

**PUBLIC UNDERSTANDING TOWARDS FRANCHISING: A CASE  
STUDY IN KLANG VALLEY**

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## ABSTRACT

Franchise sector in Malaysia has growing significantly for the last ten years. Now, it does not only become one of the important sources for economy, but also become a tool for employment and job creation for the local people. Recognizing the potential of the industry to provide wealth, modern infrastructure and meeting the demand of thousand consumer worldwide, government has implement tremendous activities to promote the industry to local people and encouraging participation from various individual, organization and sector. In an attempt to increase the knowledge and awareness among general public in franchise industry, this study was conduct to identify the knowledge and understanding, as well as factors influence their understanding towards franchising.

For the purpose of the study, the exploratory research and descriptive research was deployed in order to obtain the objectives. Simple random sampling has been utilized with 170 respondents or the sample size. Self-administered questionnaire was used as the survey instrument beside the source of primary data. By using the analysis generated by SPSS (Statistical Package for the Social Science), results are analyzed and deduction being drawn. Looking at the result in data analysis and cross tabulation did hypothesis testing. Finally, the findings from this study conclude that most of factors were influence public understanding towards franchising in Malaysia is age, education level, franchise visit experience and franchise brand awarenes.

## **CHAPTER ONE: INTRODUCTION**

### **1.1 Introduction**

This chapter will cover the background of study which includes the overview of franchising in Malaysia and franchising in general. Besides that, this chapter also focuses on the introduction of the subject being studied. The term 'Franchising' comes with various definitions that bring to similar or identical meanings. Franchising is a business relationship between two organizations, whereby franchisor as the owner of the brand name, product, or business system permits the franchisee to use its brand name, product, or business process for a payment of royalty or fee.

This chapter will discuss the problem that been identified regarding the lack of understanding among public about franchising, the business concept, and it advantages as a mean to grow business largely. Franchising concept will be discuss in its important aspect include its definition, types of franchising and the franchise relationship.

Then, the research objective and question will be proposed in order to achieve the result and findings of the topic being studied. The theoretical framework will then develop to identify the dependent and independent variable of this study. In addition, to provide better understanding to the readers, significance and scope of study, limitation of study will also be presented in this research. Lastly, the definition of terms used in this research wills also being included.