



## Franchisees Satisfaction Towards The Franchisors – A Study Of Domino's Pizza

**Dr.G.Arun Kumar**

Assistant Professor Department of Management Studies Vijayanagara Sri Krishnadevaraya University Ballari, Karnataka

### ABSTRACT

*Franchise is the significant factor in the development of the business, the association between the franchisor and the franchisee is important not only for the individual but for the entire franchise system. The objective of this research article is to identify the franchisee satisfaction towards the franchisor in some select parameter at Domino's pizza in South Karnataka. The convenient sampling technique has been adopted for the selection of sample. The sample size selected for the study is 10 franchisees of Domino's pizza in South Karnataka. The data has been obtained with the help of questionnaire technique and it has been analyzed with the help of spss software. The results shows that all the parameters selected for the study are having a significant association towards franchisee satisfaction.*

**KEYWORDS : Franchisee Satisfaction, Franchisor, Domino's Pizza, South Karnataka, SPSS**

### Introduction

In franchising the association between the franchisor and the franchisee is significant for the success of the individual franchise. Foodstuff franchising is an important segment of franchising that continues to grow very rapidly in the current global market. This speedy growth has led to many consequences such as increased competition, increase in the number of outlets etc. In the competitive environment the most important issue for franchisor is how to maintain the relation with franchisee in order to gain competitive advantage. If franchisee is satisfied to maximum extend it will leads to development of the system.

### Literature Reviews

Franchising is defined as a marketing system rotating around a two-party legal accord whereby the franchisee is granted the freedom to sell a product or service and carry out business as a sole proprietor, but is necessary to function according to the terms and conditions of the franchisor. The word franchising is derived from the French word which means honesty and free from slavery. In other words, the English word "franchise" has emerged from French word "Franchir". The verb Franchir in French means jumping or hurdling or passing limitations. The literature data that has been published on franchising can be separated to a few schools of thought. The differentiation between these schools is frequently caused by their dissimilar approach in the direction of franchising. Effectual parameters on franchisee satisfaction from different researchers perspectives has been derived in this articles. Roy and Yun in this article identified franchisee satisfaction based on support to untie branches; major purchase, accord and continuing business carryout in this study. This study gives tactical management area precious views on employing, selecting and continuing support on behalf of franchisor. Franchisees satisfaction is influential thought of franchise business. It raises product value reduces franchisor's expenses, contributes representatives and long term franchise system sustainability and reciprocally increases incomes. Idea of franchisees fulfillment and satisfaction gets additional on its significant, since a lot of franchisors be familiar with significance of measuring and assessment concept. Franchisees fulfillment measuring is foundation to get better relations in complex network. By usual level and arrangement satisfaction researching, and as a result by redesigning essentials that causes disappointment , attracts prospect franchisees and obtainable

increases efforts aim better company results. Franchisees satisfaction in addition to customer satisfaction is abstract concept that establishes only in franchisees mind. Franchisee associations are made more multifaceted by the franchisor's having to construct associations with franchisees and customers. One major cause for this is that in a franchising association, the parties have conflicting objectives in the association. The franchisor will think about the performance of the complete franchise system, at the same time as the franchisees will spotlight on the performance of their outlet. On the other hand, together parties focus on improving income for themselves. Despite this, intensification of this association involves the distribution of benefits and costs.

### Objective of the study

To study the franchisees satisfaction towards the franchisors in some select parameters.

### Hypotheses

- Ho - There is no significance relationship between financial operation of franchisee and franchisor.
- Ho - There is no positive relationship association between royalties paid by franchisees and franchisor.
- Ho - There is no significance relationship between the franchisee and franchisor.
- Ho - There is no association between support services offered to franchisee by franchisor.
- Ho - there is no positive brand image between the brand image of the franchisee and franchisor.

### Methodology

The data for this research article has been collected with the help of questionnaire. The sample size selected for the study is 10 franchisees across the South Karnataka state. Convenience sampling method has been used in the selection of sample and the data collected has been analysed with the help of SPSS software, the statistical technique used for the analysis is anova.

### Scope of the Study

This research has been confined to only domino's pizza restaurant in South karnataka state.

### Data analysis and Interpretation

#### 7.1 ANOVA (Financial operations of franchisees and franchisor satisfaction)

7.1 ANOVA (Financial operations of franchisees and franchisor satisfaction)						
Financial operations of franchisees		Sum of Squares	df	Mean Square	F	Sig.
The financial return from my franchise exceeds my expectation	Between Groups	4.817	1	4.437	4.022	.052
	Within Groups	9.583	8	1.328		
	Total	14.400	9			
My franchise provides a good return on my investment	Between Groups	8.817	1	4.557	7.361	.033
	Within Groups	7.583	8	.878		
	Total	16.400	9			
I make a profit that matches the time and effort involved in owning and managing a franchise	Between Groups	.417	1	4.557	5.455	.044
	Within Groups	13.583	8	.438		
	Total	14.000	9			

If the franchisor sells the company, my investment will be protected	Between Groups	8.067	1	7.707	6.445	.039
	Within Groups	10.333	8	1.342		
	Total	18.400	9			

The above table reveals the relationship between financial operations of franchisees and their satisfaction towards the franchisor. The financial operations of franchisees consists of four parameters in which three of the parameters namely franchise provides a good return on my investment ( P Value - .033), franchisor sell the company my investment will be protected ( P value .039) and I make a profit that matches the time and effort involved in owning and managing a franchise ( P value .044) have a significance value less than .05 and one parameters namely my financial return from my franchise exceeds my expectation has a p value .052 which has a significance value more than .05. As most of the parameters are having positive association the alternative hypothesis can be accepted.

7.2 ANOVA (Royalties paid by franchisees and franchisor satisfaction)						
Royalties paid by franchisees		Sum of Squares	df	Mean Square	F	Sig.
The royalty rate I pay my franchisors is fair	Between Groups	6.667	1	7.437	5.344	.042
	Within Groups	9.833	8	1.239		
	Total	16.500	9			
My franchisor charges me excessive fees	Between Groups	4.817	1	5.237	4.261	.065
	Within Groups	9.583	8	1.448		
	Total	14.400	9			
The advertising fees I pay are reasonable	Between Groups	8.817	1	6.427	8.531	.021
	Within Groups	7.583	8	.848		
	Total	16.400	9			

The above figure shows the association between the royalties paid by franchisees and their satisfaction towards franchisor. Two parameters are having a significance value less than .05 the parameter are the royalty rate I pay to my franchisors is fair with p value of .042 and the advertising fee I pay are reasonable with p value of .021. One of the parameter has an insignificant relationship with franchisor satisfaction namely my franchisor charges me excessive fees which have a p value of .065. Hence majority of the parameters are having a positive association alternative hypothesis can be accepted.

7.3 ANOVA (The relationship between the parties)						
The relationship between the parties		Sum of Squares	Df	Mean Square	F	Sig.
My relationship with my franchisor is very good	Between Groups	.417	1	5.557	4.345	.044
	Within Groups	13.583	8	1.648		
	Total	14.000	9			
My franchisor values a long-term relationship	Between Groups	8.067	1	8.237	6.525	.039
	Within Groups	10.333	8	1.452		
	Total	18.400	9			
My franchisor shows a genuine interest in me as a franchisee	Between Groups	.417	1	.561	.535	.534
	Within Groups	13.583	8	1.348		
	Total	14.000	9			
My franchisor is competent to run this franchise system	Between Groups	8.067	1	8.537	6.525	.041
	Within Groups	10.333	8	1.232		
	Total	18.400	9			

The above table examines the relationship between the two parties. The output which has been obtained shows that three of the parameter namely my relationship with my franchisor is very good with p value of.044, my franchisor values a long term relationship with p value .039 and my franchisor is competent to run this franchise system with p value is .041 are having a significance value less than .05 and one more parameter namely and my franchisor shows a genuine interest in me as a franchisee are having a significant value more than .05 hence three of the parameters are positively associated with franchisor satisfaction so alternative hypothesis can be accepted.

7.4 ANOVA (Support service offered to franchises and franchisor satisfaction)						
Support service offered to franchises		Sum of Squares	Df	Mean Square	F	Sig.
The franchisor offers a wide variety of support service that meet the needs of my franchise	Between Groups	6.667	1	5.437	5.514	.044
	Within Groups	9.833	8	1.529		
	Total	16.500	9			
My franchisor provides adequate support services	Between Groups	4.817	1	4.527	4.421	.049
	Within Groups	9.583	8	1.558		
	Total	14.400	9			

The table shows the relationship between support service offered to franchises and franchisors satisfaction. Both of the parameter the franchisor offers a wide variety of support service that meet the needs of my franchise have a significant value .044 and my franchisor provides adequate support services have a significant association with the p value .049. Hence alternative hypothesis can be accepted.

**7.5 ANOVA (The image of the franchisee and franchisor satisfaction)**

The image of the franchisee		Sum of Squares	df	Mean Square	F	Sig.
I am proud to be a member of this franchise system	Between Groups	10.417	1	8.537	9.428	.022
	Within Groups	4.083	8	.410		
	Total	14.500	9			
My franchisor has a recognisable company name or trademark	Between Groups	5.400	1	4.440	4.927	.036
	Within Groups	11.000	8	1.525		
	Total	16.400	9			
My franchisor finds innovative way to market the brand	Between Groups	2.817	1	2.517	4.111	.043
	Within Groups	9.583	8	1.728		
	Total	12.400	9			

The above table shows the relationship between the brand images of the franchisee towards the franchisor. The analysis reveals that all the parameters are having the significance value less than .05 the parameters are i am proud to be a member of this franchise system having p value of .022, My franchisor has a recognisable company name or trademark has a p value of .036, My franchisor finds innovative way to market the brand p value is .043. Hence there is a positive association between the brand image of the franchisee towards the franchisor so alternative hypothesis can be accepted.

**10. Conclusion**

Franchising is considered as an important aspect in the development of business. The article outcome determines that there a need for improvement in few parameters in order to make the franchisee satisfied towards the franchisor.

**REFERENCES**

1. Abdullah, Firdous, Rashidee, Alwi, Mohd Lee, N.and Ho, V.B. (2008), "Measuring and managing franchisee satisfaction: a study of academic franchising", *Journal of Modeling in Management*, Vol. 3 No .2. pp. 182-199. | 2. Chiou, J.S, Hsieb, C.H. and Yaang C.H. (2004), "The Effect of Franchisors' Communication, Service Assistance, and Competitive Advantage of Franchisees' Intentions to Remain in the Franchise System", *Journal of Small Business Management* 42(1), pp. 19-36. | 3. Capaldo, P., Wilsdon, S., Branch, A, & Kernbach, J. 2004. Franchisee Satisfaction Survey: Benchmark 2004. [Online] Available at [www.deloitte.com/dtt/cda/doc.content/franchise\\_survey\\_lo-res.pdf](http://www.deloitte.com/dtt/cda/doc.content/franchise_survey_lo-res.pdf). Accessed: 7 November 2007. | 4. Gauzente, C. 2003. 'Measuring franchisees' satisfaction: theoretical considerations and empirical testing', *International Journal of Retail and Distribution Management*, 31(10): 508-517 | 5. Grünhagen, M. & Dorsch, M. 2003. 'Does the franchisor provide value to franchisees? Past, current and future value assessments of two franchisee types', *Journal of Small Business Management*, 41(4): 366-384 | 6. Justis, R., Olsen, J.E & Chan, P.S. 1993. 'Using marketing research to enhance franchisee/franchisor relationships', *Journal of Small Business Management*, 31(2): 121-127. | 7. Morrison, K.A. 1997. 'How franchise job satisfaction and personality affects performance, organisational commitment, franchisor relations, and intention to remain', *Journal of Small Business Management*, 35(3): 39-67. |