

Exogenous Factors Dictate the Quality of Relationship between Franchisee and Franchisor from the Malaysian Experiences

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Nowadays franchising has been widely accepted as an effective way to conduct and expand businesses. However a franchise system does not guarantee of success in business and depends on a good relationship between both parties namely franchisor and franchisee. These franchise relationships are unique and differ from the conventional business operations which are mutually symbiotic and co-exist. Nevertheless without a good understanding between franchisor and franchisee, this relationship might be ended up with dispute to a greater extent which involved legal action. The success and failure of any franchise business are closely related to both the franchisor and franchisee and to what extent can they fulfil their responsibilities in order to maintain the level of franchise relationship quality (FRQ). Even though previous empirical researchers had viewed FRQ as a major indicator for the success of franchising system, the literature review showed that there was a lack of such research in identifying the exogenous factors that determine the FRQ. Thus, this qualitative research was conducted to identify the exogenous factors that influence the FRQ between franchisee and franchisor. This process involved the integration between an existing literature reviews and industry practices which emphasized on the gaps to solve the problem statement. Semi-structured interviews were conducted in this research to answer the two (2) main issues and finally fourteen (14) exogenous factors that influenced the FRQ had been identified.

JEL Code: 401

1. Introduction

The importance and contribution of franchising in retails business towards development of creation new entrepreneurs and the impact to the economic growth are not deniable. The earlier scholars recognized that franchising is becoming a fast, effective and productive way to start-up and expanding a business (Lafontaine, and Kaufmann, 1994; Lashley and Morrison, 2000). Even in some developing countries, franchising has been adopted by government as a catalyst of development. (Hamid et al., 2003). The Malaysian Government is seriously put an effort and give its full support to encourage the growth of franchising as one of the strategies for entrepreneurial development in the country. The government initiated The Franchise Development Programme in 1992 and become part of the government's efforts in achieving and creating a new commercial and industrial community.

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Bernama, (2008) reported that Ministry of Domestic Trade, Co-operative and Consumerism (MDTCC) (formerly was known as Ministry of Entrepreneur and Cooperative Development) has targeted to developed 1,000 franchisees and 50 franchisors under the Ninth Malaysian Plan (2006-2010). The government is also has allocated of RM100 million for the franchise development programs with emphasize of creating a new franchise business. This RM100 million was given in the form of loan to a new franchisor and franchisee in setting up their new or extend the business (Bernama, 2008). This evidence was justified when in the year 1995, there are only 125 franchise system were registered with MDTCC and until October 2011 was increased to 573 number of franchise business were registered (MDTCC, 2011).

This attempt was supported by most of scholars where the franchising promotes the growth strategy in the global business activities. But it so much depends on the quality of relationships between franchisor and franchisee (Justis and Judd, 1989; Lee, 1999; Morrison, 1996 and Chiou, Hsieh and Yang, 2004). The franchisor had taken a risk when its business reputation was tarnished by the bad image of the franchisee. On the order hand, the franchisee worried with allegations of franchisor misconduct or the failure of the franchisor to deal in good faith.

There are a potential of conflict arise in relationship when both parties are mutually dependent, bound together by a contract, and rely on inputs from both parties (Harmon and Griffiths, 2008; Maritz and Nieman, 2008; Jambulingam and Nevin, 1999) and many franchisees not satisfied with franchisor's performance (Purvin, 1994). Nevertheless, some of the conflicts arise when franchisees are not performing well and declining in their sales. This also may destroy the relationship between franchisor and franchisee. In fact the termination of contract between franchisor and franchisee affect multiple of implications and it will end-up with law suits and proceedings.

Chiou, Hsieh and Yang, (2004) acknowledged there are some of the antecedents that influence to the quality of relationship which are the communication, service assistance and competitive advantage. While franchisor's brand name is also been identified as antecedents that effects of the on the quality of the relationship (Lee, 1994) and internal environment (Yang, 1994). Meanwhile Hoon (2002), found that franchisor and franchisee relationship as the most important element that determines the franchisors' entrepreneurial strategy, leading to their financial success.

These indicate several exogenous antecedents that dictate the quality relationship of both parties in franchise system. Therefore the importance role of exogenous antecedents in determining a quality of relationship between franchisor and franchisee are not deniable. But yet, until today, scarcity of research has been conducted in this area. So it is clear that the implications of quality relationship between franchisor and franchisee have yet to be fully explored, and that a better understanding of the antecedents that influence to a high-quality relationship between franchisor and franchisee would be beneficial for both parties as well as others stakeholders.

This paper will be divided into 7 main topics. Topic 1 enlightens the important of the study. Topic 2 discusses on the research questions. Topic 3 continues with literature

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review and topic 4 discuss on methodology of qualitative research. Topic 5 highlights the data analysis and continues with topic 7 on the findings. End up with topic 7 on the conclusion and future research.

2. Research Questions

Earlier, Kaufmann and Rangan (1990) found that franchising businesses are facing intense pressure as a result of highly competitive. This pressure directly affects both parties and can lead to rupture and loss of the business (Mc Cosker, 2000). While Frazer (2003) emphasized the success of the relationship between franchisees and franchisors rely on a strong partnership between them. This is supported by Alzola and Monroy (2005) which states the importance of cooperation between franchise networks and further strengthens the quality of the franchise relationship between the two parties.

Therefore, strengthening the quality of the franchise relationship between both parties is essential franchisees and franchisors. Knowing the antecedents that affect the quality of the franchise relationship between franchisees and franchisors is crucial for the success of this business. Thus taking into consideration its emphasis on the quality of the franchise relationship the needs of through study and the question for this study is expressed as follows:

Q1: What are the exogenous factors that affect the franchise relationship quality between franchisors and franchisees from the perspective of franchisees and franchisors?

Q2: Is there any similarities between the exogenous factors that affect the franchise relationship quality between franchisors and franchisees from the perspective of franchisees and franchisors?

3. Literature Review

3.1 Exogenous Factors

Most of dictionary defines the exogenous antecedents are the causes or effect of something to the dependent variable from external antecedents. Frequently exogenous variables are used for setting arbitrary external conditions, and not in achieving a more realistic model behaviour. Resulting from external antecedents is usually beyond the control. For example, the level of government expenditure is exogenous to the theory of income determination. Piercy (1982) highlighted the fact that the degree of involvement in foreign operations depends on exogenous motivating antecedents, where the motivations were as a result of active or aggressive behaviour based on the firm's reactive external environmental changes. Chiou, Hsieh and Yang (2004) has classified the exogenous antecedents are the constructs covering communication, assistance in operating manuals, training and the competitive advantages of franchisor. They also argued that communication is a human activity that can be controlled and there are three (3) main elements that strongly influence to the relationship between franchisees and

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franchisors which are communication, support services and a competitive advantage by the franchisor.

Usually in the context of franchise business relationships, the franchisors use variety of communication instruments such as newsletters, emails, letters, site visits, meetings, meetings and others (Mublemean, 1996). Communication can in the form of formal or informal and the most effective is two-way communication (Kane, 2001; Laurie, 2000). Tikoo (2005) emphasizes that franchisors typically use communication to resolve conflict with franchisees. This is supported in the latest discovery by Watson and Johnson, (2010) who explored the role of communication in strengthening the relationship between franchisors and franchisees. Davis (2004), emphasizes the importance of corporate communication from the franchisor to deliver the information and business direction. These findings reinforced the findings of Pearce (2008), who found that the communication and the rules of effective communication channels will influence the level of communication in the franchise business.

In the viewed from the perspective of franchisees, Roh and Yoon (2009) studied more extensively on the support and assistance provided by the franchisor to the franchisee. Franchisor supports is divided into four (4) main elements prior to the implementation of pre-operational and three (3) other postoperative which covering centralized purchasing support, communication and business assistance. They found that all the antecedents were strongly influence to the on-going relationship with the franchisor. Even Perry, Cavaye and Ritchie, (2002), do not negate the role of technology in strengthening relationships with franchisors franchise. Based on their review, the focus is only on the technology and not others. Auriol and Picard (2009), in their study of public facilities in developing countries classify exogenous antecedents as franchise fees payable by the franchisee. Justis and Chan (1991) found that business success requires entrepreneurs and franchisors understand the significance of the impact of training on the business. Training either through formal or hands on mainly are the lifeline to succeed in the organization (Davis, 2004; Torikka, 2004; Umbreit, 1989).

Frazer (2001) looking at the failure to the relationship between franchisor and franchisee and had tested two (2) main variables namely the franchisor support and also the level of life expectancy ('level of life cycle') for franchisees. He suggested that, to strengthen cooperation relations, franchise products and services must be at maturity level of life cycle and has a strong market. Sousa and Bradley (2006) have identified the influence of culture and communication between both parties was a great contribution to the quality of the franchise relationship.

Spencer (2007), with a focus on the regulations and operating standards and found to be effective in the franchisor-franchisee relationship While Herrington (2006) looking at the role of advertising as a significant contribution to the satisfaction of the franchisee.

In the Malaysian context, researchers Hanafiah and Senik (2002), conducted a study to identify antecedents that lead to success in the franchise business. In their study, twenty (20) antecedents that lead to success in the franchise business have been identified. A total of seven (7) antecedents were identified as important antecedents influencing the

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success of the franchise business. Among these include (i) a good image of the franchise business, (ii) support and comprehensive training by the franchisor, (iii) the products have been identified in the market, (iv) a fair agreement between the franchisee and the franchisor, (v) the selection of franchisees, (vi) the existence of a strong trust between franchisees and franchisors and (vii) a continuous communication link between franchisees and franchisors. However, they do not look at the antecedents that influence the quality of the franchise relationship, but in general to determine success in the franchise business. Based on the seven (7) antecedents above, six (6) one has a strong correlation with quality issues between franchisor-franchisee relationship that is the influence of exogenous antecedents.

3.2 Franchise Relationship Quality (FRQ)

The effectiveness of a successful franchising organizational can be undermined by failure to emphasize the quality of relationship. The ideal franchisor and franchisee relationship was built on mutual trust, consideration, and cooperation. It is vital for the success of both parties.

The relationship at its optimum should be mutually beneficial and involve shared effort, enhance profits, maximize market share, product sales, and the growth for the franchisor and franchisee (Justis and Judd, 1989; Shane, 1996, 1998; Brickley and Dark, 1987; Brickley et al., 1991). The important thing is undeniable in this relationship is that FRQ has been established between the two parties and it has been much discussed by earlier scholars as an intangible value associated with the expectation of the satisfaction of the purchase transaction product or service between sellers and buyers (Levitt, 1986). Johnson (1999) argued that the FRQ is more general concept of performance between the relationships of the two parties.

While Jarvelin and Lehtinen, (1996) refers FRQ to the extent of consumers' perception of the overall relationship expectations, predictions, goals and desires that clients expect from the transactions carried out. Earlier Gummesson (1987), identified FRQ dimension is comprised of (i) the professional relationship and (ii) social relations. To create a relationship in the long term, quality relationships between business firms and clients must be maintained. Customers at the moment give an attention to the overall quality of communication. The assessment of the relationship quality is based on past experience, expectations, forecasting the future, goals and the customers wants (Crosby, Evans, and Cowles, 1990). Even the quality of the relationship has been proven as a positive relationship with the customer loyalty (Hennig-Thurau and Klee, 1997; Hennig-Thurau, Gwinner, and Gremler, 2002; Roberts, Varki and Brodie, 2003).

Based on the FRQ definition, generally some researchers argue that it was difficult to establish a uniformity of the franchise relationship quality between the two parties involved (Rauyrueen and Miller, 2007; Robie et al., 1998). Henning-Thurau and Klee (1997) has defined the relationship between the firm's quality and customer business as a manning level to meet customer relationships associated with the relationship. Generally such FRQ have been developed by previous scholars through a number of elements and components. For example, in the study by Wong and Sohal (2002), they

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found that the existence of relationship quality at the highest level between the customer and the seller to establish trust and commitment between the two parties.

Tseng (2007), emphasized that the high quality of the relationship will lead to customer trust and perception of honest dealer business performance capabilities in the future because past performance is very satisfactory. Service providers will continue to receive feedback on their services provided and indicate more information on business development to clients. This will directly help the firm provides strategic direction for the future business stability and will maintain the good quality relationships with clients (Tseng, 2007). In addition maintaining the quality of long-term relationships will facilitate both parties to understand and meet their needs (Czepiel, 1990). Therefore, in this study, we will examine the exogenous antecedents that affect the franchise quality relationship (FQR).

4. Methodology

4.1 Application of Qualitative Research

Research methodology whether quantitative or qualitative has its own role and its importance. However, several scholars in the franchise business of the opinion that the importance of qualitative research is needed in the research field of franchise businesses since the gap between academic research and industry practice is large (Doherty and Alexander, 2004; Hopkinson and Hogarth-Scott, 1999). Moreover based on the history and development of franchise business in Malaysia, it is still in the phase of development. Therefore, this exploratory study is needed due to lack of research on the relationship between franchisors and franchisees in Malaysia (Abdullah, et al., 2008; MDTCC, 2009).

Even Mohd Amy Azhar (2003) argues that the development of a theory is more suitable than testing theory in the study of franchise businesses because the gap between scientific discovery and industry practices so large (Gauzente, 2002). Historically, Young et al. (2000), in discussing the related studies of the franchising indicated that the qualitative approach is the most appropriate approach because only 7.7 percent of qualitative research was conducted in the franchise business.

This statement is in line with the opinions expressed by Elango and Fried (1997) who considers the lack of qualitative research in the field of franchise business and it is a defect ('handicap') in scientific research. This coincides with the view from Hair, Bush and Ortinau (2009), which emphasizes the importance of using qualitative research when there is a need to obtain preliminary data or development of the model.

The question also frequently arises in qualitative studies on the approach to be used. Most of the qualitative researchers do not have uniformity in determining the appropriate approach to conduct a study (Merriam, 2009). Some researchers use the traditional approach based on the basic theories (Bogdan and Biklen, 2007). There are also a theoretical approach to orientation and tradition (Patton 2002). In fact, some are using theoretical paradigm approaches (Denzin and Lincoln, 2000). Not least some

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researchers used an overview approach (Cresswell, 2007). Finally there are also qualitative researcher uses epistemology approaches with theory (Crotty, 1998; Flick, 2002; Johnson and Duberley, 2000; Merriam, 2009). The approach is a method to understand and explain how we know things (Crotty, 2007; Merriam, 2009).

It can be seen in various perspectives such as (i) 'positivist', (ii) 'constructivist', (iii) critical, and (iv) 'realism' (Weaven, 2004; Merriam, 2009).

Since this study is based the antecedents that influence the quality, then the epistemology approach and the theory will be used. Epistemology perspective approach with theory can be summarized as in Table 1 below.

Table 1: Comparative Perspective Epistemology Approach with Theory

Perspective Remarks	Positivist	Constructivist	Critical	Realism
Purpose	forecasting, controlling and generalize	Explaining, understanding and interpretation of studies based on the theory	Converts, liberate and empower	Reconstruction, problem solving, questions and interruptions
Methodology	More on quantitative methods such as hypothesis verification, testing and questionnaires	Based on the basic theory of relevance and depth interviews, observations and extensive involvement	Intellectual transfer as action research, focus groups and in-depth involvement	More on qualitative methods such as action research, convergent interview and case studies
Reality	Objective and external reality	Various reality	Various reality and more in cultural contexts	Solve something truly happening in outside
Direction of research	Measuring research direction of bilateral relationship between variables	Reconstruction, reinterpretation of various belief systems and reality	Critical knowledge idiographic	Developing knowledge-based realities
Interaction researcher with the phenomenon	Independent of interacting	Mutually interacted	Mutually interacted	No interaction
Data collection	Statistical data collection	Specific sample statistical data and sometimes non-specific statistical data	Specific sample statistical data and sometimes non-specific statistical data	More to information and not statistical data

Source: Developed for this study based on the synthesis of Flick (2002), Merriam (2009), Mohd Amy Azhar (2002), Raply (2007) and Weaven (2004).

4.2 Data Collection Procedures

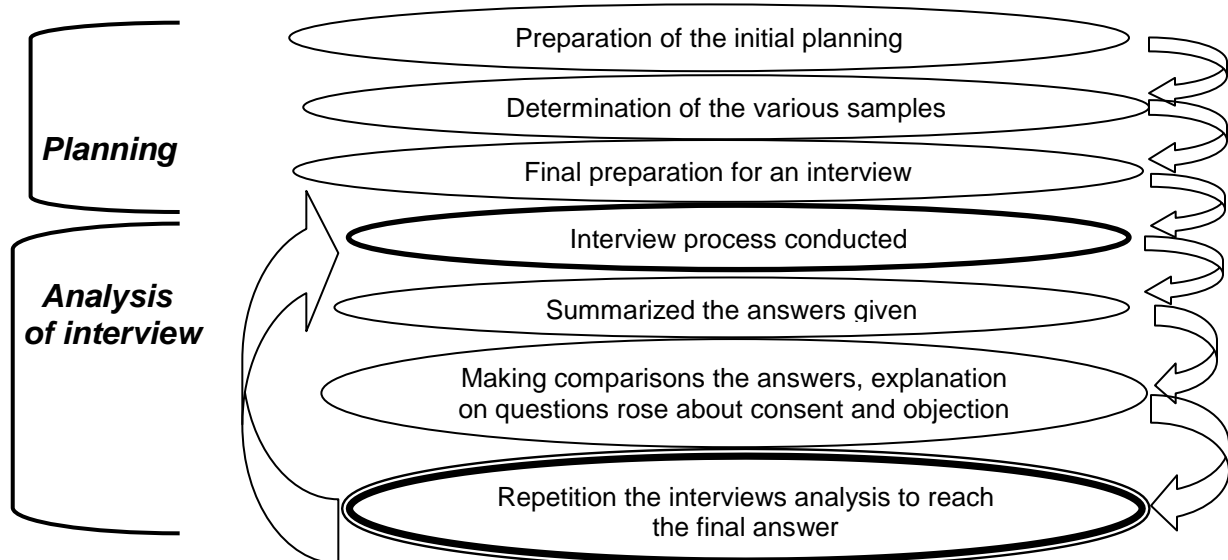
The procedure was initiated by sending a letter of invitation to the list of respondents identified based on a list of sample selection set. List of respondents was recommended by the Perbadanan Nasional Berhad (PNS) (the Malaysian Government financing

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agency specialised in franchising) based on their experience of dealing with franchisors and the level of cooperation. A total of ten (10) franchisors have been identified by the PNS as respondents in this study and they are experts who have been involved in the franchise business more than five years. A letter of invitation was sent to gather feedback on the consent of the respondents for the interview, the meeting date and suitable time for them to conduct an interview. A week after the letter was sent, the followed up by telephone was made to all respondents. The selection process for the franchisee respondents is based on the list of franchisees proposed by franchisors. This is to ensure the consistency and capability to cooperate in the interviews and to avoid bias (Heckathorn, 2002). Respondents were informed in advance about the location, time, date, and involvement interviewers. Introduction to the objectives and purpose of the interview was clearly informed to the respondents. The cost of the interview expenses are borne by the researchers. To ensure the smooth commitment, the interviewers had considered the suitability of the time, location, and others deemed appropriate to carry out the interviewing process. All interviews with franchisors were held at the office location but franchisees interview were held outside of the business in order to avoid interference. This is based on respondents demand.

Since the main objective of this study is to identify some key issues, then the convergent interview technique was applied. In short order the interview process can be shown as in Figure 1 as below.

Figure 1: Convergent interview process adapted with modification from Dick (1990).



Interview process is conducted in three stages. In the first interview, there are no structured questions used. However, in the second interview, the questions are outlined pretty much semi-structured according to the input of the answers given in the first interview. While the third stage interview, the questions are semi-structured and more geared towards structured approach.

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4.3 Validity

Validity in qualitative research is not the same concept as in quantitative research. But the main purpose is to prove the validity of the findings, it can be believed ('trustworthy') and defensible (Merriam, 2009). In fact, some scholars such as Creswell and Miller (2000) argued that validity is the impact of the researcher's own perceptions. In summary the proposed methods to ensure the validity of this study can be summarized as in Table 2 below.

Table 2: Summary of method to ensure the validity

No	Validity	Research Process	Stage of Research
a.	Descriptive	<ul style="list-style-type: none"> accuracy of the information in the report provide a back-up equipment 	<ul style="list-style-type: none"> data collection
b.	Interpretation	<ul style="list-style-type: none"> validity of the views, opinions, feelings, aspirations and experience of respondents conduct an interview in a conducive situation 	<ul style="list-style-type: none"> data collection analysis of data
c.	Theory based	<ul style="list-style-type: none"> findings in this study describes the phenomenon of the study 	<ul style="list-style-type: none"> finding
d.	Internal	<ul style="list-style-type: none"> development of research design and during data collection processes to produce an accurate results 	<ul style="list-style-type: none"> research design analysis
e.	External	<ul style="list-style-type: none"> results of this study can be generalized 	<ul style="list-style-type: none"> convergent interview technique analysis finding

Source: Adapted and synthesized of Dick (2000), Malhotra (2010), Merriam (2009), Leedy and Ormrod (2009), Patton (2002), Sekaran and Bougie (2010), Weaven (2004) and Zikmund (2003).

4.4 Reliability

Reliability of qualitative research is important to avoid the bias in the study. Bias will occur in the form of unstructured interviews and can cause offense interviewers interpretation of information (Malhotra, 2010). However the reflexivity (Johnson, 1997) has been used to understand and control the bias. This technique requires a process of critical self-reflection, which involves the process of analysing, re-consider and question the experience in a wider context (Murray and Kujundzic, 2005). However, in this study it was recorded and listened very carefully by interviewers with an assistance of a third party. Table 3 describes the summary of ensuring the reliability of the method in this study.

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Table 3: Summary of method to ensure the reliability of study

Research Process	Stage of Research
<ul style="list-style-type: none">• close supervision of a skilled supervisor in qualitative research and franchise industry• use of research assistants• respondents from among experts in the industry and referral specialist of PNS• information is recorded and supported with backup equipment• aid the interpretation of linguistic expert	<ul style="list-style-type: none">• research design• the process of data collection, evaluation and interviews conducted

Source: Adapted and synthesized of Dick (2000), Leedy and Ormrod (2009), Malhotra (2010), Merriam (2009), Patton (2002), Sekaran and Bougie (2010), Weaven (2004) and Zikmund (2003).

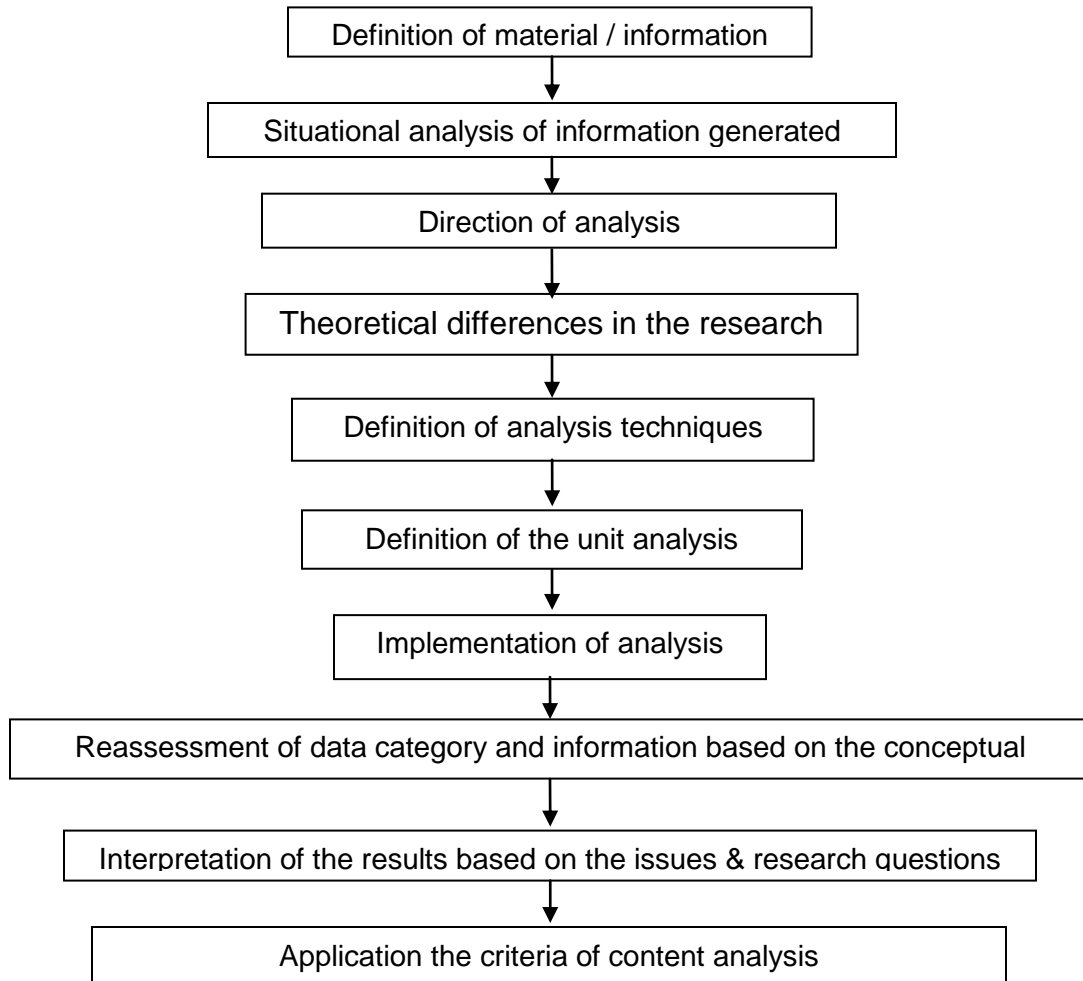
5. Data Analysis

For this study, an appropriate approach been used for data analysis is content analysis with modifications. This is conformity with Mayring (2000), which found that the approach of this analysis is an appropriate technique in qualitative research when: - (i) the material must be understood which obtained through communication, (ii) the knowledge of the author, subject, and socio-cultural background and (iii) the characteristics of the text, the receiver and the target groups can be identified.

This argument is strengthened by Flick (2002) which suggested that the appropriateness of using the content analysis when situation required the reduction of text analysis. This is for the purpose of uniformity in the category and facilitates the comparison in different cases. The process of analysing data using content analysis by Mayring (2000), is summarized as Figure 2 below.

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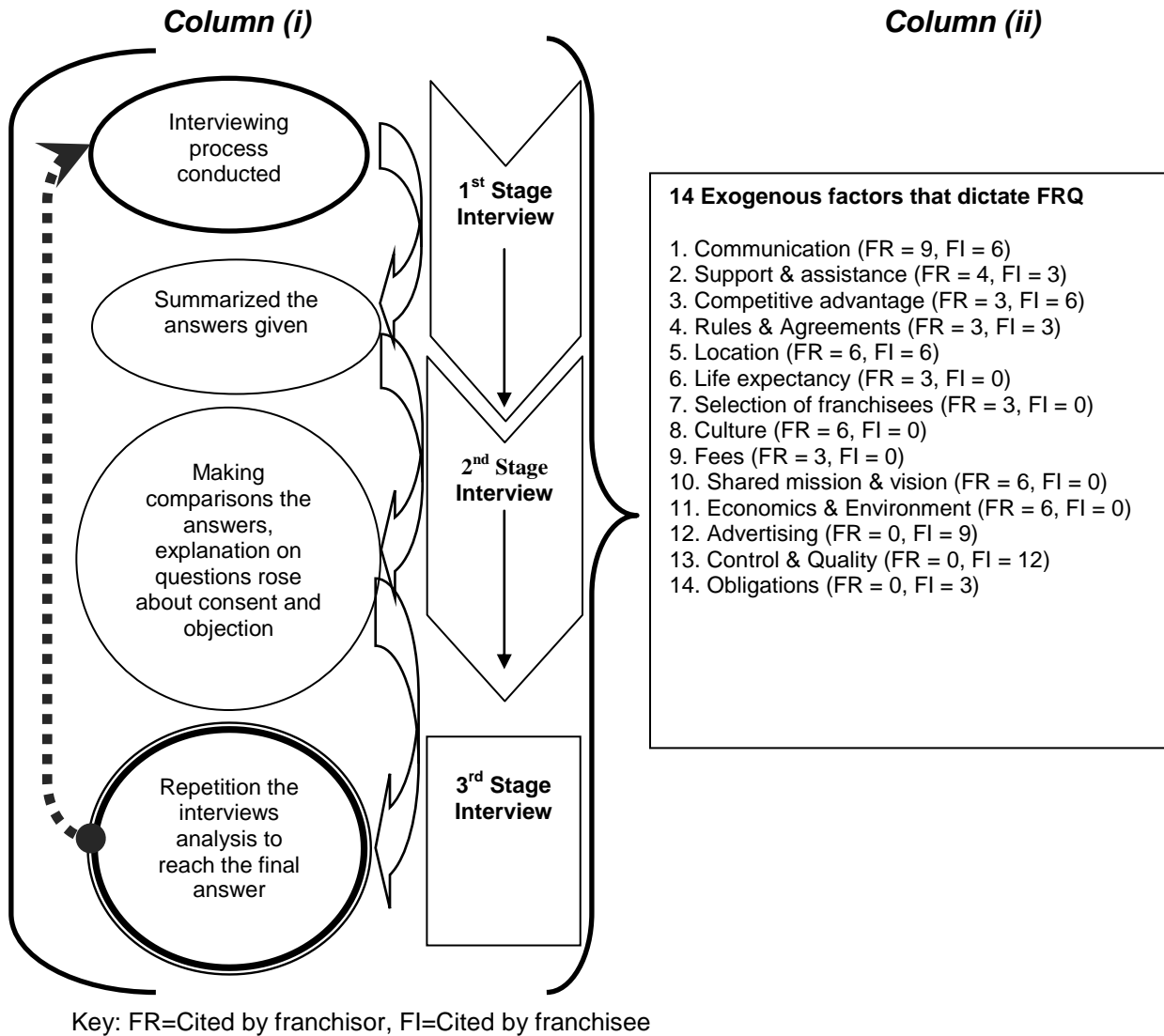
Figure 2: Process flow content analysis based on adaptation and modification from Mayring (2000)



6. Findings

Summary of the results analysis from the whole study can be shown in Figure 3.

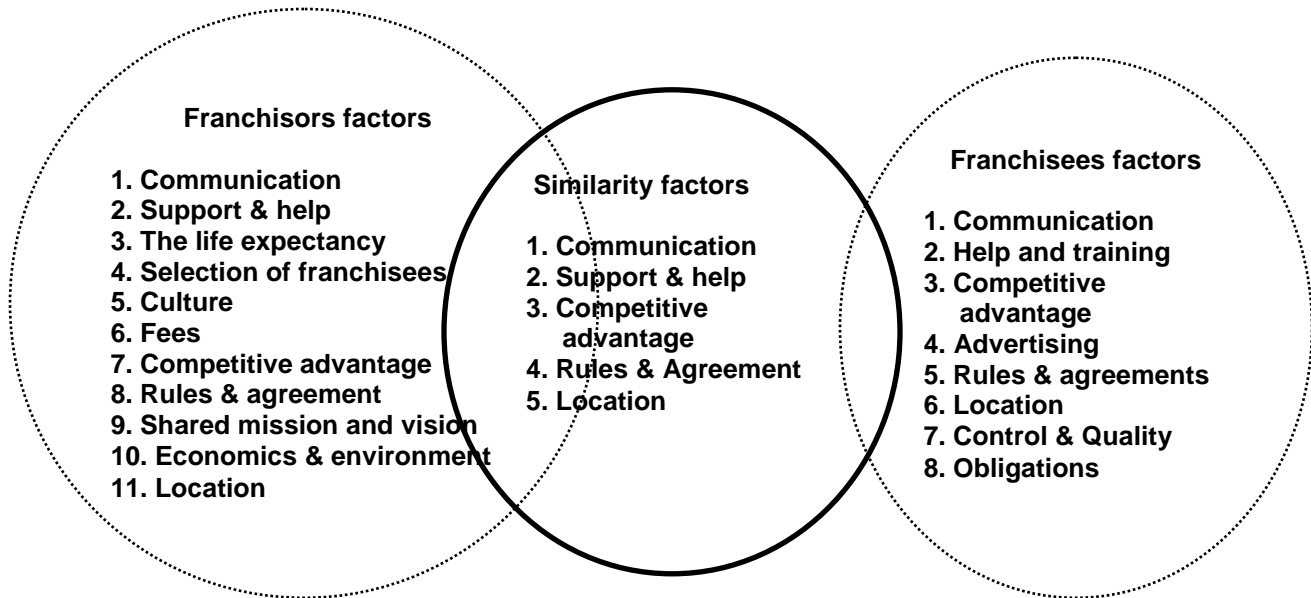
Figure 3: Summary of the analysis process used in the convergent interview based on the adaptation with modification of Dick (1990).



Column (i) outlined of the three stages of the interviews conducted in the convergent interview. There are ten (10) respondents were involved in the interviews conducted. Column (ii) listed the findings of this study in which there are ten (10) dimensional elements of franchise relationships quality and fourteen (14) exogenous factors that affect to the quality relationship between franchisors and franchisees. Figure 4 shows the matching similarities between exogenous factors that have been confirmed by the franchisor and the franchisee in this study as well as new discoveries.

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Figure 4: Overall equation exogenous factors affecting FRQ between franchisors and franchisees



Based on the above results there are five antecedents with similar findings by the franchisor and franchisee. Firstly is the communication which were discussed by previous scholars in studying the influence of the two parties relationship such as Chiou, Hsieh and Yang (2004), Davis (2004), Fynes and Voss (2002), Hanafiah and Senik (2002), Leonidou et al . (2006), Sousa and Bradley (2006), Tikoo (2005), Pearce (2008) and Watson and Johnson (2010). Second entecedent is ongoing support and assistance from stakeholders in the franchise business such as a franchisor, the government and other relevant agencies. Previous scholars such as Abdullah Alwi, Lee and Ho (2008), Chiou, Hsieh and Yang (2004), Spirit and Yoon (2009), Frazer (2001), Justis and Chan (1991), Hanafiah and Senik (2002) and Spencer (2007) have shown that there are very strong relationship between support and the quality of the relationship between the two parties. Even the support and assistance by franchisor through providing the high quality products and services that meet the needs of consumers will satisfy and prolong the franchise relationship (Hanafiah & Senik, 2002; Levitt, 1986).

Previous findings in the literature review, found that the competitive advantage affects the quality of the franchise relationship (Chiou, Hsieh, & Yang, 2004; Herrington, 2006). Results of this study have confirmed the influence of competitive advantage as a third antecedent. In fact, the importance of competitive advantage in the franchise has long been debated by scholars in other contexts in the franchise business. For example Charles, Chem, and John (1976) discussed the importance of this factor in the franchise business lifecycle.

In the previous studies, Hanafiah and Senik (2002) have identified rules and equitable agreement is another importance element in franchise business. In this study, the rules and agreement were mentioned by respondents from franchisors and franchisees as another antecedent in FRQ. Finally location was not mentioned in the literature review as

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a factor that affects FRQ between franchisors and franchisees. But in this study the two groups of respondents from franchisors and franchisees highlighted that the location is among the deciding antecedents on the quality of the franchise relationship. This situation occur when the location of franchisees is quite far from the location of franchisors, then can cause difficulty for them to access each other and become not harmony. Even in other studies by Bronson and Morgan (1998) emphasizes that the location is one of the important things to achieve economies of scale. This was supported in other study of new firms, Linda, Edelman and Manolova (2008) also found that the location very important role in determining the life span of business continuity.

7. Conclusion and Future Research

This aims of this paper is to identify the exogenous factors in establishing and maintaining a good quality of the relationship between franchisors and franchisees. Further studies should be carried out with quantitative research to confirm the effectiveness of the factors that have been identified in influencing the quality of the relationship. All respondents consisted of four (4) local franchises and only one (1) international franchising. Comparisons can be made by including more local and foreign franchises in order to identify the factors that influence the quality of the franchise relationship. In addition, further research can also be carried out in identifying the endogenous factors that affect the quality of the franchise relationship of both locally and international franchises. In accordance with the opinion and Dant (2008) who suggested further studies related to the application of the theory then research on the franchise business should be promoted.

Another important issue is that of the ethnic origins and cultural differences that have effects on the FRQ. Suyderhoud (1999) found in his studies of the vendor development programme practiced in Malaysia showed the race factor has significant influence on the success of the programme. Similarly, this scenario applies to the case of the franchise business sector particularly in the context of Malaysia which has a multi-ethnic and multi-cultural society, and hence indicates the need for further research. In conclusion, this study has been able to identify the important factors that contribute to the quality of the franchise relationship (FRQ) between franchisors and franchisees.

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