



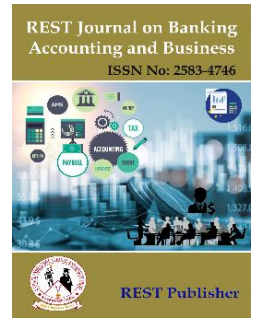
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An Empirical study on-Franchising: A Smart Business Solution in India

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Abstract: *The paper presents a comprehensive exploration of franchising, examining its historical evolution, theoretical foundations, and contemporary trends across the globe, with a specific focus on the Indian market. The study employs a descriptive research design and utilizes primary data collected through a questionnaire distributed among respondents in Bengaluru. The paper begins by defining franchising as a contractual relationship between a franchisor and a franchisee, emphasizing its role in business expansion through brand licensing and method sharing. It categorizes various types of franchises and highlights the advantages enjoyed by both franchisors and franchisees. The global landscape of franchising is analyzed, featuring insights from Australia, Brazil, Russia, and New Zealand, providing a comparative perspective on the prevalence and regulations of franchising in these countries. In the context of India, the paper outlines the significant growth and popularity of franchising across diverse sectors, acknowledging the regulatory evolution in the absence of specific franchise laws. The literature review section delves into the historical and theoretical aspects of franchising, covering resource acquisition theory, agency theory, transaction cost analysis, signaling theory, and property rights theory. The primary data analysis, based on a sample of 100 respondents, offers valuable insights into the demographic characteristics, attitudes, and preferences of individuals in Bengaluru concerning franchising. Findings suggest a mixed attitude, with a considerable interest in franchising, especially among those prepared to make smaller investments. The study concludes with recommendations, including targeted franchise education, enhanced marketing efforts, support for small investments, and diversification of franchise offerings, offering practical insights for potential franchisors and franchisees.*

1. INTRODUCTION

Franchising, according to International Franchise Association, is a contractual relationship between a licensor (franchisor) and a licensee (franchisee) that allows the business owner to use the licensor's brand and method of doing business to distribute products or services to consumers. In simple words, it is official permission received to sell a company's goods or services in a particular area. It is widely and increasingly used by entrepreneurs seeking growth through geographical expansion. It is a relatively flexible method and just any type of business can be franchised. The different types of franchises include job franchise, product franchise, business format franchise, investment franchise and conversion franchise. Franchising, as a structured business system was used for the first time in 1851 in the United States when The Singer company established a network of resellers for sewing machines. There are a number of advantages for both franchisor and franchisee in this form of business. The pros for franchisee include business assistance, brand recognition, lower failure rate, lower risk rate and built in customer base. The franchisor enjoys benefits such as access to capital, efficient growth, reduced risk and increased brand recognition. Today, it is one of the fastest developing forms of business in the world. It is now being used as a specialized marketing device to introduce new products and services to the public. One of the main reasons for franchises becoming so successful today is that they fill a market need. They make space for new entrepreneurs to enter the market with a relatively lower failing risk. Though franchising is successful in many countries with a market share of seventeen percent, it is still in its infancy stage in India with its share being less than 3 percent. But industrialists see this as a great business opportunity as Indian franchise market is growing at the rate of forty per cent annually.

Franchising Around the Globe:

Australia: In 1960s LJ Hooker was one of the first businesses to try franchising in Australia. Rapid population growth, particularly, net migration was the major catalyst for growing of franchises in Australia. Increasing corporatisation also saw market opportunities. There are now over 1,000 franchisor businesses and 79,000 franchisee businesses in Australia generating \$150 billion revenue, \$12 billion worth of profit and employing

450,000 people. Franchising contributes 13% to Australia's GDP. Top franchisees include KFC, Subway and McDonalds. 90% of franchisees here are locally originated. Franchise agreements are regulated by the Australian Competition and Consumer Commission and are subject to the mandatory Franchising Code of Conduct. Typically franchise agreement comprise of four elements: Term of contract, upfront fee, capital costs and royalties.

Brazil: Today, there are 2,882 franchising chains and 170,999 franchise units present in Brazil making it the sixth largest market in the world in number of units and the fifth largest in number of franchise chains. Around 11% of this aggregate are foreign ground franchisors. Article 2 of the Brazilian law commercial franchise as "a system whereby a franchisor licenses to the franchisee the right to use a trademark or patent, along with the right to distribute products or services on an exclusive or semi-exclusive base and, conceivably, also the right to use technology related to the establishment and operation of a business or operating system developed or used by the franchisor, in exchange for direct or indirect compensation, without, however, being characterized as an employment relationship." The law requires delivery of franchise offering circular atleast 10 days prior. Failing to disclose, voids the agreement and penalizes the franchisor with all the refunds. The law does not distinguish between Brazilian and foreign franchisors. Parties to international franchising may decide to adopt the English language for the document, as long as the Brazilian party knows English fluently and expressly acknowledges that fact, to avoid restatement.

#Russia: Although the current share of franchising in the Russian economy is negligible, it is rapidly growing in importance. As of 2021, there are 3095 franchises in Russia, an increase in 11.3% as compared to the previous year. The United States is the largest single country investor in Russia. The four fundamental ways foreign franchisors choose to enter Russian market are sole ventures, joint ventures, direct international franchising and master franchising. Political risk in Russia is high which adversely affect the risk climate. The recent currency crisis in Russia has diminished the purchasing power of ruble, making it more difficult for Russians to buy foreign goods and services. The Russian market is too large to be ignored. Some see opportunity while others see threat in this vast market. A franchise system that can guarantee consistent service that meets or exceeds customer expectations will surely win over the loyalty of Russian customers.

#New Zealand: New Zealand is the most franchised country per capita in the world with 631 different franchise systems and 37,000 franchise units around the country. Franchising is developing at a very fast rate in New Zealand. Franchised businesses contribute around NZ\$ 27.6 billion to its economy. There are no specific franchising laws in New Zealand but existing laws protect franchisees such as Fair Trading Act, the Commerce Act and the Contract and Commercial Law Act. These acts particularly focus on misinterpretation and restrictive trade practices. Franchising in New Zealand is sophisticated and it just continues to expand annually. New Zealand market is attractive to enter because there is no franchise specific legislation making it easier for new franchisees to enter the market.

We saw the current trends of franchising in four leading economies, namely Australia, Brazil, Russia and New Zealand. While franchising has shown tremendous growth in countries like New Zealand, there is still a long way to go for Russian market. Now, let us have a look at the position of franchising in the Indian market.

Franchising in India:

Franchising in India has witnessed significant growth and popularity as a business model. Franchising in India spans across various sectors, including food and beverage, retail, education, healthcare, and more. Well-known international and domestic brands have embraced franchising as a means of expanding their presence in the Indian market. The regulatory environment for franchising in India is evolving. While there isn't a specific franchise law, the government has taken steps to ensure transparency in franchise relationships. The Competition Commission of India (CCI) also plays a role in regulating anti-competitive practices. Successful franchises in India often adapt their products or services to cater to local preferences and cultural nuances. This flexibility contributes to the success and acceptance of franchises in the Indian market. Despite the opportunities, franchising in India does come with challenges, including cultural diversity, regulatory complexities, and the need for effective communication between franchisors and franchisees.

2. LITERATURE OF REVIEW

Varotto, L. F., & Silva, L. A. (2017) explore how franchising as a marketing concept was not new and the methods through which it arose as a structured business system in the United States and Brazil. Their study explains the concept of franchising in detail and the reasons why it is a rich field for studies in marketing, economics, law, management, finance and entrepreneurship. It then concentrates on five most prevalent theories of franchising- resource acquisition theory, agency theory, transaction cost analysis, signaling theory and

property rights theory. The main objective of the report was the evolution of franchising, highlighting the principal issues, authors and their methods, identifying the most used theories and constructs in franchise publications along the last thirty years.

Rothenberg, A. M. (1967) gave a timely discussion of the history, current trends and future of franchising in one short article. It discusses that a franchise is a continuing relation between the franchisor and franchisee. The article also puts light on the conditions through which franchise came into existence and how it evolved after that. It discusses about the major essentials of a franchise such as conventional, distributorship, co-ownership, lease, manufacturing and so on. It then mentions the six key ingredients that should be included within a well-balanced franchise offered to a franchisee. The article explains franchise management with a good example of the Allied Builders System. It also discusses on the current trends of the franchise business and the way franchisors are proliferating in many fields, especially in the restaurant business. The article ends with a note on the future of franchises.

Khan, S. (2008) explains the reason for tremendous growth of franchises in the past few years and the people who opt for franchising. It explains that franchising is not just limited to fast food outlets now; rather it has expanded into various other fields. It gives a concise meaning of franchising, its basic methodology of how does it work and some of the advantages a person gets through this form of business. It discusses the four I's that make a franchise work- Innovation, Initiative, Investment and Industry. It also explores a typical franchise arrangement and the various agreements both involving parties come up with. The article explains the things one should be aware of while choosing a franchise and the role it plays in Indian economy. Compared to other countries, India does not have many franchises, but it has a lot of market scope and has high chance of growing in future. Lastly, the concept of franchising is explained with a case study of medicine shoppe and VLCC franchisee model.

Chakraborty, R. (2009) states that franchising is one way in which a company can take advantage of India's vast market with a degree of control that other traditional forms of distribution cannot match. His article explains the relevance of franchising in India. It is at its early stage and neither business people nor the courts have had much exposure to it. The article explores key attractions for franchising in India- lower capital required, geographical extent of the country, cultural empathy and harnessing local knowledge. It then states the legal framework and set of laws necessary for smooth franchisor-franchisee relation which are present in other countries but not in India currently. It concludes with specifying the reasons why the laws are not yet made in India and some solutions for it.

Navarro Sanfelix, G., & Puig, F. (2017) focus on new challenges faced by franchisors from Agency theory perspective. Their study explains the agency theory briefly and the risk sharing in franchising and intellectual capital intensive sectors. It also mentions the challenge of intellectual capital transfer. The study ends with a mention of the limitations present in the study regarding to the agency theory approach.

Krueger, K. (2019) reviews that most often people view franchising as an industry, but it's not an industry, rather a way of doing business. It explores about the franchising market in Australia- the way it started, prominent franchises in Australia and its share in Australian economy. It also talks about the current issues and pressures franchises face including price deflation, online retail, uber effect. Customer expectations and compliance issues. Lastly, it talks about franchise agreements, disputes and advantages and disadvantages of this type of business.

Bretas, V. P. G., & Alon, I. (2021) explores franchising in Brazil. Brazil has limited participation of foreign franchisors and it shows the potential of development of international franchises in Brazil. The study then has a look at the Brazilian franchise law and disclosure requirements. Lastly, it talks about the recordal of international franchise agreements at INPI and central banks and the taxation on remittance of royalties abroad.

Anttonen, N., Tuunanen, M., & Alon, I. (2005) discuss Russia's franchising environment due to 5 factors: demographics, economy, social and political environment, culture and legislation. Their article also provides a complete SWOT analysis for international franchising in Russia. Lastly, it provides an overview of the current state of franchising in Russia.

Alon, I., & Banai, M. (2000) pertain to franchising in Russia. Their article focuses on the environmental factors associated with international franchising in Russia, discusses the 4P's of marketing and the entry strategies available to prospective franchisors. Germann, S. (2019) provides an insightful overview on franchising in New Zealand. He provides information on the laws protecting existing franchises such as the Fair Trading Act 1986 and The Commerce Act 1986. The research puts light on the territories available to the franchisees, taxation policy for franchises in New Zealand and the restraint of trade. The study states that the reason why New

Zealand is such a popular market to enter is that there is no franchise specific legislation in New Zealand making it easier to set up a franchise there.

3. RESEARCH METHODOLOGY

The research design adopted for this study is descriptive research, aiming to provide a comprehensive overview of franchising with a specific focus on the Bengaluru region. The data collection process involved the use of both primary and secondary sources. Primary data was gathered through the distribution of questionnaires, and the sampling area was confined to Bengaluru. The sample size consisted of 100 respondents selected through simple random sampling, ensuring a diverse representation. To analyze the collected data, the research employed tools such as tables and bar graphs. This approach allows for a systematic examination of the participants' responses, facilitating a clear presentation and interpretation of the findings. The combination of descriptive research, primary and secondary data sources, questionnaires, and statistical tools contributes to the robustness and reliability of the research methodology.

Objectives of the Study:

1. To study the evolution of franchising
2. To explore various theories related to franchising
3. To explore the current trends of franchising in India and around the world

4. PRIMARY DATA ANALYSIS AND INTERPRETATION

TABLE1. Classification of respondents based on gender

Gender	Number of respondents	Percentage of respondents
Male	57	43.6
Female	44	56.4
Total	101	100

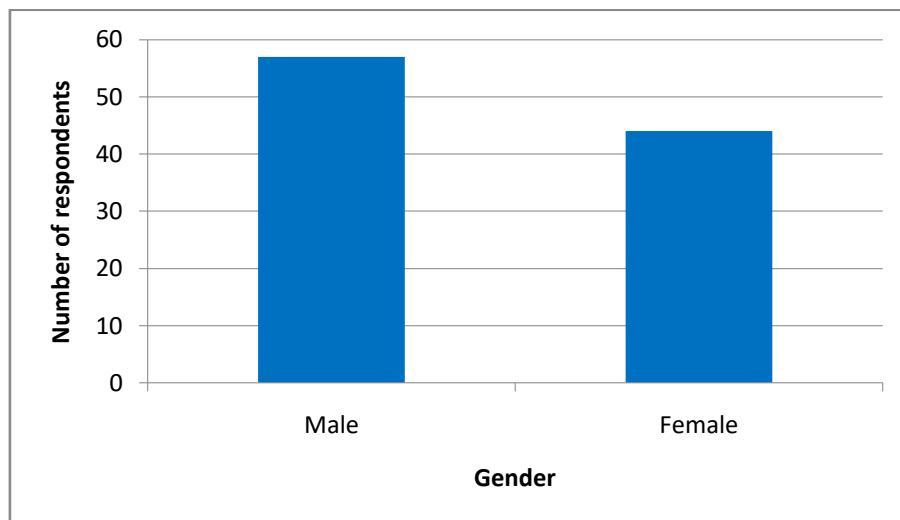


FIGURE 1

The data in Table 1 classifies respondents based on their gender. There were 57 male responders and 44 female responders constituting to 101 responders totally. The numbers of male responders were more than females with males being 56.4% of the responders and females being 43.6% of the total responders. Majority of the responders were males (56.4%).

TABLE 2. Classification of respondents based on marital status

Marital Status	Number of respondents	Percentage of respondents
Single	36	36
Married	64	64
Total	100	100

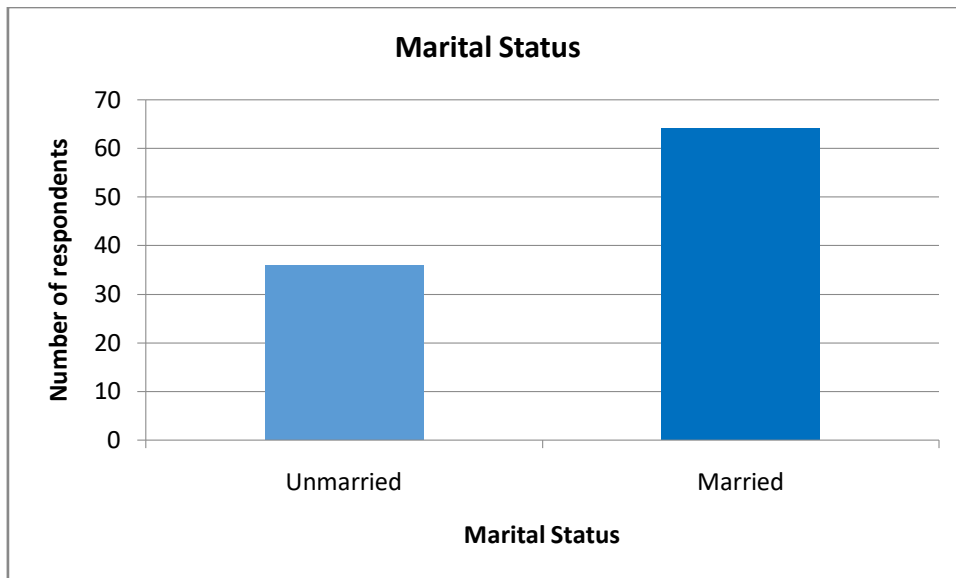


FIGURE 2

The data in Table 2 classifies respondents on the basis of their marital status. There were totally 100 responses with the majority of responders being married. The numbers of married respondents were almost twice those of single ones with married respondents being 64 and unmarried being 36. Figure 2 shows 36% of the responders were unmarried and 64% were married. Majority of respondents were married (64%).

TABLE 3. Classification of respondents based on age group

Age Group	Number of respondents	Percentage of respondents
18-25	30	30
26-35	20	20
36-45	25	25
Over 45	25	25
Total	100	100

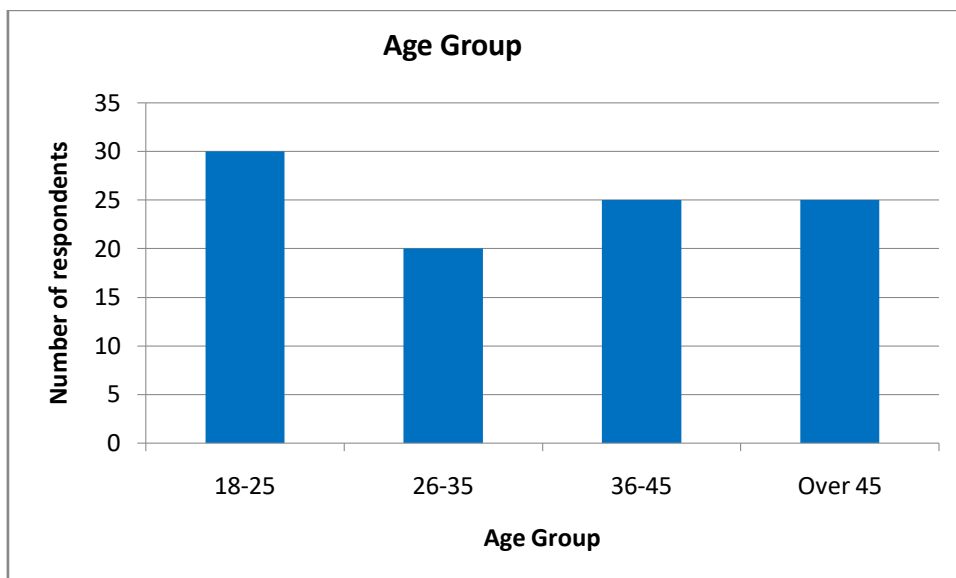


FIGURE 3

The data in Table 3 classifies respondents based on their age group. Majority of the respondents were youngsters aged 18-25. The respondents aged 18-25 were 30(30%), the respondents aged 26-35 were 20(20%),

and the responders aged 36-45 and over 45(45%) were 25(25%) each. Maximum respondents were of age group 18-25(30%).

TABLE 4. Classification of respondents based on educational qualification

Educational Qualification	Number of respondents	Percentage of respondents
High School	20	20
PUC/+2	14	14
Graduation	35	35
Post Graduation	31	31
Total	100	100

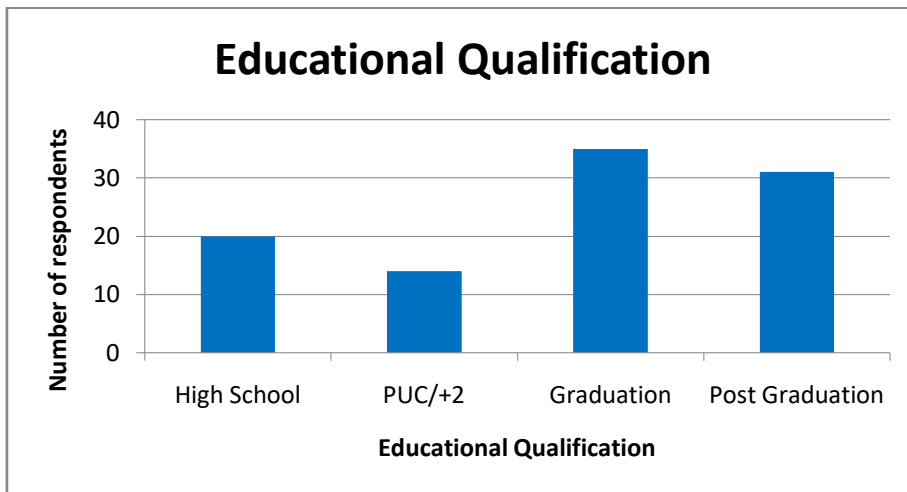


FIGURE 4

The data in Table 4 classifies respondents based on their educational qualification. There were total 100 respondents. Highest educational qualification of 20(20%) respondents was high school, 14(14%) people have completed their +2, 35(35%) people were graduates and there were 31(31%) post graduates. Most of the respondents were graduates(35%).

TABLE 5. Classification of respondents based on business as occupation

Business as occupation	Number of respondents	Percentage of respondents
Yes	69	69.7
No	30	30.3
Total	99	100

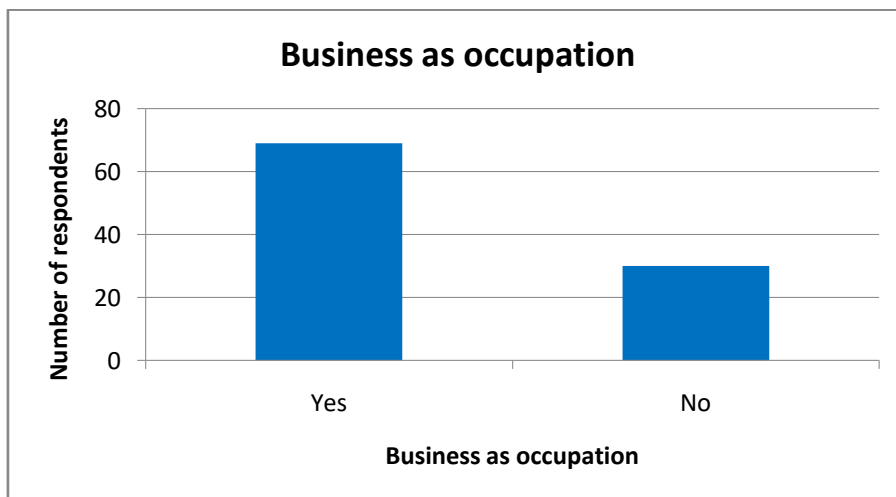


FIGURE 5

The data in Table 5 classifies respondents based on their occupation as business. 69(69.7%) respondents were into business and 30(30.3%) people were not into business. The total number of respondents were 99. Most of the respondents had business as their occupation(69.7%).

TABLE 6. Classification of respondents based on their qualities

Area of expertise	Number of respondents	Percentage of respondents
Service oriented	22	25.6
Customer focused	19	22.1
Goal Setter	16	18.6
Decision maker	16	18.6
High self esteem/confidence	13	15.1
Total	86	100

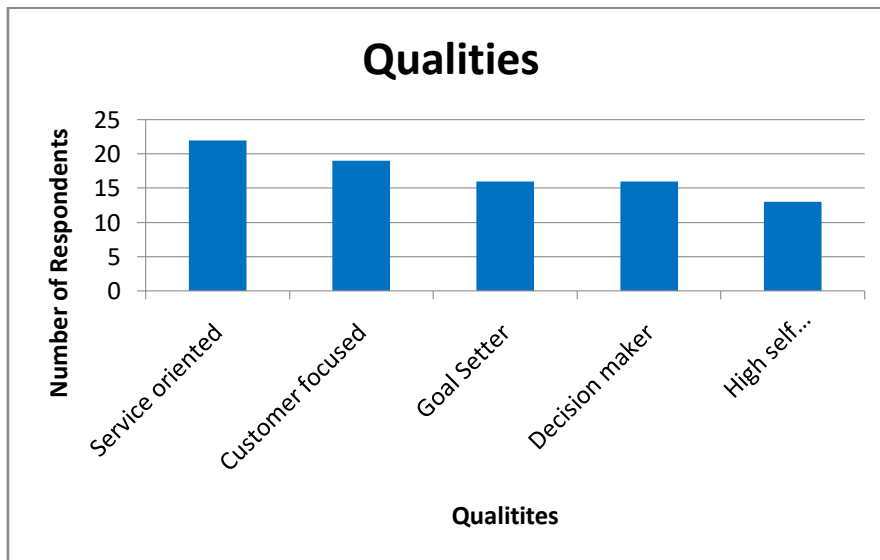


FIGURE 6

The data in Table 6 classifies respondents based on their qualities. Total respondents that were service oriented were 22, constituting to 25.6 per cent of the total respondents. 19 respondents were customer focused. The number of goal setters and decision makers were equal with each being 16 or 18.6 percent of the total respondents. There were 13 people with high self-esteem. The total number of respondents were 86. Most respondents were service oriented.(25.6%)

TABLE 7. Classification of respondents based on their management experience

Management Experience	Number of respondents	Percentage of respondents
Under 5 years	26	26.3
5 years to 10 years	12	12.1
11 years to 20 years	22	22.2
21+ years	23	23.2
None	16	16.2
Total	99	100

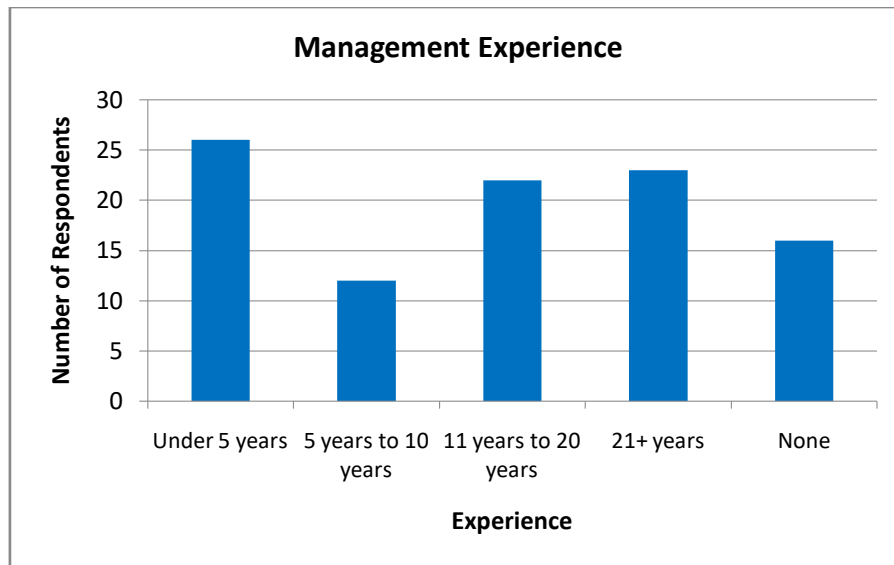


FIGURE 7

The data in Table 7 classifies respondents based on their level of management experience. 26 (26.3%) respondents had management experience of below 5 years. 12(12.1%) respondents had an experience of 5 to 10 years. The respondents with an experience of 11 to 20 years were 22(22.2%). 23(23.2%) respondents had an experience of over 21 years. 16(16.2%) respondents had no management experience. There were totally 99 respondents. Majority of the respondents had an experience of below 5 years (26.3%).

TABLE 8. Classification of respondents based on their preference for franchising

Prefer Franchising	Number of respondents	Percentage of respondents
Yes	50	51
No	20	20.4
Maybe	28	28.6
Total	98	100

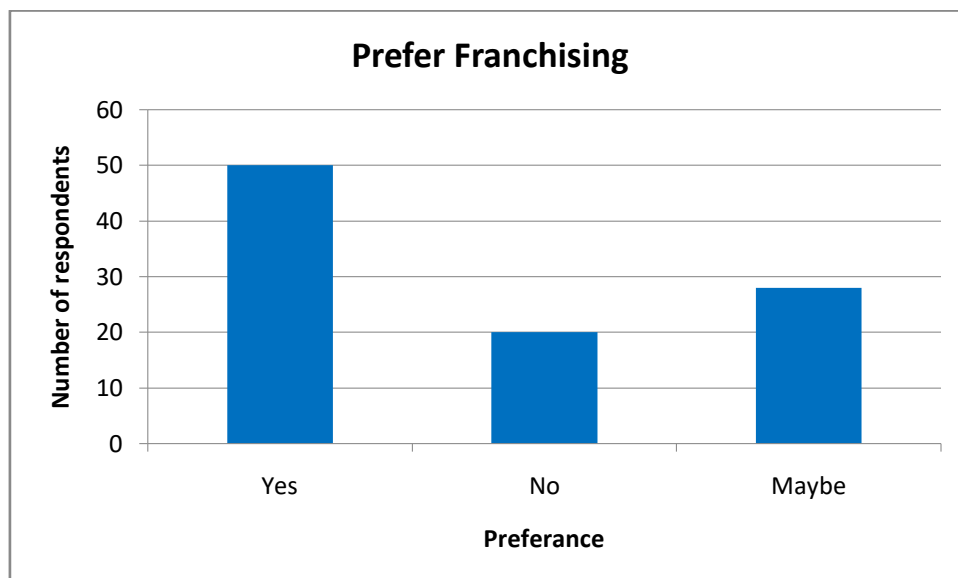


FIGURE 8

The data in Table 8 classifies respondents on basis of their preference for franchising. Half of the respondents, that is, 50(51%) respondents preferred franchising. 20(20.4%) respondents were against the idea of franchising. 28 (28.6%) respondents were neutral. The total number of respondents was 98. Majority of preference was towards franchising(51%).

TABLE 9. Classification of respondents based on their intention to start franchising

Intention to start franchise	Number of respondents	Percentage of respondents
Strongly Agree	10	10.4
Agree	27	28.1
Neutral	40	41.7
Disagree	13	13.5
Strongly Disagree	6	6.3
Total	96	100

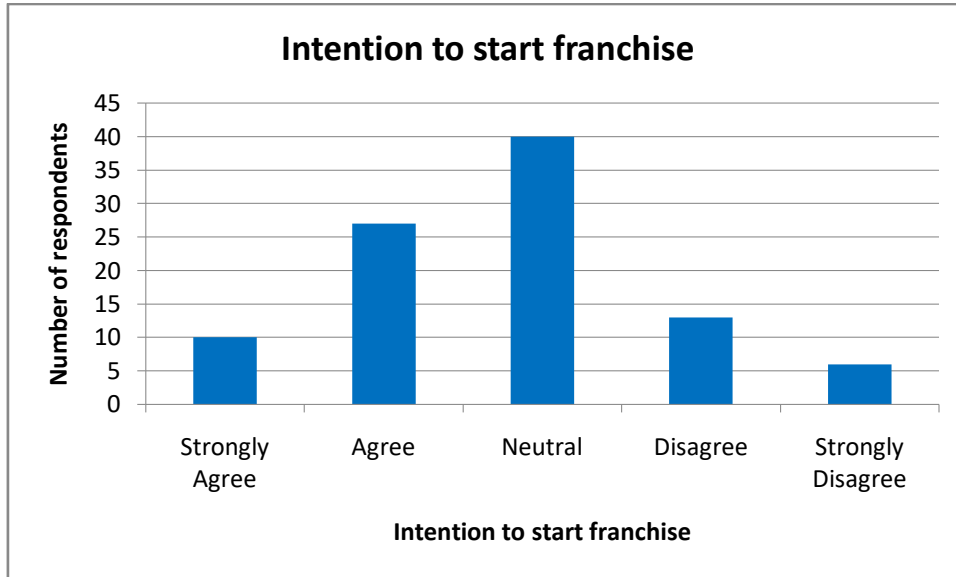


FIGURE 9

The data in Table 9 classifies respondents based on their intention to buy/start a franchise in next 5 years. 10 people strongly agree to starting a franchise (10.4%). 27 respondents agree to it (28.1%). 40 respondents were neutral(41.7%). 13 respondents do not wish to buy a franchise(13.5%). 6 (6.3%) people are completely against the idea of buying or starting a franchise. Most of the respondents were neutral about the idea (41.7%).

TABLE 10. Classification of respondents based on their opinion of owning franchising being advantageous

Owning franchise is advantageous	Number of respondents	Percentage of respondents
Strongly Agree	10	10.3
Agree	29	29.9
Neutral	40	41.2
Disagree	14	14.4
Strongly Disagree	4	4.1
Total	97	100

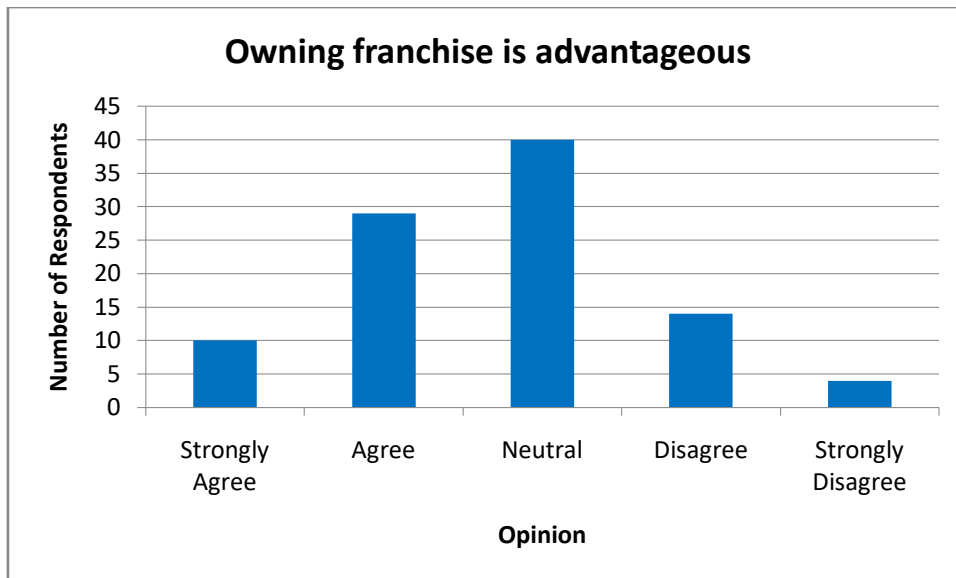


FIGURE 10

The data in Table 10 classifies 97 respondents based on their opinion that owning a franchise means more advantage than disadvantage to them. 10 (10.3%) people strongly agree with this. 29 (29.9%) respondents agree with it. 40 (41.2%) respondents were neutral to the idea. 14 (14.4%) people disagree that owning franchise has more advantages. 4 (4.1%) people feel that owning franchise has more disadvantages than advantages. Majority of the respondents were neutral to the idea (41.2%).

TABLE 11. Classification of respondents based on type of franchise they are interested in

Type Of Franchise	Number of respondents	Percentage of respondents
Distribution	22	23.7
Retail	17	18.3
Services	30	32.3
Food Industry	24	25.8
Total	93	100

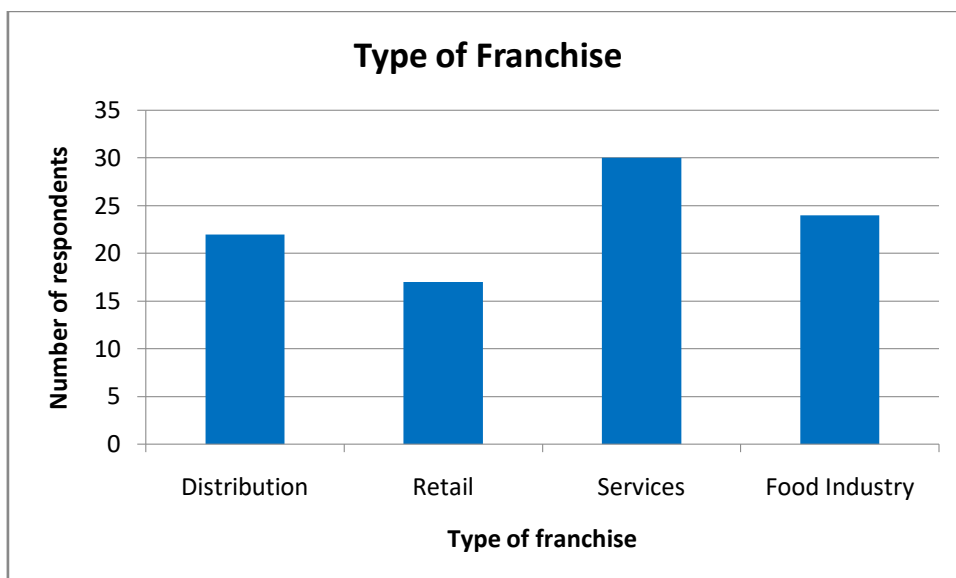


FIGURE 11

The data in Table 11 classifies 93 respondents based on the type of franchise they are interested in owning. 30 (32.3%) respondents are interested in services. The numbers of people interested in distribution are 22 (23.7%). People showed least interest in retail sector. 17 people were interested for retail sector (18.3%).

24(25.8%) respondents were interested in food industry. Majority of the respondents were interested in services (32.3%).

TABLE 12. Classification of respondents based on money they are prepared to invest

Money prepared to invest	Number of respondents	Percentage of respondents
Under Rs.20,00,000	46	49.5
Rs.25,00,000 - Rs.30,00,000	14	15.1
Rs.30,00,000 - Rs.35,00,000	11	11.8
Rs.35,00,000 - Rs.40,00,000	11	11.8
Over 40,00,000	11	11.8
Total	93	100

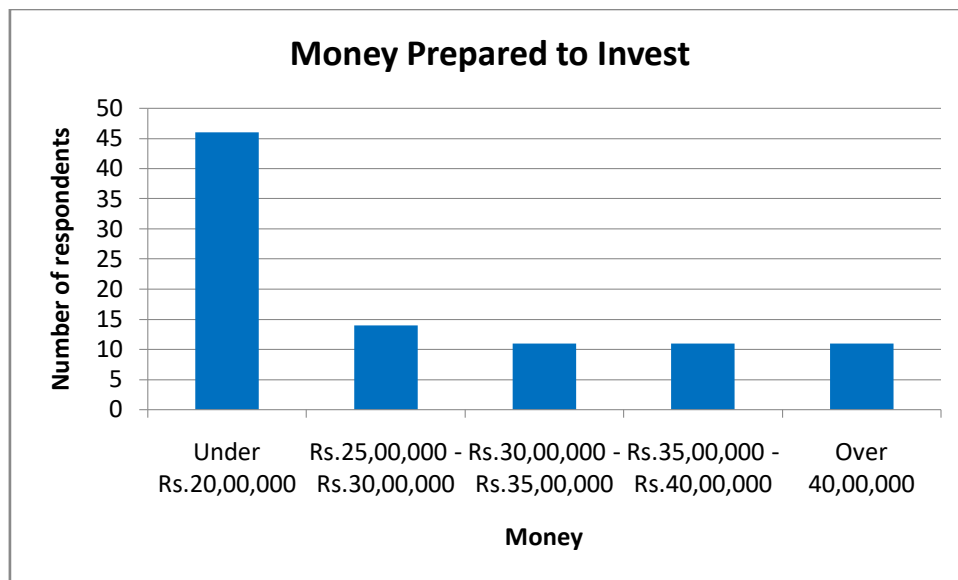


FIGURE 12

The data in Table 12 classifies 93 respondents based on the money they are prepared to invest in franchise. 46(49.5%) people can invest below Rs 20Lakh. 14(15.1%) people can invest between Rs 25Lakh to Rs 30Lakh. 11(11.8%) people each can invest Rs30Lakh to Rs 35Lakh; Rs 35Lakh to Rs 40Lakh and over Rs. 40Lakh. Majority of the people can invest below INR 20Lakh(49.5%).

TABLE 13. Classification of respondents based on reasons to own franchise

Reasons to own a franchise	Number of responses	Percentage of responses
Money	59	35.7
Be your own boss	55	33.3
Make your own money	24	14.5
Career Change	25	15.1
Displaced Worker	2	0.01
Total	165	100

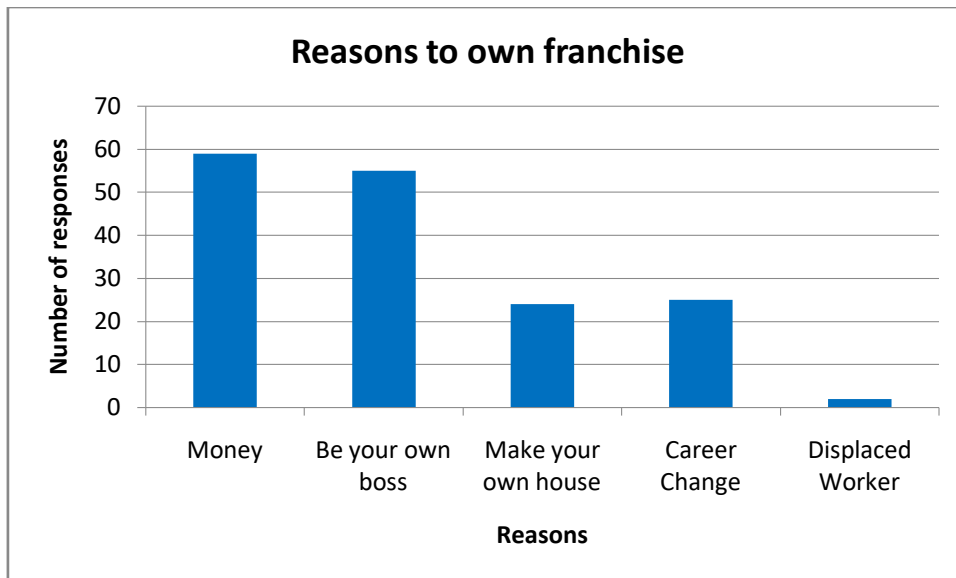


FIGURE 13

The data in Table 13 classifies 94 respondents based on their reasons for owning a franchise. 35.7 per cent of respondents want to make money and 33.3 percent of respondents want to be their own boss. 14.5 percent of people want to make their own house. 15.1 percent of respondents want a career change. 0.01 percent of people want to own a franchise as they are displaced workers. Majority of the people want to own a franchise to make money and be their own boss(35.7%)

TABLE 14. Classification of respondents based on benefits of owning a franchise

Benefits of franchise	Number of responses	Percentage of responses
Standardized products and services	41	22.4
Collective buying power	40	21.8
National and local advertising programs	31	16.9
Sales and Marketing assistance	39	21.3
Ongoing research and development	32	17.4
Total	183	100

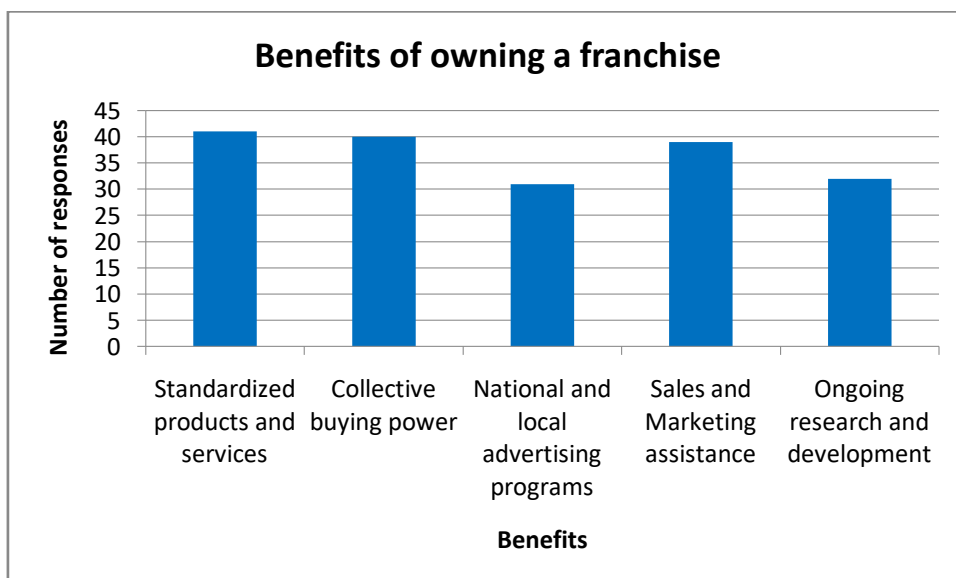


FIGURE 14

The data in Table 14 classifies 94 respondents based on their idea of benefits of owning a franchise. Everyone had almost equal views on the benefits. 22.4 percent of respondents feel standardized products and services is a

good benefit of owning a franchise. 21.8 percent like it for its collective buying power. 16.9 percent respondents liked it for its national and local advertising programs. 21.3 percent responders feel its sales and marketing assistance makes it good business option. 17.4 percent people like its ongoing research and development. Majority of the respondents liked standardized products and services(22.4%).

TABLE 15. Classification of respondents based on sufficient control over business

Sufficient control over business	Number of respondents	Percentage of respondents
Strongly Agree	15	15.8
Agree	36	37.9
Neutral	36	37.9
Disagree	3	3.2
Strongly Disagree	5	5.3
Total	95	100

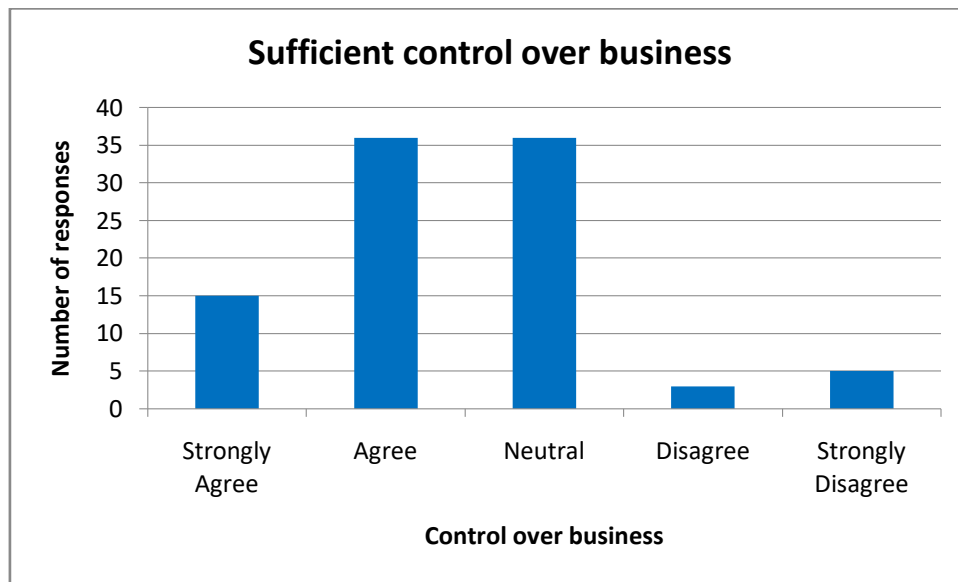


FIGURE 15

The data in table 15 classifies respondents on the basis of their opinion that owning a franchise will give them sufficient control over their business. 36(37.9%) respondents each agree and are neutral with the idea. 15(15.8%) respondents strongly agree that they will have sufficient control. 3(3.2%) people disagree with the thought. 5(5.3%) people strongly feel that owning a franchise will not give them control over their business. Majority of the respondents agree and are neutral (37.9%).

Findings:

- Franchising as a structured business concept evolved in 1860s when The Singer Company established a network of resellers for sewing machines.
- There are many theories related to franchising but there are 5 main theories associated with it- resource acquisition theory, agency theory, transaction cost analysis, signaling theory and property rights theory.
- The four I’s that make a franchise work are Innovation, Initiative, Investment and Industry.
- Though franchising is thriving in countries like New Zealand, Australia and Brazil; it is still in its infancy stage in India and Russia.
- Franchising has a lot of scope in Indian market as the people here have entrepreneur mindset.
- The research reveals a diverse range of attitudes among respondents toward franchising, with a significant portion maintaining a neutral stance on various aspects. Despite neutrality in responses, a substantial interest in franchising is identified, particularly among respondents expressing a willingness to invest and recognizing the advantages associated with franchise ownership. This signals potential opportunities for franchise growth.
- The majority of respondents in the 18-25 age group with graduate-level education indicates a need for targeted educational programs or workshops. This demographic could benefit from initiatives aimed at enhancing their understanding of franchising, suggesting an opportunity for educational interventions.

- The study highlights that nearly half of the respondents are prepared to invest below Rs. 20,00,000

5. RECOMMENDATIONS AND CONCLUSIONS

Recommendations:

The study's findings suggest several actionable recommendations for stakeholders in the franchising sector. Firstly, given the predominant presence of respondents in the 18-25 age group with graduate-level education, there is a potential avenue for targeted franchise education initiatives. Workshops or programs tailored to this demographic could enhance their understanding of franchising, potentially cultivating a more informed and engaged pool of franchisees. Secondly, recognizing the neutral stance expressed by a significant proportion of respondents towards franchising, a recommendation emerges for franchises to invest in enhanced marketing strategies. Educating potential franchisees about the benefits and advantages of the franchising model through targeted campaigns could sway opinions and generate more interest. Thirdly, with almost half of the respondents willing to invest below Rs. 20,00,000, there is an opportunity for franchisors to develop and promote models that accommodate smaller investments. This approach could broaden the appeal of franchising by attracting a larger pool of potential franchisees. Lastly, considering the service sector's popularity among respondents, franchisors might explore diversifying their offerings within this category. Creating more options within the service sector could tap into a broader range of interests, potentially expanding the franchise market and meeting diverse consumer demands. Overall, these recommendations aim to foster growth and inclusivity within the franchising landscape based on the nuanced insights gleaned from the study.

Conclusions:

The research findings reveal a nuanced landscape of attitudes toward franchising, characterized by a notable diversity of opinions and a significant proportion of respondents maintaining a neutral stance on various aspects. This suggests a need for a comprehensive understanding of the varied perspectives within the surveyed population. Despite this mixed sentiment, the study identifies promising opportunities for franchise growth, particularly among respondents expressing an interest in investment and recognizing the advantages of owning a franchise. This highlights a potential market that franchisors could strategically target to expand their franchises. Furthermore, the study emphasizes the pivotal roles of education and marketing in shaping perceptions and generating interest in franchising. Implementing educational initiatives and targeted marketing efforts becomes crucial in overcoming potential barriers or misconceptions that contribute to the observed neutral stance among potential franchisees. Additionally, the research underscores the importance of considering local factors and preferences, especially given the popularity of service-based franchises. Franchisors may benefit from tailoring their approaches to align with the diverse preferences identified, ensuring a more localized and responsive strategy to effectively capture market opportunities. Overall, these insights provide valuable guidance for stakeholders seeking to navigate and capitalize on the dynamic landscape of attitudes toward franchising.

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