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Creating Effective Franchising Relationships: Challenges of Managing Mature Franchisees

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Abstract This case study demonstrates how a franchisor tailors the franchising service to maximise the effectiveness of the franchising relationship. The research uses an ethnographic approach to examine the relationship between a franchisor and several mature franchisees in a service industry franchise. It is well known that franchisees progress through various phases during the relationship. In this study, we focus on how and why mature franchisees differ in their attitudes and performance from immature franchisees, and we examine how the franchisor manages franchisees to maximise their potential. This study has developed a framework that describes the challenges and solutions for managing mature franchisees. The research reveals that franchisors need to keep experienced franchisees motivated and challenged if they are to remain dynamic operators within the system. On top of that, franchisors must remember the importance of transparency, and ensure the right recruitment of area managers whom the franchisees could trust and communicate with effectively. Additionally, there is a need to recognise that each franchisee is unique and must be managed individually, which involves recognising the stage of development through which the franchisee is progressing.

Keywords Franchising · Ethnography · Case study · Performance · Motivation · Service industry

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135

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1 Overview

A franchise business model and relationship are generally characterised by franchisees paying fees to a franchisor firm for the right to market goods or services using the franchisor's product, brand and systems (Weaven et al., 2019). While the mutual obligations between franchisees and franchisors are defined by a legal

agreement, the franchise relationship is a relationship where franchisors and franchisees have mutual expectations of each other (Parker, Cutts, Nathan, & Zacher, 2018). Such a relationship can be referred to as a psychological contract (Nathan, 2009). This is particularly the case where the franchisor firm is controlled and led by the founding entrepreneur, who in this case, we will refer to as the franchisor. Thus, franchisees and franchisors operate together within a complex business and social framework, known as a franchise network (Combs, Ketchen, Shook, & Short, 2011; Nathan, 2016a, b). Therefore, the relationship between a franchisor and franchisees is dependent on the dynamics of individual personalities. Another important factor impacting on the nature of this multi-faceted relationship will be the developmental stage of the franchisee's business (Parker et al., 2018). With numerous franchisees at various stages of development at any point in time, it is a challenge for a franchisor to remain connected with each franchisee (López-Bayón & López-Fernández, 2016; Mullin & Fisher, 2017). It is generally recognised that franchisees progress through a series of developmental phases during the franchising relationship (Badrinarayanan, Suh, & Kim, 2016; Nathan, 2007). However, the franchising experience is unique for each participant, so franchisors need to be adept at leading and managing others in order to deal with these individual differences.

Trust between franchisors and franchisees leads to healthier relationships between the parties (Morgan & Hunt, 1994; Parker et al., 2018) and improves the relationship life span (Dowell, Morrison, & Heffernan, 2015). For instance, businesses should focus on relationship quality to improve and maintain existing relationships with stakeholders (Ohira, Ishida, & Onzo, 2016). Therefore, improving and maintaining a relationship is an important concept for businesses and practitioners to understand (Hopkinson & Hogarth-Scott, 1999). Based on the foregoing discussion, this research explores the various relationships that a franchisor encounters with mature franchisees.

This study adopted an ethnographic approach to study the organisation and its people in-depth since ethnographies involve an examination of 'culture, power and ... conflict' (Goulding, 2002, p. 25). Although historically used by anthropologists (Patton, 2002), the technique is now adopted in a wide range of disciplines, including the study of management style (Goulding, 2002), tourism management (Konu, 2015), gaming (Snodgrass et al., 2017), and education (Reeves et al., 2016). Ethnographic research is particularly suited to the study of small business (Jack & Anderson, 2002; Ritchie & Richardson, 2004).

In the following sections, a brief review of the relevant literature is provided, the methodology for the study is justified, and the findings from the research are revealed. In brief, this research examines the nature of the franchising relationship over an extended period of time, in order to better understand what it is like to be a franchisee. In particular, it examines the effectiveness of strategies used by a franchisor to manage individual franchisees.

2 Literature Review

Franchising is an emerging research area and has been a focus of recent studies in many countries including Canada (Maciejewski, Jaana, Keely, Crowe, & Liddy, 2018), China (Alon, 2016), USA (Seo, 2016), India (Mohanani et al., 2017) and Australia (Timms, Frazer, Weaven, & Thaichon, 2019; Young, Frazer, Weaven, Roussety, & Thaichon, 2019). It has been described in the literature as being similar to either marriage (Germann, 2003; Nathan, 2016a, b) or a parent-child relationship (Justis & Judd, 2004). The former account assumes an interdependent relationship, starting with a honeymoon period followed by its fair share of tension, with both parties contributing to a successful business relationship. The latter, which is possibly a better description, reflects the initial high level of dependence of the franchisee on the franchisor, with the franchisee gradually lessening its dependence over time before finally reaching a mature level of co-dependence with the franchisor. Whatever the categorisation, most franchising agreements are for five or more years (Frazer & Weaven, 2004), a term long enough to require an enduring relationship between the parties.

The stages that franchisees typically experience throughout the franchising life cycle have been demonstrated by Nathan (2012). These include an initial euphoric stage upon entering the franchise, referred to as the Glee Stage, later stages of disillusionment and rebelliousness as a franchisee starts to focus on what they are getting for their fees, referred to as the Fee, Me and Free Stages, and finally acceptance of the synergies provided by the franchising model and alignment of shared goals, referred to in Nathan's model as the See and We Stages. A modification of this model has been proposed by Schreuder, Krige, and Parker (2000), but their 'franchisee lifestyle concept' assumes that franchisees will reach a 'rebel phase' (p.14) and then move to a revived courtship

with the franchisor at the time of contract renewal. While undoubtedly true for some franchisees, this model fails to recognise that mature franchisees have a different set of goals and individual needs from those of beginning operators.

Previous research has also focused on related issues concerning franchising relationships, such as the degree of power and control exerted by the franchisor (Dapiran & Hogarth-Scott, 2003); the expectations of franchisees after the opening a part-time franchising business (Thaichon, Weaven, Quach, Baker, & Frazer, 2019); the impact of learning and development on business performance (Timms et al., 2019); worklife balance in small business (Young et al., 2019); satisfaction in the franchising relationship (Hing, 1995); and the roles and competencies of franchisors and franchisees (Lim & Frazer, 2004). However, to our knowledge, this is the first study to explore the effect on the franchising relationship of strategies used by franchisees to deal with the developmental stages they experience. In the next section, we describe how our study was designed.

3 Methodology

This study aimed to attempt to capture the experience of what it is like to be a franchisee using an ethnographic approach. The choice of an ethnography was appropriate as it allowed us to study the behaviour of participants within a franchise setting and culture. There are several features of an ethnographic approach that appear in this study (Punch, 2005). Firstly, there is an assumption that behaviour is linked to the culture of the group. In order to study participants effectively, ethnographers need to be sensitive to the meanings of the context and behaviour. The group should be studied in its natural setting, and so participant observation is a recommended form of data collection. The data needs to be collected over a prolonged period of time in order to be sufficiently comprehensive. Finally, the study should evolve as the data is collected, indicating that hypotheses should not be formulated ahead of the research. We used the following techniques to conduct the ethnographic study.

Jay's Dog Wash was chosen as the franchise system in our study for several reasons. First, participants were based locally, which provided easy access. Second, it is a relatively low-cost franchise that uses a simple operational system and is easily taught to new members. Thus, it is the type of franchise system that attracts many first time franchisees. Lastly, the research team already possessed a good knowledge of the franchise, having used it in research previously. It is common in ethnographic research to use judgemental sampling in order to select the most appropriate participants (Fetterman, 1998). Four franchisees that had been in the system for five or more years and were therefore experienced operators were selected by the franchisor to take part in the study. Two researchers each met personally with two franchises, as well as with the franchisor and an area manager, in the field over a period of 12 months. Our observation of participants involved interacting with the franchisees as they performed their work and discussing their day-to-day activities with them. Thus, our observation involved direct contact with the franchisees in their natural setting (Goulding, 2002). We concluded the data collection when we recognised the point at which nothing new of cultural significance was being gained. Participant and franchise names have been changed to protect their identity.

It is regarded as essential for ethnographers to have a basic understanding of the culture they are observing and to be fluent in its language (Goulding, 2002). Our research team consisted of people with expertise in franchising and included a corporate psychologist who specialises in franchising relationships. By having a team of three researchers, we were able to critically reflect upon the data collected and offer alternative explanations for incidents that occurred. The participants were fully aware of the observers' roles and were briefed on the goals of the research.

The data collection involved observation, interviews, recording conversations, keeping field notes, reflecting, analysing and finally, writing up the results. We used a recursive interviewing technique, which encourages participants to offer information through informal conversations with the researcher; thus, we relied on conversational interaction and open questioning rather than on an interrogative approach (Minichiello, Madison, Hays, & Parmenter, 2004). The analysis was reflexive in character and included the franchisees' viewpoints (emic perspective) as well as our outsider (etic) perspectives (Goulding, 2002). Ethnographic research does not occur in a linear pattern, but is iterative, with each step leading us to reflect upon and, where necessary, review earlier steps in the process. We used one another as sounding boards to 'crystallise' our thoughts (Fetterman, 1998, p. 108). By also interviewing the franchisor and area manager about their interpretations of the franchisees' experiences, we triangulated the data by testing one data source against another in order to 'strip away alternative explanations' (Fetterman, 1998, p. 95).

The results of the study are presented below. Because the value of ethnography is found in its narrative (Chambers, 2000), the story reveals a culture that is constantly under construction. Whereas most ethnographies are often not developed beyond the level of the thick description presented as informants' stories (Goulding, 2005), the discussion that follows offers our insights into the mindsets of individual franchisees coping within a dynamic environment.

4 Findings and Discussions

The franchisor, Jay, selected four franchisees for our study that had been with the organisation for several years. Carol was a franchisee of five years' experience. She had previously been a customer of the service and was encouraged to join the franchise with its flexible working hours that suited her family lifestyle, due to her desire to achieve independence. Formerly in paid employment, this was Carol's first foray into business.

Des was also a former customer of the franchise (many of the franchisees are recruited in this manner). Previously self-employed as a dog trainer, Des had joined the franchise seven years earlier as a means of combining the two complementary services of dog washing and training, and he continued to run the two businesses simultaneously, with Jay's approval.

Keith first joined the franchise as an employee. To cope with demand, staff are needed in some territories to assist the franchisee who may have two, or even three trailers in operation. After a few months, because Keith demonstrated appropriate skills and enthusiasm, Jay offered him the opportunity to establish a territory for himself as a franchisee. He had been an owner-operator in the system for five years when we began the study.

Mandy was the most experienced operator, having been a franchisee for some nine years. Although she had no prior business background or knowledge (she had been a manual worker), Mandy recognised the franchise as a good opportunity for supporting herself. One of Mandy's friends was a franchisee, which allowed her to observe at close range how the system operated. When her friend wanted to sell, Mandy took the opportunity to join the system.

Although the franchisees had roughly the same amount of experience with the business, the stage of development for each was slightly different. Carol and Des were struggling with their feelings over whether the franchise was offering them sufficient value. Both had an independent streak, which meant they often questioned the way the system operated. They were most likely experiencing symptoms of Nathan's (2007) 'Me' and 'Free' stages, which are characterised by a sensation of being hindered rather than helped by the franchise structure.

In contrast, Keith and Mandy seemed never to have experienced this sense of isolation. Both were extroverts and regarded as leaders in the franchise because of their operational success as well as their innovation and high levels of motivation. Keith was in the 'We' stage of the relationship (Nathan, 2007), recognising the benefits of cooperation and striving for mutual goals with his franchisor. Mandy was on the verge of reaching the end of her franchising life cycle and was considering moving on to other ventures for positive rather than negative reasons. Despite this increased maturity, she was a huge advocate of the system that had helped her to reach her level of business success.

With some 140 franchisees in the system, Jay was constantly challenged to provide the right level of mentoring and support for franchisees who had differing needs and expectations. Despite being the founder of the system, Jay could no longer handle the day-to-day interaction with franchisees, and instead used a system of area managers to support the franchisees in their territories. Trevor was a recently appointed area manager for the four franchisees, among many others. He had worked his way up through the organisation as a franchisee himself, and now accepted responsibility for monitoring the performance of other franchisees. The fact that he had been an operator himself gave him credibility in the eyes of the franchisees. In addition, he carried out his job in a hands-on manner, visiting franchisees regularly and offering practical advice.

Our visits to the franchisees, area manager and franchisor, provided us with insights into the individual differences apparent among franchisees and into ways to cope with them. Firstly, let us consider the situation of Carol. Despite being in the franchise for five years, Carol was clearly feeling dissatisfied and isolated. On a scale of 1–10, she rated her level of satisfaction as only four and decreasing. The main cause of her disappointment seemed to be a mismatch of expectations and reality. She was struggling against the bureaucracy

of the system, feeling that it was a case of *'us versus them.'* While she wanted to be part of a team environment, she was not a team player herself and her independence was isolating.

Carol found that the switch from being an employee to a franchisee was quite a large cultural adjustment. At first, the idea of having to go into people's homes and talk to them was rather daunting. Now, however, Carol prides herself on her customer service and her ability to attract and concentrate on 'A' level customers whom she values more highly than the franchisor. *'My customers are more important than the franchisor to me because ... we're just the army out there earning money for them.'*

This feeling of detachment seemed to stem from Carol's perception of the franchisor having a low level of commitment. Carol had initially relied heavily on the former franchisee who had sold her the business, and when this person finally left the district, she felt somewhat abandoned. That level of personal association was replaced by an area manager, Trevor who was *'looking after about 50 people'* and who Carol felt was not very helpful in helping or suggesting with her business. When the new area manager, Trevor, arrived, Carol once again felt anxious at the prospect of losing his assistance, especially after hearing from other franchisees, rather than formally, that Trevor was departing. *'He's heading over to America. So that's probably another thorn in my back, the fact that they put him in just as a stepping stone...that link is not going to be there again.'* Rather than communicate her feelings, Carol internalised them: *'I just put the franchisor stuff in the back of my mind and deal with that when I have to.'* Carol also felt she was not overtly valued by the franchisor: *'They only ever ring me if they want something'*. Similarly, she felt distanced from other franchisees who were *'tied up with their lives, with work and families ... you don't mingle with anyone ... you feel like you're the only one out there'*.

Perhaps due to the length of time she had been in the franchise, Carol felt there was little else the franchisor could teach her. Indeed, she felt she should have more say in how the system should run. In most franchise networks, a source of controversy is often the way the franchisor spends the marketing fund, and in this case, Carol expected to have some involvement in the decision making. *'We are not asked how we want to spend (the marketing fund).... There is no forum on how the money we're paying is spent'*. Carol was unable to articulate her goals or plans for the future and needed help in deciding whether the franchise could continue to offer her the lifestyle she desired.

After the first year, you sort of realise that it's not all rose petals. I think the perception is that you're going to earn a lot of money, but in reality, you've got to bust your hump to earn heaps of money, and probably work harder than someone working for a company. The reality is that you don't earn a lot of money and once you realise that you probably start going down. But I've always said it was a lifestyle thing for me.

Des presented a similar challenge to the franchisor, although he was more satisfied with the relationship than Carol. His motivation for joining the franchise was the idea that in doing so, he might be provided with a vehicle that could also be used for increasing the client base of his existing dog training business. His early expectations of the franchise were soon exceeded, and he had so much work that his wife left her own paid employment to join him. They now run two trailers in their territory. Although it was a lifestyle decision for Des to join the franchise, he has found himself pleasantly surprised with their success. *'We're not rolling in cash, but it's given us a little bit more of an independent lifestyle than what we had before'*.

Although most franchisors prefer franchisees to be solely involved with the franchise, Jay made an exception with Des because of the complementary nature of his own small business. There is no doubt that Des considered himself to be an expert in the handling and understanding of dogs:

We are quite into dogs. We breed them, we train them, I do my security work with them, we do search and rescue work with them, and to us, dogs are not an unknown thing. We don't look at dogs the same way that you might look at your dog as a nice loving pet. We understand exactly what dogs are.

Despite the confidence that Des exhibited about his capabilities, he valued Jay's knowledge and business expertise. To Des, the franchisor had almost legendary status, and he enjoyed telling the interviewer the story of how Jay began the organisation when just a teenager. Nevertheless, his admiration of the franchisor did not deter him from investigating the possibility of sourcing the franchise products himself. Within a month of joining the franchise, Des had checked prices with product suppliers but concluded that Jay was not overcharging him. *'These people (other suppliers) were quite happy to give us a price, but it was well above what we were paying through our franchise, so now we know ... I mean, not that we didn't trust the company, but we just wanted to know.'*

As had Carol, Des had felt dissatisfied with the former area manager's support. Although there were formal communication channels between the franchisor and franchisees, such as through the Franchise Advisory Council, Des found that franchisees generally resorted to informally providing their own support system. They

swapped telephone numbers and helped one another out, sidestepping the ineffective area manager. When Trevor was appointed area manager, the need for the franchisees' informal support structure dissipated. *'From the day Trevor took over everything changed. He touched base with every franchisee face to face.... He basically gave everyone a pat on the back, told them that they were important to the company and that his door was always open. Every time anyone had a concern, and they contacted Trevor, it was fixed quickly and professionally.'* Following Trevor's appointment, Des felt more satisfied with the franchise as he considered he was valued, and received adequate acknowledgement for his contribution and expertise. Des is a unique franchisee in the way that he combines an external business interest with the franchise operation, and so the franchisor has had to accommodate his special needs.

Whilst Des and Carol posed a challenge to the franchisor in terms of keeping them motivated, Keith was fully motivated. He enjoys the work immensely and has been so successful that his wife has recently bought her own franchise territory. Keith can see himself doing the work for at least another ten years, so great are the challenges ahead. Even within a simple franchise system that has a relatively low start-up cost, people can forge a successful business career for themselves. Keith is such an example. He regularly washes 90–100 dogs a week, well above the average of 50–70. He sets goals and loves achieving recognition within the system for his high performance. Keith identifies strongly with the business, and the network surrounding the franchise is an important part of his life. *'Most of my friends are dog washers or customers of mine.'*

However, without opportunities provided by the franchise system, franchisees like Keith may flounder. Keith sees himself as a mentor for newer, less experienced franchisees and enjoys being able to help others to succeed. Although personally competitive, he does not see other franchisees as obstacles to his success. Rather, Keith values the synergistic effect of teamwork within the system. When the work was becoming less challenging, Jay offered Keith the opportunity to become a trainer of new franchisees.

Additionally, as he built up his territory, Keith was allowed to split part of it off to sell, creating yet another challenge for himself: to build his customer base in the remaining territory to equal that which he had achieved previously. Keith loves the freedom of being a franchisee, enjoys the outdoor lifestyle, and like most other franchisees in this system, loves the dogs. *'You can be as grumpy as anything but by the time you finish that first dog you calm down and change your outlook on the day. Now it's not just a horrible day, it's OK. I'll go and see my next lovely creature!'* Keith may seem like a dream franchisee, but the franchisor had had the foresight to keep him challenged by offering rewards for his high performance and providing opportunities that allowed him to share his expertise within the system.

Finally, we turn to Mandy, who joined the system on the recommendation of her friend. Mandy has several pets that she regards as part of her family—her *'fur kids'*. As with Keith, Mandy did not have any specific goals, apart from making a modest income, when she first joined the franchise, but she soon became surprised at her success. Mandy sees herself as more businesslike and professional than other operators and feels this is what sets her apart from many franchisees who treat the operation more like a job than a business. She sets personal goals and continues to raise the bar as each challenge is reached. Similar to Keith, Mandy has split territories, added an extra trailer, operated as a trainer and served on the Franchise Advisory Council. In addition, she has contributed some innovations to the system, such as the electronic diary and booking system she created. Driven to improve her skills, she has invested in dog training sessions so that she can learn more about dogs. Very few franchisees are motivated to take this extra step in their preparation.

Although she had no business skills when she joined, Mandy now feels equipped with enough skills to soon branch off into her own business in another industry. However, she would not consider trying to compete with the franchisor. *'I know I could, though I would be in breach of my contract. Yes, I've thought about it, then I thought, well no ... if I sold the business to someone else, I'd take all their clients from them, and it wouldn't be fair on them.'* Because she did not enter the franchise with high expectations, Mandy has rarely felt disappointed or frustrated with her progress. It is clear that Jay has not made unrealistic promises to prospective franchisees that have resulted in disappointment when not realised. It seems a much better option to let people experience the level of achievement appropriate to their personal abilities and efforts.

All four franchisees had felt some frustration with the former area manager, Sue, so we checked this out with the franchisor for a more balanced view. The franchisor, Jay, was more supportive of Sue's contribution, especially since Sue had taken on the job to help out when no other suitable personnel had been available. However, the new area manager, Trevor, was recruited because of his leadership and business potential, whereas Sue had wanted to treat the franchisees like friends. Jay reflected on this from his position as a franchisor: *'It*

wasn't about being friendly; it was about getting them successful in their business. You can be liked or disliked, but at the end of the day, you've got a job to do.'

5 Challenges and Solutions of Managing Mature Franchisees

This ethnography of franchisees in a successful system under the guidance of an experienced franchisor has revealed several features associated with the challenge of managing mature franchisees. Figure 1 demonstrates the solutions (green) to each of the challenges (yellow) of managing mature franchisees.

There is a need to recognise that *each franchisee is unique and must be managed individually*. This approach also involves *recognising the stage of development* through which the franchisee is progressing. The long-term franchisees that we included in this study were well past the honeymoon phase of the relationship that participants experience in the first few months of entering the franchise. However, each of the four participants had experienced different paths in their journey. Carol and Des considered themselves successful and living the lifestyle they wished, but both were also suffering conflicting feelings of doubt, disappointment and some dissatisfaction.

Suffering conflicting feelings of doubt, disappointment and dissatisfaction. Carol, in particular, demonstrated signs of a victim personality. Stuck in the me/free stage of the Nathan satisfaction model, Carol was in danger of reinforcing this perception of herself without proactive intervention and adequate support from the

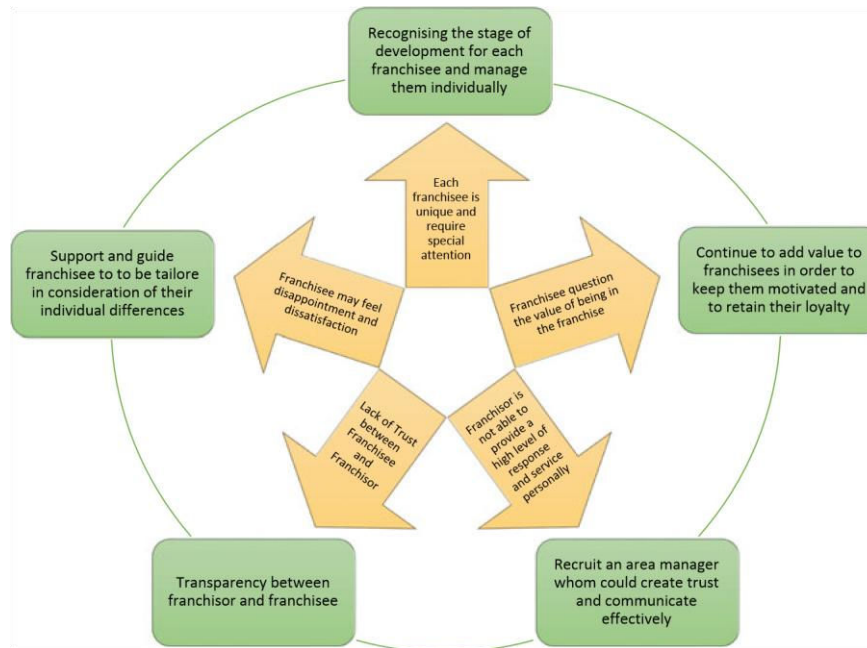


Fig. 1 Challenges and solutions of managing mature franchisees. Source Author's own figure

franchisor. Rather than be expected to progress through this stage, disengaged franchisees need additional contact from the franchisor and area manager as well as evidence of how they are being helped. Following our interviews, we discovered that Carol had sold her franchise and departed the system. In comparison, Des, who had a similar level of disenchantment, adopted a fighting approach to resolve his problem. On the other hand, Keith was revelling in his achievements and was propelled to greater heights by his own motivation. Mandy was likewise a high achiever and very successful, but now needed to look beyond the franchise for a further business challenge. The management of each *franchisee needs to be tailored in consideration of their individual differences*.

Trust is a fragile element in the relationship as we observed when Des explored the possibility of sourcing products from other suppliers. *Transparency* is very important, and if the franchisor does not provide sufficient evidence or help from the franchisor, then the franchisee might mistrust her actions. Similarly, Des was proactive in initiating meetings with other franchisees when he was dissatisfied with Sue's performance as an

area manager. Left to their own devices, franchisees may join together and adopt a militant frame of reference if the franchisor does not address the problem. In this case, Trevor was appointed as a new area manager and the issue quickly dissipated.

Also, the franchisor was well aware of *not being able to provide a high level of response and service personally* to all franchisees. Instead, from among the high performing franchisees, an area manager was recruited who could take care of supporting franchisees, while the franchisor concentrated on strategic issues for the organisation such as overseas expansion and marketing. *'I'm not in contact with them on a day-to-day basis ... (but) I am still approachable ... I have had to distance myself... so that they understand that there is someone else that they can go to.'* Jay was nevertheless sufficiently close to the franchisees to remain in their high regard. For the franchisees, the franchisor was the focus of the organisation as Jay's identity and personality were closely aligned to the mission of the business. It would be difficult to see how a new franchisor could retain this spirit if the franchise ever changed hands, as the business founder in this particular case, was afforded much credibility by the franchise operators. When an area of concern arose regarding a former area manager, it was soon corrected by the franchisor, who *recruit[ed] a more suitable area manager whom the franchisees would trust and who could communicate effectively* with his team.

Being a very simple franchise with a low start-up investment, it would be easy for it to attract naïve investors, introduce them to the system and then leave them alone. The problem with this approach is that *franchisees very soon become expert operators and then question the value of being in the franchise*. In the current study, the franchisor was astute enough to *continue to add value for franchisees in order to keep them motivated and to retain their loyalty*. In particular, Jay was proactive in recognising individual strengths and rewarding people appropriately. He ensured high achievers were given due recognition and prevented from becoming bored by providing opportunities for challenge. All the franchisees were motivated by the desire to build up and split off their territories, providing a win-win situation for all parties. Even franchisees who were content to adopt an easier lifestyle and not wash 80 or more dogs per week, were able to set their levels of performance without upsetting the franchisor, who pointed out it was not about the money: *'Money doesn't motivate people. It's the recognition of what they do, being good at their job (that motivates them)'*. For instance, Des was permitted to leverage his former dog training operations with the dog washing enterprise. By allowing this, the franchisor did not compromise franchise system standards but reached a solution that recognised Des' need to pursue both operations.

When franchisees have been in the system for several years, they may tire of it and either need to leave the system or find ways to remain challenged and to rejuvenate themselves. Sometimes franchisees will be satisfied with their performance and lifestyle, yet critical of the system, as revealed in this case. Due to their personalities, some franchisees will never be great advocates for the system and will find faults with many aspects, yet still choose to remain. The challenge for the franchisor is to find ways of harnessing their energy into something more positive, or if they are in decline, to manage them out of business (Nathan, 2016a, b).

6 Conclusion

This study aimed to capture the experience of what it is like to be a franchisee. An ethnography was appropriate for doing this, as it allowed us to study the behaviour of participants within a franchise setting and culture. This study focusses on how and why mature franchisees differ in their attitudes and performance from other franchisees, and we examine how the franchisor manages franchisees to maximise their potential. This study has developed a framework that describes the challenges in and solutions for managing mature franchisees.

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