

VOLUME 4 NO. 2  
DEC 2007

ISSN 1675-7017

# SOCIAL AND MANAGEMENT RESEARCH JOURNAL



INSTITUTE OF RESEARCH, DEVELOPMENT AND COMMERCIALISATION



## **SOCIAL AND MANAGEMENT RESEARCH JOURNAL**

### **Chief Editor**

Prof Dr Rashidah Abdul Rahman,  
Universiti Teknologi MARA, Malaysia

### **Managing Editor**

Assoc Prof Dr Loo Ern Chen  
Universiti Teknologi MARA, Malaysia

### **Editorial Advisory and Review Board**

Prof Dr Normah Omar, Universiti Teknologi MARA, Malaysia  
Prof Dr Sardar M.N. Islam, Victoria University, Melbourne, Australia  
Prof Dr Faridah Hassan, Universiti Teknologi MARA, Malaysia  
Assistant Prof Alexander N. Kostyuk, Ukrainian Academy of Banking of National  
Bank of Ukraine, Sumy, Ukraine  
Assoc Prof Dr Razidah Ismail, Universiti Teknologi MARA, Malaysia  
Assoc Prof Dr Nor'azam Mastuki, Universiti Teknologi MARA, Malaysia  
Assoc Prof Dr Roshayani Arshad, Universiti Teknologi MARA, Malaysia  
Assoc Prof Dr Nor Aziah Alias, Universiti Teknologi MARA, Malaysia  
Dr Sabarinah Sheikh Ahmad, Universiti Teknologi MARA, Malaysia.  
Assoc. Prof Dr Maznah Wan Omar, Universiti Teknologi MARA, Malaysia.  
Dr Megawati Omar, Universiti Teknologi MARA, Malaysia.  
Dr Rashid Ameer, Universiti Teknologi MARA, Malaysia  
Dr Azizah Abdullah, Universiti Teknologi MARA, Malaysia  
Dr Azmi Abdul Hamid, Universiti Teknologi MARA, Malaysia  
Dr Kalsom Salleh, Universiti Teknologi MARA, Malaysia

Copyright © 2007 by Institute of Research, Development and Commercialization (IRDC), Universiti Teknologi MARA, 40450 Shah Alam, Selangor, Malaysia.

All rights reserved. No part of this publication may be reproduced, stored in a retrieval system, or transmitted in any form or any means, electronics, mechanical, photocopying, recording and otherwise, without prior permission, in writing, from the publisher.

*Social and Management Research Journal is jointly published by Institute of Research, Development and Commercialization (IRDC) and University Publication Centre (UPENA), Universiti Teknologi MARA, 40450 Shah Alam, Selangor, Malaysia.*

*The views and opinion expressed therein are those of the individual authors and the publication of these statements in the Social and Management Research Journal do not imply endorsement by the publisher or the editorial staff. Copyright is vested in Universiti Teknologi MARA. Written permission is required to reproduce any part of this publication.*

# SOCIAL AND MANAGEMENT RESEARCH JOURNAL

---

Vol. 4 No. 2

December 2007

ISSN 1675-7017

---

1. Entrepreneurial Orientation and Effectiveness of Small and Medium Agro-based Enterprises (SMAEs) in Malaysia – Mediating Effect of Knowledge and Network Strategies 1  
*Amran Awang*  
*Khairul Anwar Subari*  
*Zainal Ariffin Ahmad*  
*Abdul Rashid Said Asghar*
  
2. Exploring Entrepreneurial Knowledge and Usage of Islamic Micro Financing: A Case Study on Islamic Guarantee Schemes of Credit Guarantee Corporation (CGC) 23  
*Ismail Ahmad*  
*Husniyati Ali*  
*Jaafar Pyeman*  
*Muhamad Rahimi Osman*
  
3. The Application of E-Commerce Among Small Medium Enterprises: A Case Study in Kelantan 45  
*Norudin Mansor*  
*Che Ismail Long*  
*Ahmad Ismail Mohd. Annuar*
  
4. Using Web-based Resources in Learning: Factors That Affect Degree Students' Readiness 71  
*Peridah Bahari*  
*Salina Hamed*
  
5. How Far Ethics Education Positively Influences Ethical Decision Making of the Young Lawyers in Kedah? 83  
*Anida Mahmood*  
*Haswira Nor Mohamad Hashim*  
*Kamarul Ariffin Mansor*

6. Reading Behaviour and the Influence of Reading on the English Language Proficiency at UiTM Sabah 93  
*Jocelyn Lee Yee Yun*  
*Dorothy Chin*  
*Xavier Thayalan*
7. An Evaluation of Business-to-Business Electronic Commerce Marketplaces (e-marketplaces) in Malaysia 101  
*Nor Azzyati Hashim*  
*Mardziah Hashim*  
*Rogayah Abdul Majid*
8. A Survey of Life-long Reading Habits Among UiTM Undergraduates 123  
*Soo Kum Yoke*  
*Evelyn Sharmannie*  
*Ahmad Azman*
9. Environmental Management Elements and Corporate Environmental Performance of SMEs in Malaysia 133  
*Hanim Norza Baba*
10. Measuring and Managing Franchisee Satisfaction: A Study of Academic Franchising 167  
*Firdaus Abdullah*  
*Mohd Rashidee Alwi*  
*Voon Boo Ho*  
*Nagarajah Lee*

# **Measuring and Managing Franchisee Satisfaction: A Study of Academic Franchising**

*Firdaus Abdullah  
Mohd Rashidee Alwi  
Voon Boo Ho  
Faculty of Business Management,  
Universiti Teknologi MARA (UiTM), Malaysia  
Email: fir@sarawak.uitm.edu.my*

*Nagarajah Lee  
International Medical University*

## **ABSTRACT**

*This study attempts to explore different approaches of franchisee satisfaction within an academic setting, develop and validate a new measuring instrument, examine the key factors and their influence on performance and intention to remain in the network, and eventually manage the franchise network for long-term continuity. This study was conducted in Malaysia over a sample of 68 respondents representing 19 franchised colleges within Universiti Teknologi MARA's (UiTM) network. The findings suggest five dimensions of franchisee satisfaction namely social interaction, service support, financing, assurance and competence. Hence, UiTM should be able to ascertain the level of services provided, and to determine which dimensions need improvement. Knowing the strengths and weaknesses of these dimensions and their relative influence may result in better allocation of resources so as to provide a better service to the franchised colleges. This study has also sought to contribute further to the growing literature on franchising by advancing a new 23-item measuring instrument, which is specifically tailored for academic franchising. Such a valid and reliable measuring scale would be a tool that tertiary institutions could use to improve their performance in the light of increasing competition with the development of global academic franchising.*

**Keywords:** *Franchise, satisfaction, Academic, Instrumentation*

## **Introduction**

The private sector in most economies is comprised predominantly of small firms. However, nearly one-third of small businesses fail in their first year, with less than half surviving their first three years. Managerial competence is consistently cited as the main cause of small business failure (Dun & Bradstreet 1986). Thus, establishing a new small enterprise appears to be fraught with risks and uncertainties, with numerous management skills required of small business owner-managers. One response to minimize the risks of small business management has been the development of franchising. In recent years, entrepreneurs and 'corporate dropouts' (*Fortune* 1991) or former executives have turned to franchising as an attractive alternative to traditional forms of organization.

Traditionally, satisfaction within any franchise channel of distribution has been viewed as a key factor affecting channel members' morale and resulting in incentives to participate in collective activities (Dwyer 1980; Wilkinson 1981; Stern & El-Ansary 1982). They suggest that at higher levels of channel satisfaction, participants will experience an increased morale, greater cooperation, fewer terminations of relationships, reduced litigation, and fewer efforts to pursue protective legislation. Despite a considerable emphasis on the importance of the satisfaction construct in the channels literature, it is only recently that attempts have been made to define and employ the construct. Most studies attempting to assess channel satisfaction have not clearly defined it and have generally relied on one-dimensional assessments of the construct.

While an abundance of research exists on the topic of franchising, none has been directed towards measuring franchisee satisfaction within an academic setting, and this is despite the increasingly large number of tertiary institutions offering programs on franchise arrangement. There were initiatives to develop a new measuring instrument of satisfaction construct for the franchise industry. However such a generic scale was not suited to the unique nature of academic franchising.

## **Literature Review**

It appears that franchising has no set definition, as it holds many different meanings according to different researchers. Bain (1986) defines a franchise as a contractual privilege granted by an individual or company (owner) to another individual or company. Norback and Norback (1982) view franchising as a license from the owner (franchisor) of a trade or service mark permitting the user (franchisee) to market a product or service under that name in accordance with the franchisor's system. Justis and Judd (1986) suggest that franchising is a distribution method which is being used by businesses for growth and expansion.

Whereas Ayling (1987) proposes that franchising is a method of raising capital by and for the franchisor. There seems to be no consensual definition even though most of these definitions are highly correlated.

Traditionally, a satisfaction of channel has been viewed as a key factor affecting channel members' morale and resulting in incentives to participate in collective activities (Dwyer 1980; Wilkinson 1981; Stern & El-Ansary 1982). Three schools of thought bring insights on the franchisee satisfaction construct. The first approach refers to satisfaction as a post-purchase feeling, and the franchisee is seen as someone who has acquired a particular product, for instance an outlet. The second approach considers satisfaction as felt by a member of a distribution system, and it concerns an assessment of channel relationships. Finally, the third approach considers satisfaction as felt by an individual in the context of his or her occupation, and the franchisee is seen as an individual drawing satisfaction from his or her work.

The first approach suggests that a buyer's satisfaction is central to such notions as a repurchase rate, customer loyalty programs, brand and line extension and marketing performance. Dubois and Jolibert (1998, p. 103) rightfully put forward that '...satisfaction is at the heart of post-purchase evaluation. It results from a comparison between a consumer's expectations and his or her perception of the performance really offered by the product'. In the franchise context, an approach from the point of view of the effects seems inappropriate (Gauzente 2003) since purchasing a franchise cannot be treated in the same way as buying a product, not without care and serious reservations.

The second approach considers satisfaction as felt by a member of a distribution system, and the franchisee is seen as a fellow-worker whose collaboration and goodwill depends on the satisfaction he/she feels about the relationship within the channel. In the context of franchising, there are several aspects that determine overall satisfaction, and these include the administration of the franchise, the support and service that are provided and the arrangements of extrinsic rewards (profits) and intrinsic ones (status). However, the multidimensional aspects of this approach make it difficult for a new measure of franchisee satisfaction to be developed when one has to be clear about which satisfaction one seeks to measure (Gauzente 2003).

Finally, the third approach considers satisfaction as felt by an individual in the context of his or her occupation, and the franchisee is seen as an individual drawing satisfaction from his or her work. A number of conceptualizations of job satisfaction views job satisfaction as a function of the match between the rewards offered by the work environment and the individual's pattern of needs for those rewards (Vroom 1964). Likewise in the franchising context, it seems helpful to examine the various motives for satisfaction as consumer, member of a system, worker, and any specific characteristics of franchising would require. Hing (1995) proposes a model for determining factors of franchisees' satisfaction through a series of items characterizing the activity of a franchise.

In spite of the apparent importance of the concept and its central place in a number of theoretical structures, Ruckert and Churchill (1984) believe that channel member satisfaction remains a rather primitive construct. According to them, the construct is almost never conceptually defined, nor explicitly operationalised when used. In most studies, for example, single-item scales are used in spite of their known limitations (Nunnally 1988). In only a few instances in the channels literature has satisfaction been assessed with anything other than psychometrically poor, single-item measures. Lusch (1976) argued that franchise satisfaction is based on a domain of items over which the franchisee could be satisfied or dissatisfied with the franchisor. He proposed a 16-item measure of the construct with satisfactory internal consistency ( $\alpha=0.87$ ) but the scale lacks other psychometric properties (Ruckert & Churchill 1984). Clearly, the construct of channel member satisfaction is of sufficient importance to warrant more rigorous measurements.

## **Research Methodology**

In order to construct the measuring scale, firstly it was necessary to identify the important determinants of channel member satisfaction within the educational franchised setting. The process begins by undertaking a literature search to ascertain previous work in the field, and delineate the number of conceptual variables to be investigated. In an attempt to obtain a more comprehensive picture of the importance of these determinants, a series of focus group meetings were undertaken. A total of ten carefully selected Chief Executive Officers (CEOs) from ten franchised colleges were invited to participate in the focus group interview. The literature review together with the focus group interview provided the basis for generating items for inclusion in the draft questionnaire.

The draft questionnaire consisted of four sections A, B, C and D. Section A contained 8 questions pertaining to a respondent's profile. Whereas section B contained 49 items related to different aspects of service offering by the franchisor, incorporating job satisfaction, job characteristic, and personality factors. The items were measured on a five-point Likert-type scale that varied from 1 = strongly disagree to 5 = strongly agree. In addition to the main scale addressing individual items, respondents were asked in Section C to provide an overall rating of franchisee satisfaction and intention to remain in the franchised network. Prior to conducting the major survey, a pilot study was administered so as to pretest the validity and reliability of variable measures contained in the draft instrument. The revised questionnaire was subsequently submitted to five experts (academicians, practitioners and policy maker) for feedback before being administered on a full-scale survey.

Data had been collected for the period between October and December 2005, and the sampling procedure used for the study was a census. A total of 95

key respondents representing nineteen franchised colleges were surveyed, from whom 68 corrected completed questionnaires had been obtained, yielding a response rate of 71.6%. In terms of the overall rating of franchisee satisfaction level and intention to remain in the network, majority of the respondents gave their positive scores with means at 4.3 and 4.4 respectively on the 5-point Likert scale.

## Findings

The dimensional structure of franchisee satisfaction was hypothesized and assessed through the following steps. First, based on an examination of the literature and information gathered through focus group and expert panels, five independent dimensions evolved that appear to encompass the major components of the domain of channel satisfaction as it exists in academic franchising: (1) social interaction - reflects how satisfactorily the interactions between the franchisor and its franchised colleges, (2) service support - assesses how well the franchisor provide supports to the franchised colleges, (3) financial - captures the attractiveness of the franchise arrangement, (4) assurance - indicates the security and credibility of the franchise system, (5) competence - reflects the need for the required skills, knowledge and attitude to perform the franchise services.

Next, the correlation of each item with the total score for each dimension was computed where the total scores were based on the *a priori* specification of items. These item-to-total correlations were examined to determine (1) whether each item correlated primarily with one dimension and (2) in those cases where an item correlated with one dimension, whether that correlation made conceptual sense. Table 1 shows the coefficient values of item-to-total correlations for the five dimensions of franchisee satisfaction.

The results indicate that the correlation of each item with the total score for the dimension to which it was hypothesized to belong, was higher than its correlations with the total score for any other dimension. The evidence from this analysis suggests that franchisee satisfaction within an academic setting is a five-dimension construct consisting of social interaction, service support, financial, assurance and competence. A subsequent analysis on the psychometric properties is necessary to evaluate and refine the resulting scale for internal homogeneity.

A method using 'skewness' and 'kurtosis' was used to examine the normality of the data. Since this study used the multivariate statistical procedure namely multiple regression, the multivariate normality was checked via the chi-square plot or gamma plot, developed using Mahalanobis Distance and Beta quartiles as suggested by Johnson and Wichern (1992). In this technique, graphs were plotted for the  $(q_{c,p} ((j-0.5)/n, d_{(j)}^2))$  coordinates where  $d_{(j)}^2$  is the mahalanobis

**Table 1: Coefficient Values of Item-to-Total Correlations**

Item	Social Interaction	Support Service	Financial	Assurance	Competence
The franchisor emphasises two-way communication to help achieve mutual understanding.	0.62*	0.40	0.39	0.45	0.46
The information provided by the franchisor is NOT helpful in solving our college's problems.	0.66*	0.38	0.31	0.32	0.42
Communication with the franchisor is frequent and meaningful.	0.74*	0.35	0.26	0.17	0.59
Communication from the franchisor is often ambiguous, inconsistent and duplicative in nature.	0.74*	0.25	0.35	0.36	0.42
The franchisor always keeps our college in the dark of any policy changes and/or strategic plan.	0.67*	0.18	0.10	0.19	0.31
The operation manual provided by the franchisor is NOT up-to-date and irrelevant.	0.24	0.70*	0.26	0.23	0.27
The various training programs provided by the franchisor are timely, up-to-date and informative.	0.22	0.69*	0.44	0.44	0.36
The initial support services at start-up of a program are adequate.	0.36	0.78*	0.31	0.45	0.62
The ongoing support services are satisfactory.	0.45	0.74*	0.27	0.46	0.62
Our college is provided sufficient guidelines and careful instructions on how to manage the franchise operations.	0.34	0.73*	0.33	0.56	0.47
The promotional and advertising fees paid to the franchisor are reasonable and sufficient.	0.36	0.32	0.77*	0.20	0.49
Students' fees as suggested by the franchisor are reasonable.	0.19	0.26	0.66*	0.44	0.35
The royalties paid to the franchisor are acceptable.	0.43	0.46	0.83*	0.62	0.42
Compared to other franchise systems, the franchisor system is more expensive to run.	0.21	0.24	0.70*	0.25	0.31
Our college is satisfied with the fair treatment it receives from the franchisor.	0.49	0.54	0.47	0.83*	0.52

*continued*

Table 1 – continued

Our college feels secured in this franchise system in the medium and long term.	0.28	0.51	0.39	0.80*	0.41
The number of disagreements and/or conflicts with the franchisor concerning operations and/or policies is minimal and manageable.	0.30	0.38	0.47	0.73*	0.37
The amount of protection our college has against over-saturation of our territory is adequate.	0.31	0.36	0.31	0.75*	0.28
The termination and/or renewal terms of our college franchise contract are fair.	0.41	0.49	0.57	0.72*	0.47
The franchisor always takes our college into consideration when it wants to make key policy decision.	0.52	0.35	0.24	0.30	0.67*
The franchisor handles appropriately several students' related programs and/or activities, which are beneficial to our college.	0.41	0.66	0.36	0.31	0.75*
The timing and frequency of promotional and advertising campaigns carried out by the franchisor are NOT satisfactory.	0.45	0.48	0.41	0.35	0.81*
The franchisor supports and supplements our promotional and advertising campaigns.	0.42	0.30	0.31	0.20	0.70*

\* correlation is significant at 0.01 level.

distance square and  $q_{c,p} ((j-0.5)/n)$  is the  $100(j-0.5)/n$  quartile of the chi-square distribution with  $p$  degrees of freedom (Johnson & Wichern 1992, p. 196). Table 2 summarizes the result of the normality test. The fit is good, ranging from  $R^2 = 0.78$  to  $R^2 = 0.89$ , thus implying that the plot is almost linear. It is evident from the results that the distribution of the data represented by the five dimensions is approximately normal, and this allows the use of parametric statistics for further analysis.

In this study, the internal-consistency was used to evaluate the consistency of the responses for the five dimensions of franchisee satisfaction. All the coefficient alpha values meet the required prerequisite, ranging from 0.71 to 0.78, thereby demonstrating that all the five dimensions are internally consistent and have satisfactory reliability values in their original form.

Given that the questionnaire had been appropriately designed through a comprehensive review of relevant literature and fined-tuned based on focus group findings and suggestions from various experts, both the face and content validity of the instrument were ensured (Bohrnstedt 1983; Kaplan & Sacuzzo

Table 2: Normality Test of Distribution for the Five Dimensions

Dimensions	Skewness		Kurtosis		R <sup>2</sup> for chi square plot (gamma plot)
	Value	S.E	Value	S.E	
Social Interaction	-0.26	0.13	-0.38	0.263	0.89
Service Support	-0.18	0.13	-0.38	0.263	0.78
Financial	-0.10	0.13	-0.53	0.263	0.89
Assurance	-0.23	0.13	-0.58	0.263	0.79
Competence	-0.19	0.13	0.04	0.263	0.84

1993). The convergent validity can be established by using the correlation analysis between the components of the constructs. The correlation coefficient values range from 0.44 to 0.65, and this indicates a moderate positive relationship between the five dimensions of franchisee satisfaction, thereby indicating evidence of convergent validity. Furthermore, there is no treat of multicollinearity since the correlation value is less than 0.8 (Kline 1998).

Multiple regression was used in this study to determine the overall effect of the five dimensions on loyalty level. The regression model considered the loyalty level as a dependent variable and the franchisee satisfaction scores for the individual dimensions as the independent variables. A multiple regression analysis was subsequently conducted to evaluate how well the five dimensions predicted loyalty or intention to remain. The linear combination of the five dimensions was significantly related to the loyalty level,  $R^2 = 0.19$ , adjusted  $R^2 = 0.13$ ,  $F(5,66) = 2.90$ ,  $p = 0.01$ .

The sample multiple correlation coefficient was 0.44, indicating that approximately 19.4% of the variance of the loyalty level in the sample can be accounted for by the linear combination of the five dimensions.

In ranking the importance of the five dimensions of franchisee satisfaction, the comparative critical indexes (CCI) were computed. The values for these indexes range from 0.0 to 0.8, where 0.0 indicates most important while 0.8 indicates least important. In order to compute the CCI, the scores on each dimension were transformed into their standardized score, and the values falling between the 37.5<sup>th</sup> and 62.5<sup>th</sup> percentiles were used to determine the  $F_{critical}$  values. Table 3 shows the relative importance of the five dimensions of franchisee satisfaction. Competence is found to be the most important dimension, followed by financing, service support, assurance and social interaction in rank order.

Table 3: Rank-order of the Five Dimensions

Dimension	Fcritical	%	CCI	Rank
Competence	39	68	0.34	1
Financing	36	68	0.38	2
Service Support	26	68	0.49	3
Assurance	24	68	0.52	4
Social Interaction	16	68	0.61	5

## **Conclusions and Recommendations**

The primary contribution of this study is the insight offered regarding the factors affecting franchisee satisfaction. The results confirmed that the five dimensions namely social interaction, service support, financing, assurance and competence were distinct and conceptually clear. Therefore, it can be posited that franchisee satisfaction within an academic setting can be considered as a five- factor structure consisting of the identified five dimensions. Based on these dimensions, the franchisor should be able to assess all the five dimensions of franchisee satisfaction to ascertain the level of services provided, and to determine which dimensions need improvement. Evaluating satisfaction level and understanding how various dimensions have an impact on the overall franchisee satisfaction would ultimately enable the franchisor to efficiently design policy and manage the franchise network for long-term continuity. In addition, knowing the strengths and weaknesses of these dimensions and their relative influence may result in a better allocation of resources so as to provide a better service to the franchised colleges.

While satisfaction attributes may influence the colleges to a certain extent, the results indicate that one attribute has a greater impact on the overall franchisee satisfaction. Competence dimension which relates to such aspects as the possession of the required skills, knowledge and the right attitude to perform franchise services has significantly influenced the overall satisfaction. This involves the overall management skills. Thus greater emphasis should be placed in handling programs and activities with the franchised colleges, and also the colleges' interest in key policy decisions. Satisfactory performance would reinforce the colleges' initial decision to join the franchise system, eventually this would make the colleges more amenable to franchisor's direction, more likely to make subsequent investments in the venture, and less inclined to seek out other ventures.

Clearly, a large proportion of franchisees enter into franchise agreements with great expectations in areas such as income, franchisor support, and the marketing and promotional assistance. Whether these expectations develop by

means of the franchise's reputation, or by encounters with certain successful franchisees, they need to realize the contributions of the franchisees, so as to prevent a deterioration of work attitudes. Results of this study suggest that it is vital that the franchisor provides potential aspiring colleges with accurate and realistic information regarding the expected characteristics of the franchise operations, expected support over the business life cycle, and the consequences of the contractually restricted environment. Adequate disclosure should enhance franchisee satisfaction by encouraging accurate expectations regarding the costs and benefits of franchising.

The future of academic franchising requires the franchisor to be less controlling, hence building a cooperative relationship with the franchisees. Those franchisors who utilize a strict blanket approach to all policies may find that it is not in the best interest of the franchise, particularly as the franchisees gain experience in interpreting trends and opportunities. Generally, the college that is given some autonomy in operating procedures and marketing will be able to be more responsive to local market conditions. Today's franchisees, with their more sophisticated background, naturally want to have more input into methods of operation than in the past. Therefore, provision of more opportunities to the colleges for participation in overall strategy formulation may enhance their commitment to the franchisor.

This study demonstrated that social interaction is indeed very important in reinforcing overall satisfaction, and also an important antecedent for a franchisee's intention to remain in the franchise system. Certainly there will be positive rewards for the franchisor if policy design is aimed at developing effective interpersonal relations with the franchised colleges, and providing an environment conducive to work satisfaction. This approach may then encourage a sense of belonging and identification with the values and goals of the franchise, as well as decreasing potentially costly turnover and retraining. Franchised colleges who intrinsically value their attachment to the franchise may be more likely to not only remain with the network but also to work toward its success.

Likewise, the corporate staff of the franchisor must assess the language they use to influence the colleges to support policies. The reasons they give and the justifications they put forward need to be aligned with the operational needs and business realities of operating a small college business, but not with large franchise organizations. There must be a conscious effort not to preach to the franchised colleges but communicate in a fully transparent fashion where information is updated regularly. There are a number of mechanisms that can be used to facilitate communication between the franchisor and the related franchised colleges, and these include online data sharing, a monthly newsletter with franchisee input, collaborative marketing councils, franchisee associations, periodic surveys, and corporate task forces with the franchisee participation.

## References

- Ayling, D. (1987). Franchising has its dark side, *Accountancy*, February, 113.
- Bain, D. (1986). Franchising – A business phenomenon, *Manitoba Business*, March, 22.
- Bohrnstedt, G. (1983). Measurement, in Rossi, P., Wright, J. & Anderson, A. (eds), *A Handbook of Survey Research*, Academy Press, San Diego, CA.
- Dubois, P.L. and Jolibert, A. (1998). *Le marketing-Fondements et pratique*, in Gauzente, C. (2003), Measuring franchisees' satisfaction: theoretical considerations and empirical testing, *International Journal of Retail & Distribution Management*, 31 (10), 508-517.
- Dun and Bradstreet (1986). *The Dun and Bradstreet Business Failure Record*, New York, Dun and Bradstreet, Inc.
- Dwyer, R.F. (1980). Channel-member satisfaction: Laboratory insights, *Journal of Retailing*, 56, Summer, 45-65.
- Fortune* (1991). Corporate dropouts go franchising, August 26, 12.
- Gauzente, C. (2003), Measuring franchisees' satisfaction: theoretical considerations and empirical testing, *International Journal of Retail & Distribution Management*, 31 (10), 508-517.
- Hing, N. (1995). Franchisee satisfaction: contributors and consequences, *Journal of Small Business Management*, April, 12-25.
- Johnson, R.A. and Wichern, D.W. (1992). *Applied Multivariate Statistical Analysis*, (3<sup>rd</sup> ed.), Prentice-Hall, Englewood Cliffs, NJ.
- Justis, R.T. and Judd, R. (1986). Master franchising: A new look, *Journal of Small Business Management*, July, 16-21.
- Kaplan, R.M. and Sacuzzo, D.P. (1993). *Psychological testing: principles, applications and issues*, 3<sup>rd</sup> ed., Brooks Cole, Pacific Grove, CA.
- Kline, R.B. (1998). *Principles and Practice of Structural Equation Modeling*, The Guilford Press, New York.

- Lusch, R. (1976). Sources of power: their impact on intra channel conflict, *Journal of Marketing Research*, 13, 382-390.
- Norback, P.G. and Norback, C.T. (1982). *Guide to franchise*, Home-wood, Irwin, ILL.
- Nunnally, J.C. (1988). *Psychometric Theory*, McGraw-Hill Book Company, Englewood-Cliffs, NJ.
- Ruekert, R.W. and Churchill, Jr. (1984). Reliability and validity of alternative measures of channel member satisfaction, *Journal of Marketing Research*, 21, 226-233.
- Stern, L. and El-Ansary, A.I. (1982). *Marketing Channels*, 2<sup>nd</sup> ed., Prentice-Hall, Englewood Cliffs, N.J.
- Vroom, Vo. (1964). Egos involvement, job satisfaction, and job performance, *Personnel Psychology*, 15, 159-177.
- Wilkinson, I.F. (1981). Power, conflict and satisfaction in distribution channels- An empirical study, *International Journal pf Physical Distribution and Marketing Management*, 11, 20-30.