango & Fried, 1997; Hunt, 2014). Franchisees buy into this system to access knowledge and obtain a competitive advantage and operational efficiencies relative to non-franchise competitors (Pardo-del-Val et al., 2014; Paswan & Wittmann, 2009). In return for paying franchise fees, franchisees receive training, marketing, market research and assistance, amongst others, from their franchisor (Alijon et al., 2022; Davies et al., 2011; Tariq Anwar, 2011; Watson & Johnson, 2010). To operate according to the franchisor's standards, the franchisor must supply franchisees with the correct information, knowledge and tools (Ghantous & Christodoulides, 2020; Ionna & Maria, 2013; King et al., 2013; Paswan & Wittmann, 2009). This relationship needs to be based on solid communication to cultivate the knowledge to remain successful. Franchisors must



provide the information to permit franchisees to resourcefully operate their organisations according to the franchise standards. The franchisee and franchisor must have shared goals rather than individual benefits (Dube et al., 2020; King et al., 2013; Panda et al., 2023). A franchise is a network of independently owned businesses and a commercial relationship where a franchisor allows an individual or group of individuals a licencing agreement to use their brand name and expertise in return for a monthly royalty fee (El-Sayed et al., 2022; Ghani et al., 2021; Mishra, 2017). Various franchise models exist, including joint ventures, area franchising, and direct investment (Floyd & Fenwick, 2014; Gillis & Castrogiovanni, 2012; Mishra, 2017; Tariq Anwar, 2011). According to Gómez et al. (2010) when a new site is granted, two problems may arise: adverse selection and moral hazard. The former selects the wrong franchisee, and the latter is further divided into two parts: opportunistic behaviour of shirking or suboptimal efforts from the franchisee (Gómez et al., 2010). This highlights the importance of selecting the correct franchisee to sustain a profitable relationship.

### ***Franchise selection***

The selection of the right franchisee with whom to partner, whose goals are similarly aligned, is imperative for the franchise to succeed. If objectives are not connected, franchisees may exhibit opportunistic behaviour in pursuit of their interest instead of those of the franchise (Brookes and Altinay, 2011; Calderon-Monge et al., 2021; Ramirez-Hurtado et al., 2011). Hence, selecting the right franchisee initially is a way to eliminate any future problems; conversely, selecting an incorrect franchisee will drive a personal agenda, resulting in a negative outcome (Balsarini et al., 2023; Brookes & Altinay, 2011; Zachary et al., 2011). The customer-facing franchisee makes this partner selection critical to increasing and maximising customer satisfaction and sustainable revenue (Jang & Park, 2019; Kalargyrou et al., 2018). It is vital to attract franchisees who identify with the brand and are aligned in values and beliefs (Kaufmann & Dant, 1996; Zachary et al., 2011). Franchise equity is a perceptual measure of the franchise brand's non-financial value, highlighting the importance of brand management for both the franchisee and franchisor (Leslie & McNeill, 2010). Franchise equity includes recognition, trust, and reputation, symbolising trust, reliability and quality (Lee et al., 2021; Nyadzayo et al., 2016). The higher the brand recognition, the more attractive the business will be to potential franchisees attracted to a particular brand (Nyadzayo et al., 2016).

### ***Relationship, trust and communication***

The interaction and collaboration between the franchisor and franchisee are more complicated than a typical supplier-buyer relationship. Specifically, in the franchisee-franchisor relationship, there is interdependence in gaining experience from the franchisee's perspective and receiving operational knowledge from the franchisor's perspective (Ali, 2020; Ekuland, 2014; Winsor et al., 2012; Zachary et al., 2011). Franchise success is influenced by trust, which is, in turn, linked to communication and franchisee satisfaction (Fernandez-Monray et al., 2018). Poor business-to-business relationships have been linked to contract breaches, often affecting the psychological contract between the parties (Gillani et al., 2021). Psychological contracts are 'an individual's beliefs regarding the terms and conditions of a reciprocal exchange agreement between the focal person and another party' (Rousseau, 1989: 123). Psychological contracts have created mutual dependence and reciprocity between the parties, even in environments of information asymmetry (Ali, 2020, 2021), including in traditional buyer-supplier relationships (Danilwan, 2020; Kingshott et al., 2020) and the franchise context (El-Sayed, 2011, 2022; Kirtland, 2015). Research shows that trust is an essential factor in any relationship (Dickey et al., 2008; Ekelund, 2014; King et al., 2013; White, 2010). Croonen (2010) suggests that trust should not be looked at in isolation but rather along with fairness and justice. An important aspect of trust is that both parties assume they will treat each other fairly. In addition, they distinguish between system trust and personal trust. System trust is based on institutional structures, whereas personal trust is developed from face-to-face contact (Croonen, 2010). Moreover, competence plays a role in the franchisee's trust (Croonen, 2010). Trust results in a more open relationship, increasing appreciation of each partner. According to White (2010), trust in a franchise relationship improves overall performance as each party is not worried about the other displaying opportunistic behaviours.

### ***Conflict and unfairness***

If the franchisee deems the value of the partnership with the franchisor to be unequal, conflict, reduced performance, and discontent could result (Frazer et al., 2012; Harmon & Griffiths, 2008; Perrigot et al., 2021; Spinelli & Birley, 1996). Conflict can inflict long-lasting damage on the relationship between the franchisee and the franchisor, resulting in the franchisee being less satisfied and becoming less compliant, often leading to negative perceptions, attitudes, and outlook (Dada, 2023; Dada & Onyas, 2021; Windsor et al., 2012). Unfairness can contaminate the relationship, intensifying these adverse effects and impacting the franchisee's satisfaction and performance (Kim et al., 2021). It is, therefore, imperative to understand how relationships are damaged to ensure that this situation is avoided to sustain a solid long-term relationship (Blut et al., 2011; Winsor et al., 2012).

### ***Standardisation and compliance***

The franchise model achieves economies of scale through standardising operations, marketing, purchasing and product development. This is done by replicating the business model in new geographic domains (Garg et al., 2013; Kaufmann & Eroglu, 1999). However, there is a challenge regarding this aspect as the franchisor needs to consider the standardised system and evaluate the franchisees' independence (Chiou & Droge, 2015; Cox & Mason, 2007; Pardo-del-Val et al., 2014). One challenge facing franchisors is the issue of compliance (Crosno & Tong, 2018), which is often juxtaposed with autonomy (Colla et al., 2019; Dada, 2018). Even though this is usually stipulated in a contract, franchisees deliberately ignore this, thereby



diminishing the brand's value. Opportunistic behaviour is acting in one's self-interest to the detriment of the relationship, often leading to moral hazard (Gant & Buchan, 2019) and reducing levels of good faith between the parties (Perrigot et al., 2019).

## Methodology

This research used a multiple case study approach aligned with an exploratory research stance. This method allowed the researchers to compare various cases, drawing a cross-case conclusion from the findings (Yin, 2013) and an approach that ensures rigour and the potential for theory building (Welch et al., 2020). The research was conducted using a qualitative approach, and the researchers collected data via semi-structured, in-depth, in-person interviews. Semi-structured interviews are a flexible approach which enables the researcher to draw on a list of questions that act as a guide during the interview process but to encourage, through open-ended questioning, the interviewee to answer each question as they desire. The list of questions adopted ensured all themes were covered during the interview and that the style was directed yet conversational (Knott, 2022; Saunders & Lewis, 2012). The population comprised several franchise organisations in the South African quick-service restaurant sector. Franchisees who had experienced a de-franchising process and franchisors who had been prematurely cancelling a franchise contract were selected. Given the sensitivity of these situations and the reluctance of individuals to share their franchise experiences, a non-probability sampling strategy was adopted, using convenience and snowball sampling, relying on referrals to franchisees and franchisors who have had these experiences. The sample size was limited due to the multi-case study approach; four franchisors and five franchisees completed the in-depth interviews. All franchisees had been de-franchised; three franchisors were operating QSR franchises, and one interviewee had previously operated as a franchisor. Interviews totalled nine hours, providing sufficient data for data saturation. Data saturation is contentious in qualitative research, with no one approach being considered the standard across all studies (Fusch & Ness, 2015). A meta-analysis has found that data saturation is reached after the 9<sup>th</sup> interview, with a mean length of 59 minutes (Mwita, 2022). This would imply a baseline of 8.8 hours of interview; while comprising nine interviews, the current study met the baseline threshold in total interview hours. Data analysis was conducted using a thematic analysis approach, relying on ATLAS.ti to assist the researchers in generating thematic codes using an inductive approach. Codes were grouped to create code families, which were, in turn, used to develop themes and relationships. Thematic analysis can be seen as a family of methods that combines several approaches common to qualitative research (Braun & Clark, 2022). While thematic analysis can be used for inductive and deductive analysis, the researchers chose a reflexive and abductive stance to 'find the most logical solution and useful explanation for phenomena' (Thompson, 2022: 1411). A structured path through the thematic analysis process was used following Naeem et al. (2023). This entailed immersion in the data and selection of quotations and keywords, coding, theme development, conceptualisation and interpretation and development of a conceptual model.

## Results

Twenty codes were selected from the thematic data analysis and clustered into seven code themes representative of the most frequent responses from the interviews. Below is an explanation of each code theme (represented in order of response frequency) from the perspective of the franchisee and franchisor. Quotations from the interviews are included as exemplars and should not be seen as exhaustive.

### *Brand and marketing*

#### *Franchisees*

Franchisees buy into a franchise system by associating it with its brand values. However, franchisees lose faith in the brand when they believe it must live up to its promise and what it set out to be. "I believed in the brand, always liked the brand, it always appealed to me and when I had the opportunity I chose them as I believed in the brand. I would still have been with the brand if it had the strength to sustain itself. All of us have a brand which we associate our character with" (Franchisee 1). Franchisees also expressed frustration when the franchisor did not deliver on the marketing promises and expectations at the start of the relationship. "Marketing was not good; you would have to wait for in-store promotions. They were not aggressive enough and there was no in-house marketing" (Franchisee 4).

#### *Franchisors*

Franchisors believed that franchisees should live the brand and believe in it. This is linked to industry fit and choosing the correct franchisee suitable for the brand culture, whose view was also seen throughout this theme. Generally, franchisors showed frustration as these franchisees needed to live up to the brand expectations and were bringing the brand name into disrepute. "The brand has given you knowledge, and in reality, once you enter a franchise agreement you must be happy with everything the brand stands for and do your homework properly" (Franchisor A). The franchisors strongly felt that damaging the franchise brand was problematic and that franchisees should be able to afford to be associated with or part of the brand. "Operators are a problem as most are not true to the brand. Brands that are not succeeding are because there are no quality franchisees present" (Franchisor B).

### *Finance*

#### *Franchisee*

Franchisees expressed strong emotions regarding royalties and felt they did not always receive value and support from their franchisors in return. Often, franchisees felt targeted for mistakes they made but did not receive the required support in terms



of finance or guidance regarding how to rectify these errors. Royalties became a grudge payment, straining their relationship with their franchisors. From the franchisee's perspective, compliance was an issue. Franchisees often felt they knew better as they interacted with customers in their stores daily. Therefore, they believed they better understood what the customer wanted. "I do not mind paying as long as they do their above-the-line marketing. When it came time to do renovations, the franchisor expected one to spend a lot, but you had to come up with money, and it is not factored into your margins. It is important for franchisees to understand their working capital, and when you fix up your shop and put money into it, it is ultimately good for business" (Franchisee 2). "If I had decided to go straight and stick to the book, I would not have been de-franchised, but I was not prepared to do that as I knew better. I would run my menu on the side and order from cheaper suppliers. They became stricter, and then we were forced to de-franchise" (Franchise 4).

#### *Franchisor*

From the franchisor's perspective, compliance was a fundamental issue. Non-compliant franchisees were not adhering to the franchising standards and rules. "You can cancel an agreement if the franchisee does not comply. The better they get, the more money they want to make, and then they start to cut corners. To illustrate: serviettes cost too much so they source a cheaper option" (Franchisor A). The lack of financial skills from the franchisees ultimately de-franchised was a notable concern. Franchisors believed these franchisees did not have the financial knowledge to run their stores successfully. "They [franchisee] lack people and financial skills. Skill of finance of business is where they are lacking. They should reinvest, but they do not understand the finance of the business" (Franchisor A).

#### **Industry fit**

##### *Franchisees*

It was evident that not all franchise systems were ideally fitted or suited to every franchisee. This precise issue was experienced by a respondent who expected all franchisees to operate in the same manner, as well as the franchisee regarding the exponential growth within the franchise brand, which could result in brand problems. "They [franchisor] need to understand that we are all different human beings and not just numbers. I run my store differently to others" (Franchisee 1). In this case, the franchisee referred to the franchisor's inexperience in selecting franchisees. The franchisor is picking those who need to gain the correct industry experience. Alongside this industry experience is the franchisee's attitude and approach, which may only sometimes respond well to a formalised management system.

##### *Franchisors*

The data suggested that although franchisees initially agreed to the franchise agreement and bought into the idea of a 'one size fits all' franchising format, once they had learned from the initial franchise experience, they started to deviate from the brand-standardized format and did not fit into what the franchise stood for. "In reality, once you enter a franchise agreement, you must be happy with everything the brand stands for and do your homework properly" (Franchisor A). Conversely, other franchisors agreed that there needed to be a degree of flexibility to accommodate different personalities and market areas. There was the suggestion by franchisees of committing to show an interest in their store/s and be hands-on; however, this was only sometimes observed by franchisors. "We do not manage franchisees as a franchise as they have different personalities. They are every day in their businesses, and the ones that are not ultimately losing their businesses" (Franchisor C). Choosing the right franchisee was an issue for the franchisor. Franchisors expected their franchisees to have an industry understanding and the necessary skills to run their operations according to the franchise standard. "Failed franchises resulted because non-restaurateurs were put in a restaurant environment, but we do not do that anymore. Everyone did their own thing, and it did not work, as they were not operators" (Franchisor C).

#### **Operations**

##### *Franchisee*

Franchisees expressed frustration, feeling their franchisors needed to add value through support and training. There was consensus amongst the franchisees that they needed to receive the required support and promised delivery in return for the royalty fees they were paying. "I told them it was not working, and the franchisor said it was my problem and that I had to pay. Paying royalties is an issue, and they promise you the earth. However, the problem is when things go wrong, they do not assist" (Franchisee 3).

##### *Franchisor*

From the franchisor's perspective, they felt discouraged as franchisees expected them to be operationally involved, which was inconsistent with the franchise model. In their view, the franchisees were unwilling to put in the effort. They were not willing to learn by attending training to upskill themselves to run their stores at a superior level and according to the standardised franchise formats. "Training was an issue, as they were not interested in the training" (Franchisor B).

#### **Alignment**

##### *Franchisee*

There needed to be more alignment between the franchisee and the franchisor on how stores should be run. The franchisees experienced different views and expectations, as well as what they expected from their relationship with their franchisors, given



that they showed frustration with the franchisor's views not aligning with theirs. "At times, we were at loggerheads. The company can be cutthroat. I can see my issues in my shop and do not need head office to tell me what to do" (Franchisee 1). Attitude and personality played a role in the relationship, and the franchisees' and franchisors' different expectations were clear. "I went in with a bad mindset, if I decided to go straight and stick to the book, I probably would not have ended up being de-franchised, but I was not prepared to listen to them" (Franchisee 4).

#### *Franchisor*

The franchisors, too, expressed that misalignment between the parties' expectations was an issue. The franchisors had a perception of how a franchised relationship would function, and if the franchisee did not agree, tension built up in the relationship. "The perception of how it will be is different from reality. Franchisees need to be able to fly the plane, but most franchisees want to be an air hostess. They buy a business, and they are not there." (Franchisor B). Misalignment in attitude and personality also played a role in the relationship. This was displayed in terms of the different expectations anticipated by franchisees and franchisors. "In the beginning, it was fine, and when the honeymoon period was done, they changed. Skills we can teach, but you cannot teach basic etiquette" (Franchisor A).

#### *Customers*

##### *Franchisee*

From a franchisee's perspective, they knew the franchisor would enforce specific standardised menus and procedures. Still, being customer-facing, they felt they knew what the customer wanted. The misalignment regarding customer focus was further evident between the franchisee and franchisor. "They [franchisor] were not interested in the business and did not understand it was a customer-based business. The head office was trying to expand regarding their shares instead of what is right for the customer" (Franchisee B).

##### *Franchisor*

The franchisor believed de-franchising franchisees was necessary when customers were not served according to the franchise guidelines. Receiving customer complaints was a tipping point in this regard, as they impacted the brand's reputation. "Experienced operators in the group look after their customers. A breaking point for us is when the business [revenue] decreases and customer complaints increase. The tipping point was the constant negative customer feedback" (Franchisor C)

#### *Relationship*

##### *Franchisee*

Poor communication was a fundamental component that ultimately led to the relationship breakdown. Communication was linked to trust, as in many cases, the franchisees believed their franchisors misled them. They were frustrated that their franchisors were not willing to listen to them. They felt their franchisors did not live up to their promises. "In the beginning, it was good, but they misled us in certain ways" (Franchisee 1).

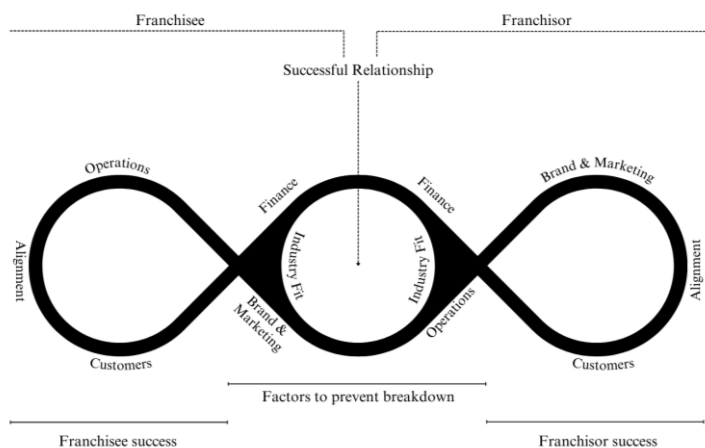
##### *Franchisor*

From the franchisor's perspective, there was a consensus that when things started to go wrong with the franchisees' stores, blame was placed on the franchisor, and the franchisees would not assume any responsibility. They felt that the franchisees would come up with excuses and expect the head office to run their stores for them. "Good communication is key, and franchisees must pick up the phone if they have issues. Do not send an email as they are difficult to interpret. A positive aspect is when those franchisees have relationships with us and communicate with us, therefore leading to better menu options and efficient business systems. Relationships are critical, and you need to have relationship skills" (Franchisor C).

#### **Discussion and conceptual model**

Based on the results, a conceptual model was developed to illustrate how the themes are integrated and to explain the nature of a successful relationship between franchisor and franchisee. This section will discuss Figure 1 as it relates to the results and literature. The model in Figure 1 suggests that, if correctly addressed, certain elements can avoid a breakdown in the relationship between the parties. These are industry fit, finance, operations, and brand and marketing. These are common to both parties and necessary building blocks of a successful relationship. The issue of industry fit is related more broadly to the experience of autonomy and, in some cases, compliance between the franchisor and franchisee. This issue is reported in the literature (Crosno & Tong, 2018), with feelings of autonomy positively linked to franchise commitment (Colla et al., 2019) but negatively perceived by franchisors as a deviation from traditional control mechanisms (Dada, 2018). Finance relates to the underlying franchising business model, which relies on royalty payments from the franchisee to the franchisor, although other models have been explored (Jell-Ojobor et al., 2022). Disputes between the parties often centre on the 'fair payment' of royalties, relying on goodwill and the underlying relationship between the parties to resolve conflict (Emerson & Carrington, 2020; Wang et al., 2020). As reflected in previous studies, the results showed that the franchisees were prepared to pay royalties but expected commensurate services from franchisors (Watson & Johnson, 2010). While brand and marketing appear as shared franchisee and franchisor success factors, they are primarily related to brand identification to ensure alignment of values and beliefs related to the brand promise and to narrow structural and operational gaps between franchisor and franchisee (Ghantous & Christodoulides, 2020; Zachary et al., 2011). The current study showed that the brand promise had been broken, a phenomenon

usually driven by the franchisor (Davies et al., 2011; Leslie & McNeill, 2010). However, that brand remains essential to a successful franchise relationship (Dube et al., 2020). Operational management is conceptualised as a shared success factor and a driver of franchisee success. Successful franchising requires both parties to bring resources to the relationship, combining various factors, including operational standards and efficiency (Panda, et al., 2023). Trust is essential to the relationship (Croonen, 2010), and it is often characterised by incompatible financial incentives, impacting the levels of interdependency and operational focus (Lawrence et al., 2021). Franchisees in the current study indicated their frustration with franchisors over support and operational assistance; the actual or perceived lack of support is a cause of relationship tension (Wang et al., 2020). Bringing these factors together leads to a trusted and successful relationship which underpins all other aspects of the interaction between the franchisee and the franchisor. From identifying and recruiting new franchisees through networks and social media (Sachi & Brynildsen, 2022) to performance (Bui et al., 2022) and conflict resolution (Perrigot et al., 2021).



**Figure 1: Conceptual model**

Both parties are responsible for ensuring alignment for goals, values and objectives. The starting point for a successful franchising relationship is selecting franchisees willing to align with the values, brand, and franchise system. Ensuring the correct mindset is more important than other factors (Calderon-Monge et al., 2021). However, entrepreneurial intention was also essential in ensuring alignment between the parties (Croonen et al., 2022). The cases in the current study echoed previous studies identifying conflict due to the misalignment of competing interests (Lopez-Fernandez & Lopez-Bayon, 2018). Finally, customers are essential to the success of both parties – without willing franchisees, the franchisor has no business model; likewise, without paying customers, the franchisee has no revenue. Customer needs place additional tension in the franchise relationship; the need to satisfy not only customers' requirements but also the franchisee, franchisor, and employees creates new areas for misalignment (Evanschitzky et al., 2011). The importance of attracting and retaining high-quality customers is a necessary function of the franchisee; this is supported by recent research that found that local experience, linked to acts of franchise heterogeneity, was positively related to customer satisfaction (Gill & Kim, 2021). The depiction of the model as an infinity symbol emphasises the symbiotic relationship between the parties and the need for mutual reinforcement of specific factors in the parties' shared and individual control.

## Conclusion

Franchising plays a vital role in the global and South African economies. It is necessary to further economic growth, create employment, develop skills, and empower individuals. Therefore, franchising relationships need to be successful and sustainable. With globalisation and increasing competitiveness, franchising is a way to augment job creation and self-employment. Conflict can damage the relationship between the franchisee and the franchisor. The ability of a franchisor to sustain a harmonious relationship with a franchisee over time has been shown to ensure the continued success of the franchise system. After analysing the data, the emerging themes encompassed industry fit, brand and marketing, finance, relationship, operations, customers and alignment. These themes were connected relative to their importance to the franchisee and franchisor. After that, a model was constructed (Figure 1) to visualise the factors required for this relationship to be successful. This model is a step toward conceptualising the nature of a successful relationship between the parties, showing which aspects of the relationship are of shared importance and responsibility and which are in the domain of the franchisee and franchisor. This study does have certain limitations. Due to the nature of the study, the interviewees may have been open to social desirability bias in their responses to gain prestige from the occurrence. Volunteer bias was at play, as only franchisees and franchisors willing to participate in the study were interviewed. The non-probability snowball and convenience sampling technique is subjective and could have led to similar candidates being chosen. Only South African franchisees and franchisors in the quick service restaurant sector were interviewed, limiting the research to South Africa and the restaurant industry. Again, further research could be carried out in other sectors and other countries to extend the size of the population and test the conceptual model presented in this study.



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