

Factors That Influence Women When Purchasing a Business Format Franchise

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INTRODUCTION

Interest in the area of franchising continues to increase; at this time, more than 75 industries use franchising as a way to disseminate products and services to the general population (LBC Franchising Corporation, 2009). Currently, some 50% of all businesses in the United States are franchises, and this number continues to grow (LBC Franchising Corporation, 2009). In addition, the International Franchising Association reports that "...franchising is responsible for 760,000 businesses, 18 million jobs, 14 percent of the private sector employment, and over \$500 billion in payroll," and sales by franchises are expected to top two trillion dollars by the end of 2009 (LBC Franchising Corporation, 2009). With many businesses such as restaurants, fast foods and beverage chains, hotels, etc. operating as franchises, this growth has direct impact on those who pursue these businesses, particularly as we consider the current economy. Equally compelling is the information that franchise businesses seem to do better than traditional start-ups. Statistics indicate that up to two-thirds of new businesses are discontinued in their first six years. In contrast, franchise outfits have retained longevity; LBC Franchising Corporation reported the following statistic on their website:

A 1999 study by The United States Chamber of Commerce found that 86% of franchises opened within the last five years were still under the same ownership and 97% of them were still open for business.

These statistics point to an undeniably persuasive argument: Franchising has become a major American way of doing business. The franchise method of distribution, still relatively young compared to other marketing methods, continues to contribute significantly to the American economy. It provides rapid growth for the franchisor and, more importantly, it vastly increases the likelihood of success for the small business person, namely the franchisee. This unique working relationship offers flexibility and security that is unavailable under other business systems (International Franchise Association, 1990).

Why has the dramatic increase in franchising taken place over the past few decades? A number of reasons are given: (a) a generally accepted perception of a higher rate of success of franchise operated establishments relative to independent stores, (b) the association between franchising and the favorable portrayal of entrepreneurship in the scholarly and popular literature, (c) a growing number of changes in the lifestyle that increasingly pursues convenience goods and services but with the quality assurance offered by franchise outfits, and (d) a general downsizing of employees from larger American based companies. In many, cases these terminated employees leave their respective companies with large severance packages which may form the initial investment to purchase a business format franchise. This is also a time when more women and minorities are seeking to become entrepreneurs and individual business owners (Smith-Hunter, 2006).

The term franchise comes from the old French word franc, meaning free servitude. Its Middle English form, franchise, meant privilege or freedom, today The American Heritage Dictionary of the English Language defines franchise as, "a privilege or right granted a person or a group by a government, state or sovereign, especially ... suffrage ... the grant of certain rights and

powers to a corporation ... authorization granted by a manufacturer to a distributor or dealer to sell [its] products." (Morris, 1969). Since the 1850s when the Singer Sewing Machine Company became the first company to employ franchising as a method of distribution, independent business people have been enjoying unique privileges and freedoms as franchisees. In the first half of the 20th century, franchising took the form of automobile and truck dealerships, gas stations, and soft drink bottlers. These franchised businesses still make up about three-quarters of total franchise sales, but ever since McDonald's arrived on the scene in the 1950s, companies in virtually every industry have adopted business-format franchising as a way of business. As the economic scene changes, franchising finds new and wider applications. Because franchising can be used to distribute just about any product or service, its potential seems almost unlimited (Jones and Lief, 1993). Most franchises fall into one of four categories, each of which has distinct economic and legal characteristics

1. The Manufacturer/Retail Franchise is a manufacturer who sells the right to stock and sell its product line through a retail outlet. An example is an automobile dealership.
2. The Manufacturer/Wholesale Franchise is a manufacturer who sells the franchised wholesaler a product such as syrup or a concentrate. The franchisee adds other ingredients to produce a finished product which is sold to retail outlets. An example is a beverage company.
3. The Wholesaler/Retailer Franchise is a wholesaler who sells a retailer the right to carry the products it distributes. Two examples are Agway or Radio Shack.
4. The Business-Format Franchise is the most common, fastest growing

type of franchise and the one discussed in this study. Here the franchisor sells the franchisee a trade name, an identity, and a proven method of doing business.

Every commercial strip in America is rife with examples, from fast food restaurants like Burger King and Pizza Hut to hotel chains like Best Western and Holiday Inn. More specifically, in this arrangement the franchisee purchases the right to use the franchisor's method of marketing, operational systems, logos,

trademarks, architectural styles, and other features. The franchisor will dictate many of the details of the business such as prices, quality, products and equipment specifications, and the methods and hours of operation. The business-format franchisor derives income from up-front franchise fees, royalties, percentages of gross sales, advertising pools, and from the sales of products and services.

A few advantages of the business format franchise are:

1. The business-format franchise has been proven successful. Therefore, the risks are minimized and the franchisee is provided with as foolproof a product as found in the world of business. The statistics speak for themselves. Almost 97% of franchises are still in operation five years after they open. In comparison, 90% of independent businesses fail within the first five years. Ninety-four percent of franchisees report their franchises have been somewhat successful or very successful, and 86% say they are as satisfied or more satisfied operating their franchises than they were in their previous jobs.

2. The franchisees have the knowledge and experience of the franchisor to help them. The longer the franchisor has been in business, the more likely he or

she is to have seen most of the problems the franchisee will encounter.

3. The franchisee benefits from the franchisor's marketing efforts and new product development. The franchisor will want to share these advantages with the franchisee since the more successful the franchisee becomes, the more successful the franchisor will become.

4. Franchises are better able to weather a down-economy. Business-format franchises are successful because they don't try to be all things to all people; instead, they fit small, neatly defined niches in the market place.

5. Many franchises can be operated from home or a mobile location which keeps costs and overhead expenses to a minimum (Powers, 1995; LBC Franchising, 2009).

With the success of franchises (it is estimated that one out of twelve businesses is a franchise), this paper specifically examines factors affecting why women engage in Business-to-business franchising. This has implications for businesses including the hospitality and tourism sector as more women become business and franchise owners. Recent research on women and minority entrepreneurs has indicated several factors for wanting to have one's own business and challenges that can negatively affect this. Recent research by Smith-Hunter(2006) found that motivators include: freedom of choice in handling work-family conflict; issues of discrimination such glass ceiling at their work and wage differences; wanting to make a contribution to society and filling a void in a market; and achieving independence and personal development. Some of the challenges to successful entrepreneurship are: lack of significant start-up capital, access to credit and access to adequate business networks; and limited level of business ownership

experience. This can be used as a baseline for exploring issues for women franchisees to determine if similar or different factors exist.

The number of women and minority franchise owners is increasing dramatically. For many years, women were more or less ignored by the franchising industry. That is changing. Franchising is proving to be an excellent way for women to get into business for themselves. Women are now the owners and co-owners of an estimated 34% of all franchises. Since they are starting new businesses at twice the rate of men, that figure should increase dramatically in the next ten years (Powers, 1995). That women find franchising attractive should not be surprising. The glass ceiling is still considered by many to be very much a fact of life in corporate America. Since large numbers of women are purchasing business-format franchises and many of these franchisees are developed, owned and managed by men, this study emphasized gender as an issue in franchise development as factors were investigated to determine which components influence the purchase of business-format franchises by women.

Statement of the Problem

Most franchisors and franchisees agree that it is important to understand and assess the rational and emotional factors inherent in different franchises before making a final decision to purchase. Since most franchises are developed, owned, and managed by men and then sold to male franchisees, not much thought has gone into the needs of women franchisees. For practical purposes, it has been assumed by franchisors that the needs and wants of men and women are the same.

Based on cultural, educational, and job experiences, women may have a special set of needs and wants that should be recognized. These needs and wants have to be satisfied before the female prospect can be influenced to purchase a business-format franchise and subsequently become

successful at that franchise. These wants and needs are manifested in rational and emotional factors offered by a franchisor to influence a woman to purchase that franchise and then to be successful in its operation. Franchisors have not successfully identified the factors that women want and need when making a decision to purchase a franchise. Since women currently make up one-third of business-format franchise purchasers and since this figure is expected to increase, it is vital for the success and growth of franchises that the factors influencing women to purchase be fully researched and reported.

Franchise developers are business specialists who usually are hired to supervise the actual design and development of a successful business into a legal and marketable franchise. Franchise developers, after realizing the enormity of the growing market for women-owned franchises and that women may have dissimilar needs and wants in a business-format franchise than their male counterparts, may design and develop the franchise differently.

Franchise brokers are business specialists who usually are hired to supervise the marketing and sales of the business-format franchise company. Most franchise brokers are intermediaries who make a sales commission only after they successfully influence a prospect to purchase a franchise. As franchise brokers realize that women may have different needs and wants, the franchise broker will want to direct the women prospects to those franchises that have the factors necessary to satisfy women's needs and wants.

Significance of the Study

This study explored and discovered those rational and emotional factors which are key in a woman's decision to purchase a business-format franchise. With the important business factors identified, the franchisor will have a better understanding of the factors that

potential women purchasers want and need when deciding to purchase a business-format franchise. Subsequently, the franchisor could add factors and services that are highly attractive and influential for potential women franchise purchasers. This is important in terms of how franchisors market their business. Likewise, factors and services could be removed that have been found to have a negative impact on potential women franchise purchasers. This would mean a savings of time, effort, and money, and would improve as well as streamline the purchasing process.

Franchisors will be able to design or redesign franchising packages to better assist purchasers in establishing and maintaining successful franchises. This is important because (a) business success and longevity will encourage additional franchise purchases, and (b) a greater understanding of the wants and needs of women franchisees will assist in better communications among all the interested parties. The franchisor needs to promote a climate of trust and cooperation for mutual benefit, communication, and growth for all.

Women will also find this study significant, since it will make them consciously aware of their franchise wants and needs and enable them (a) to become informed decision makers, and (b) to choose the franchise best suited to their rational and emotional requirements. In addition, franchise sales brokers will be better able to advise potential women purchasers because they will have a clear understanding of the unique factors necessary to attract and support women franchise purchasers. This investigation covered all types of business format franchises in the United States.

Research Questions

The need to ascertain what business factors women want and must have before deciding on a franchise purchase generated these research questions: (a) What factors influenced women to

purchase a franchise? (b) What search patterns did women use to find a franchise that they later purchased? (c) Which rational and emotional factors influenced women to purchase a business-format franchise and do these influences differ across age groups, education and geographical regions ?

Assumptions

This research focused on women who had purchased a business-format franchise. The principal assumption underlying this research was that there are rational and emotional factors which will influence a woman to purchase or not to purchase a particular franchise. This is a reasonable assumption because (a) many men own, manage, and develop most business-format franchises; (b) women, due to | their particular experiential and educational background, may need different rational and emotional factors than men; and (c) most franchisors are not aware of the unique needs of potential women franchisees.

Definition of Terms

Business Factors. Business factors are all of the rational and emotional services offered by the franchisor to aid the franchisee in becoming successful.

Business-Format Franchising. The franchisor licenses the business methods it has established and that are identified by its trademark. The franchisee's methods of operation are significantly controlled by the franchisor. The franchisor most often provides significant assistance to the franchisee in the operation of the business, under the guidelines of the federal disclosure rule of 1979. The franchisee is required to pay ongoing fees or royalties to the franchise company. This is the most popular method of franchising today.

Franchise. A franchise is a long term, continuing business relationship where the franchisor grants to the franchisee a licensed right, subject to agreed upon requirements and restrictions, to

conduct business utilizing the trade and/or service markets of the franchisor and also provides to the franchisee advice and assistance in organizing, merchandising, and managing the business conducted pursuant to the licensee.

Franchisee Agreement. The franchise industry is a highly regulated industry. The Federal Trade Commission (FTC) regulates franchising with the Uniform Franchise Offering Circular (UFOC). The document must disclose much personal business information concerning the franchise. Failing to do so can cost the franchisor up to \$10,000 per day, per violation.

Franchise Broker. A franchise broker is a person or firm that helps to sell the franchised business.

Franchise Developer. A franchise developer is a person or firm that provides legal and marketing assistance to a company that wants to become a franchise.

Franchise Support. Franchise support includes service or assistance provided by the franchisor. It often includes such things as location, selection, lease assistance, facility design and layout, training, marketing, centralized buying, financial help, advertising, fees, territory rights, and references.

Franchisee. A franchisee is a person or company who pays the owner, or franchisor, for the franchise and the right to use it.

Franchisor. A franchisor is the owner of a franchised business who grants the buyer of the franchise the right and license to operate the business using the methods and the product the franchisor has developed.

Franchisors provide a wide variety of assistance for franchisees but not all franchisors

provide the same level of support. Assistance and support provided by franchisors include financing, site selection, lease negotiation, co-op advertising, training and assistance with the grand opening. The extent of ongoing support to franchisees also varies among franchisors. Support areas include control data processing, central purchasing, field training, field operation, evaluation, newsletters, regional and national meetings, a hot line for advice and franchisor-franchisee advisory councils. The availability of these services is a critical factor in the decision to purchase a franchise and may be crucial to long-term success of marginal locations or marginally prepared owner/operators.

Factors Offered by Franchisors that Influence Women to Purchase a Franchise

Calvin B. Haskill Jr. of Franchise Solutions, Inc. (Maynard, 1996), suggests that prospective franchisees pose eight questions to established franchisees. These questions include: (a) Is the company always available to answer your questions and help you? (b) What kinds of ongoing training and development are you receiving? (c) What kind of marketing assistance is available? (d) Is your business generating profits? (e) How long did it take for your business to generate profits? (f) How do you spend most of your time? (g) Which of your expectations has ownership of this franchise failed to meet? (h) Would you buy this franchise again?

Hedy Ratner, of Chicago's Women's Business Development Center, says women tend to be more successful than men in starting businesses. Women take classes and attend workshops, and they are often "risk-averse," Ratner explains. "They are more likely to keep their expenses down and not need all the perks that men need as they go into business. They often start their businesses out of their home. Their operating costs are much less. They do much of the work themselves because they're capable of doing it, giving them an opportunity to hang in longer in a (down) economy." (Nelton, 1992, p. 66).

The Search Patterns Women Use to Find a Franchise To Purchase

Generally, the factors found to influence women to purchase business format franchises are security issues, success issues, support/training issues, risk issues, and gender issues. Some of these factors are similar to what the previously mentioned research on women and minority entrepreneurs found.

"A variety of techniques can be utilized to reach women," indicates Tom Gunderson, franchising vice-president for Express Services Temporary and Permanent Personnel. "First, advertising is a necessity. It is imperative you (the franchisor) gain name recognition. This can be done either on a national scale or by concentrating in areas where your company has franchises available." (Haneborg, 1992, p. 30). A second technique, according to Gunderson, would be to saturate an area with advertising, networking and telemarketing.

You must market creatively and aggressively. Gunderson adds, "You should access outplacement organizations, women networking groups and women's business associations." (Haneborg, 1992, p. 30). However, Gunderson believes their most successful and dependable marketing tool by far has been through referrals from within his company structure. "We have acquired

Approximately 50% of our franchises through the company network." (Haneborg, 1992, p. 30).

Some franchisors market specifically to women, targeting them through women's magazines or special seminars. One company took a more creative approach in 1994, sponsoring an essay contest to attract female franchisees (Bernfeld, 1995). However, Bernfeld states that, in general, franchisors find targeted campaigns unnecessary since female corporate dropouts read the same business periodicals and go to the same trade shows as their male counterparts.

Rational and Emotional Factors That Influence Women to Purchase a Business-Format Franchise and Whether These Influences Differ Across Age Groups, Education and Geographical Regions

While there is no such thing as a risk free business venture, the concept of franchising provides needed security to many women who have decided to own and operate their own businesses. Perhaps the reason for this is that when people go into business with a franchise they find they are on their own, but are not alone.

Franchisees, like all small business owners, have to work hard for success but they will have a better chance at success with a franchise organization supporting them. And it is in the franchisor's best interest for the franchisee to be successful. Franchising's role in advancing women in the work place is significant. In the past five years, for example, the number of female-owned McDonald's restaurants has increased by 300%. However, women are particularly vulnerable in franchise deals (Kezios, 1992), and should ask these questions to help choose a franchise wisely: (a) Can you identify with other women in franchise management? (b) Can you identify with the women franchisees? (c) Where are the franchises owned by women located? (d) Are they good locations? (e) Does the franchise you're looking at have a women's franchise association? Is it active and successful in dealing with management?

The traditional obstacles to women in starting a franchise are lack of management or other business experience and difficulty in raising capital. A good franchise with a developed business format can help break through the first obstacle by supplying procedures, training, and ongoing support, making this one reason franchises are attractive to women (Roba, 1994).

Knowledgeable franchisors will realize that raising capital to purchase the franchise is very

difficult for many otherwise well situated potential franchisees. These franchisors will boost the potential franchisees' chances of securing capital by explaining the lending process. In addition, according to Roba (1994), established franchisors are more likely to offer financing or may act as a match-maker between the franchisees and lenders.

Applegate (1993) cites the additional training, moral support, and marketing support as reasons why women purchase franchises. Once the franchise opens, the franchisee receives advertising materials for local newspapers, promotional tips, direct mail, and a multitude of other materials to help define and reach their target market (Harris, 1992).

The greatest challenge for women entrepreneurs and franchises is to find a franchise which will take them seriously (Whittemore, 1995). According to Barnes-Bryant, "It is important for women to have their own vehicles for networking and communicating with other women franchisees. Membership in a franchise advisory group or franchise association can benefit a new franchise immeasurably." (Harris, 1992, p. 75).

Since it was impossible to distribute the questionnaire to every woman in the United States who has purchased a franchise-format business, a sampling population was generated. The following give background of the terms used and how the sampling was accomplished.

The population for this study was women in the United States who have acquired a business-format franchise. The sample used in this study consisted of the members of the Franchising Association, International Franchise Association, and Franchise Time. The organizations list a total of 340 women representing a variety of industries and geographical areas. The women from the above sources became the frame of this study. The survey questionnaires were sent to all of the listed women, and as a follow-up, postcards were also sent a week later to remind them of the survey.

Responding to the survey were 111 women.

Reliability

Reliability of this questionnaire was checked by the rephrasing of the questions. This was established through inter-item questions. That is, questions were phrased differently, but required the same responses. The responses to these questions were then compared for consistency by using 95% confidence intervals. Note that the respondents of the rephrased questionnaire had to be the same respondents as those who answered the original questionnaire. Otherwise, the consistency check would have been purposeless.

In survey sampling, there are two possible types of answers. One is an open answer, where the respondent gives a subjective answer. In this study, however, the questionnaire has closed questions only. A closed question is one that a) has a single numerical answer such as the age of the respondent, or b) refers to questions or a fixed number of predetermined choices, one of which is to be selected by the respondents. The limitation of the closed question is that it does not provide the appropriate alternatives for the respondents, and the alternatives themselves can influence the response of the respondents. In terms of data handling, closed questions are easier to manage and statistical summaries are easily constructed.

In pretesting the questionnaire to determine the factors that influence women to purchase a business-format franchise, a group of 40 women was utilized. The initial group was later divided into two different focus groups. The participants for these focus groups were selected by asking women if they would be interested in purchasing a business-format franchise. Those who answered yes were invited to participate in the design. The result of the pretest helped to determine when a modification of the questionnaire was needed.

Focus groups were held twice with twelve women in each group and lasted about 30 minutes each. Women who were interested in owning a business were asked to participate. The questions focused on four areas: a) Why would you want to own a business-format franchise? b) Would you want to own a franchise instead of a new start-up business? c) What should a franchise offer? d) What would prevent you from getting into your own business?

The answers in each category varied among the participants. To the question "Why would you want to own a business-format franchise?", the answers included the following: a) need for money, b) be my own boss, c) make my own hours, d) flexibility, e) more interesting work, f) opportunity, and g) for family reasons

The question "Would you want to own a franchise instead of a new start-up business?" elicited eight different responses. They included: a) gain experience, b) my father had a business and I want my own, c) married to present job and want a divorce from it, d) beneficial tax purposes, e) may help my family in the future, f) get my kids some business experience, and g) a retirement option. Focus group respondents cited pros and cons of owning a business-format franchise versus a start-up company. The positive aspects they cited for owning a franchise include: a) more successful, b) less risk, c) more support, d) policies and procedures already

developed, and e) market place has been determined. The negative aspects of a start-up company as seen by the focus group were a) too much risk and b) the need for too much prior experience.

There were ten responses from the focus groups to the question "What should a franchise offer?"

They include a) good track record, b) site selection, c) market research, d) training for both personnel and management, e) on-going support, f) integrity and honesty, g) long term and day to day commitment to the franchisee, h) help in advertising and marketing, and i) assistance in

financing. The last question "What would prevent you from getting into your own business?"

elicited seven different responses. The focus group participants responded with these reasons: a) time commitments, b) not enough money to commit, c) too much risk for dependents, d) unreliable employees, e) not Aggressive enough of a personality, f) government regulations that are too complex, and g) fear for personal safety in regards to potential robberies, etc.

Questions were formulated as a result of the information obtained through the focus series.

The questions emphasized three themes:

1. Socio-demographic data. These include age, income, education, marital status, and previous business experience.
2. Women's perception of their specific needs with respect to franchise businesses. These questions examined the impact of prior business and educational background.
3. Rational and emotional factors that facilitate or hinder women in franchised businesses. These questions identified those services that franchisors need to offer in order to attract more women buyers.

Data Analysis

All data was processed using a statistical package. Charts and graphs were used for the descriptive component of this study. Chi-Square analysis, ANOVA, and Bartlett's Test of Equal Variance, were used to examine the differences among women in respect to their needs. The Chi-Square distribution is based on sampling from a normal distribution. This distribution method can be used to develop internal estimates and to conduct hypothesis tests about a population variance. A goodness of fit tests uses the Chi-Square distribution to determine whether a hypothesized multinomial probability distribution for a population provides a good fit. The hypothesized test is based on differences between the observed frequencies in a sample and the expected frequencies based on the assumed population distribution. Another important application of the Chi-Square distribution involves using sample data to test for the independence of two variables. ANOVA is a statistical procedure called analysis of variance. ANOVA can be used to test for the equality of three or more population means using data obtained from an observational study. The analysis of variance may be summarized as a technique for portioning the variation in the observed data into parts, each part assignable in different causes or combination of causes. Analysis of variance is appropriate when it can be assumed that the several groups of observations can be treated as random samples from the populations. Bartlett's Test of Equal Variances is a procedure for testing the homogeneity of more than two variances. This test is very helpful in determining whether or not there is a statistical difference between the variance of those that agree or disagree.

Summary of the Study

The major purpose of this study was to gather opinions and feedback from women

franchisees on a) What factors influence women to buy a franchise, b) what search patterns did women use to find a franchise that they later purchased, and c) the rational and emotional factors that influence women to buy a business format franchise and whether these influences differ across age groups, education and geographical regions. To identify the factors which could influence women to later buy a business-format franchise, this study sought assistance and support from two focus groups. From the information generated by the focus groups, a survey questionnaire was constructed. This survey questionnaire was then pre-tested and validated by women members of the business and academic communities.

The questionnaire was distributed to 340 women who had purchased a business format franchise. We had 110 surveys returned from various types of franchises. The sizes of the franchises involved in the study varied. This investigation covered all types of business-format franchises in all the geographical areas within the United States. Within two weeks of sending out the survey questionnaire, a follow-up post card was sent to each woman who received the questionnaire, reminding her to complete the questionnaire if they hadn't already done so and to return it in the self-addressed, stamped envelope within a certain time period.

Summary of Findings

The study explored the relationship between factors which influence women to buy business-format franchises, search patterns to find the right franchise and what, if any rational and emotional factors act as an influence to buy a franchise. From a measurement perspective, this study utilized Chi Square analysis, ANOVA and Bartlett's Test of Equal Variances. With these forms of statistical measurement, the 23 hypotheses were judged fairly.

To summarize, this study was the first investigation of influences on women to buy a business-format

type franchise and whether rational and/or emotional factors play any part as a further influence. Significant findings verified influences and suggested new relationships among influences for women franchises that had not been previously considered.

Research Questions Discussed

The first research question addressed was "What factors influence women to buy a franchise?"

According to the results of the survey questionnaire and the subsequent constructs and hypothesis then developed, women agreed that particular issues were important. These included a) security issues, b) success issues, c) support/training issues, d) risk issues, and e) gender issues.

Security Issues

Women agreed that security in the success of a future business was important in their buying decision and saw franchising as a relatively secure form of business. Women took into consideration the convenience and security of this form of business as it related to their family situation. Sample responses:

1. "Cordis (husband) and I have been quite fortunate in our experience during this business relationship. Our franchisor is an exceptional man running an exceptional organization. We got in very early and have watched American Fastsigns grow at a rapid rate. It is solid from the ground up. Our story could | have just as easily been a nightmare if our franchisor was not honest and pure in heart."
2. "When you franchise or open a business, you should examine re-sale or closure assistance."

Success Issues

Success for women in their future business enterprise, while it could be considered a part of

the security issue, was tested separately. Women agreed that success was important and the acquisition of a business-format franchise helped to secure this future success. Women who were interested in buying a franchise indicated they were good business managers before they began to look for their own business. This was surprising, since a potential franchisor would probably think a woman (or a man) would likely buy a franchise because he/she needed to learn to be good or better business managers. Comments on the surveys regarding this subject include:

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1. "Franchises give you a good sound start. If you follow their advice usually you are successful. Also, you have other people to discuss your successes with, as well as your problems."
 2. "I was lucky to get in on the ground floor. Our facility is very successful and is growing daily. I enjoy being my own boss and running a successful, satisfying franchise business all alone."
 3. "As a first time business owner, I'm glad I chose a franchise opportunity." "Most of the answers are based on my Billerica store - the North Reading store has not been open long enough to make any decisions regarding success, failure, etc."
 4. "The suggested liquidity established by the franchisor should be carefully heeded. The on-going cash requirements, above the initial fee, are real and are paramount to success."
 5. "I was tired of working for others. I did research and chose this franchise. Would buy a franchise again if it were a business I knew nothing about. I am not satisfied with my company's financial performance. I believe franchisor's financial info was incorrect."

Support/Training Issues

Women tended to agree that a business format franchise was more supportive to their particular needs. They also believed that a franchise was responsive to their specific situation and

thus saw this as an advantage. Possibly as a further security issue, women perceived that a franchise provided adequate entry level training, at least enough to get a successful start in their marketplace. The on-going training as it related to future development was important as a support issue and security issue. Some of the participants commented on their surveys as follows:

1. "I have had success in my franchised business, but would not go into another franchise."
2. "I am unhappy with franchisors' lack of help after 11 years in business."
3. "As a first time business owner, I'm glad I chose a franchise opportunity. It's given me the support to launch my business. Also, the system, and procedures are already in place so I can spend my time developing my business and satisfying my customers. For my next business venture, I probably will not choose a franchise."
4. "A franchise gives you great support through networking of other franchisees."
5. "My franchisor has been a great company to be involved with."

Risk Issues

Women tended to agree that buying a franchise was not less risky than starting a new business on their own. This finding was very surprising, since a selling point for franchisers has always been that they are much safer than a business start-up. Women were still very interested in finding a franchise that they deem reliable — one they saw as honest, ethical and believable. Their comments include:

1. "I just closed my business. It was not suited to the needs of the community. I do not think I had the correct information when I decided on this category of business. The franchisors were not able to predict the percentage of success I could expect and now agree my part of the country does not lend itself well to my class of business."
2. "It is extremely difficult to find any employees much less the quality labor force I would

like because unemployment in this area is 2%. This has been my major challenge."

3. "My husband kept on putting more and more of our funds into paying ice cream and rent bills that easily built up because the business did not make enough to pay for the high cost of product, rent, franchise fees and other requirements each month."

Gender Issues

Women tended to agree that they have similar opportunities in business as their male counterpart. They believed that they were not taken seriously enough in the business world.

Women agreed that they needed administrative help from male business people, possibly one reason why they felt less favored than men in business. Their comments include:

1. "Franchises are easier for women who work to go into their own business. However, the franchisor is still men and men control the finances. My husband had to get the loan needed to start."

2. "I believe this is a male oriented business. Within the franchise there are only a small percent owned strictly by women. Men tend to argue prices more with women (than men)."

3. "I really don't know why I filled this out because it is not going to change matters at all. Women will never get credit like men in this world today. Fact!"

4. "Franchising a business for me is not enough. I still have to decide different marketing techniques and procedures to succeed. Women in particular are very meticulous with business operation and I don't get satisfied with what franchise dictates. Women like me are very motivated to succeed in business."

5. "Some of these questions should not be female oriented. It doesn't matter in some cases that we are females. Owning our particular franchise has been good for us because of the support we

get from our franchisor and it's probably a lot easier starting a franchised business than starting another business from scratch, but that is not a female versus male issue."

6. "Men and women make both good and poor managers. Sex has nothing to do with ability. Acquisition of a franchise is only good for a woman or man if they have an entrepreneurial personality. Many men and women don't!"

7. "Like any other business, there are great franchises and lousy ones. It doesn't matter if you're a man, a woman, or a dog — Do your homework!!"

The second research question asked "What search patterns did women use to find a franchise that they later purchased." According to the results of the survey questionnaire women had mixed opinions when they answered this research question.

Developed from the relevant literature and the focus groups, six major sources (constructs) of information used by women in the search of a franchise that they later purchased were identified as a) commercial advertising, b) peer recommendation c) personal research, d) business consultants, e) business clubs, and f) family member. Surprisingly, most women did not agree that commercial advertising was their main method for finding and purchasing their franchise.

Few of the women questioned supported the hypothesis that they would purchase a franchise based on the advice of a business club. College educated women franchisees agreed that they would not purchase a franchise based on peer recommendations. Women with prior training in a particular franchise industry group agreed that they would purchase a franchise based on their own personal research. The third of the research questions asked "Do rational and emotional factors influence women to buy a franchise?" According to the results of the survey questionnaire, women had strong opinions when answering this research question. Most women agreed that rational issues, such as

insuring success and ongoing training, were very important ingredients and influential in their purchasing decision. Most women agreed that emotional issues, such as security, risk and gender, are also high on their list of priorities when seeking to purchase a franchise business.

Conclusion

As a result of this study, and through the help of the focus groups and survey questionnaires, a series of constructs for the research questions were developed. The development of the constructs led to the development of 23 testable hypotheses.

The results of the tested hypotheses indicated that issues concerned with security, success, support/training, risk and gender tend to be very important to women. They tended also to be a very powerful influence in womens' decisions to purchase a business-format franchise.

This study revealed the way women learn about the franchise they eventually purchase. The findings indicated that most women disagreed that commercial advertising was very important in their search for a business format franchise. It further indicated that most women with a college education will not purchase a franchise based primarily on peer recommendations. However, this does not mean that college educated women would completely discount peer recommendations, but would be more inclined to rely on primarily personal research. In addition to highly educated women, results indicated that women with some prior specific training also tended to purchase a business-format franchise based on personal research

Results indicated that most women agreed that both rational and emotional factors are important in choosing a business-format franchise. Rational factors, such as success issues and training programs, are weighed heavily in the decision to purchase or not to purchase. Emotional factors including security issues, the amount of perceived risk in a franchise, and perceptions on

how their gender is accepted and appreciated were also important to potential purchasers.

The results of this study supported the importance of the developed constructs and that both rational and emotional factors are important for women when purchasing a franchise. It reveals that franchisors and franchise sales brokers must pay closer attention to these issues in order to successfully influence more women to purchase their franchises.

Limitations

As with the general nature of any research, there are a number of limitations associated with this study. "It is important to realize that there is no one best way to conduct research, but rather all research can be viewed as a series of interlocking choices in which one tries simultaneously to maximize several conflicting desiderata. There is no one true or correct set of methodological strategies, rather, from a dilematic point of view, all research strategies and methods are seriously flawed, and it is simply not possible to do good — that is methodologically sound— research." (McGrath, 1982).

One of the limitations of this study was that the sample size was limited. Franchisors are very guarded of the franchisees names and addresses, but the researcher was able to get 340 respondents from trade associations, magazines, and a few franchisors. This was problematic and only after promises of sharing research outcomes were potential respondents offered.

Another limitation was that not all franchise industries participated, and the ones that did were predominantly those in their early growth phases. A further limitation was the interpretation of the focus group conclusions, the development of the survey questionnaire and the interpretation of the pre-testing of said questionnaire. Bias certainly may partially result as the results of the survey are interpreted. This may occur because each survey participant may interpret words and phrases

and their meanings differently, based on their individual experiences.

Recommendations for Future Research

Since business-format franchising continues its popularity and growth as a business form, continued research in this area is important. The findings and recommendations of this study suggest some future research topics related to this particular area:

1. The finding that the risk issue (i.e. franchises are far less risky form of business than a start-up) was seen by women as not an advantage when buying a franchise. Future research should focus on developing and refining a survey to assure a reliable and valid measure of the attitudes of woman franchisees. This certainly has implications for practitioners in this field because they will be better able to match women who will be more likely to be successful for a particular franchise.

2. This research effort considered only franchises early in their growth or introductory business cycle stage. Enlarging future research to incorporate more mature franchises might either support that conclusion or lead to different conclusions.

3. It would be of benefit to replicate this research in several years to chart changes in the attitudes, values and feelings of women franchisers at that time.

4. Another study would be to survey men franchisees to see how they view the same three research questions. A further comparison of the genders would prove beneficial to practitioners and future franchisees alike.

5. More research is necessary in areas of how women find franchises.

APPENDIX A: Factors Influencing Women Franchisees

Rational and Emotional Factors

Security issues

Success issues

Support/training issues,

Risk issues, and

Gender issues

Being taken seriously

Having own network

Understanding the financial risks

Financial Access

Six major constructs of information used by women in the search of a franchise

a) commercial advertising,

b) peer recommendation,

c) personal research,

d) business consultant,

e) business club, and

f) family member.

Why would you want to own a B- franchise?

a) need for money,

b) be my own boss,

c) make my own hours,

d) flexibility,

e) more interesting work,

f) opportunity,

g) for family reasons