
THE DIFFERENCE BETWEEN SUCCESSFUL AND UNSUCCESSFUL FRANCHISEES: AN INSIGHT INTO GERMAN FRANCHISE NETWORKS

Christiane Gaul
University of Latvia,
Latvia
c.gaul@andre-media.de

Abstract

The quest for finding suitable franchise partners has been a challenge for many franchisors across borders. The research results of this paper give hints for the question, which skills have to be strongly developed in order to select profitable franchise partners. For this purpose, data collection took place with mostly German franchisors that were asked to describe their point of view on their most successful and their least successful franchisees. The contribution displays the relevant skills and requirements of successful franchisees compared to unsuccessful franchisees. The skills and requirements are divided into hard skills, soft skills, and local knowledge. Each component of the three different skills is investigated for both groups. The differences are all in favor of successful franchisees. The range of values and their distinct relevance make a significant contribution to franchisee selection research and close a niche gap in literature.

Key Words

Franchising; franchisee selection; success criteria; skills.

INTRODUCTION

Franchising is a concept, which can be expressed as 'business to go'. It is an advantageous option for all who seek self-employment, but do not have an idea which direction to pursue. Countless companies use franchising as expansion strategy. The ready concept is sold to a candidate, who should be in a favorable position to execute, manage, perform the required results, and to actively contribute to the system's goals. The possibility to use the franchisor's experience and established brand prevents them to not commit common mistakes, and operate a known brand from one day to the other. This allows to save money, time and to achieve faster sales success. Entrepreneurs using franchising walk a less complex way of setting up a proven business idea. According to Bennett et al. franchising offers a high possibility of gaining superior standard of living, the option to receiving training on the job, and the chance to being one's own boss (Bennett et al. 2010, p. 102) while being backed up by an entire system. Franchising is an opportunity for job seekers, in case employment possibilities are scarce. However, especially young people may see a hurdle in paying the entry fee up front. The franchise fee is partly necessary to provide sufficient training to franchisees. These trainings influence franchisee satisfaction and may include sales, customer service orientation, time management, client conflict resolution, strategic business planning, leadership techniques, telephone behavior, client relationship, business knowledge, marketing knowledge, rhetoric, and presentation abilities (Beitraining et al. 2014, p. 29). In addition to trainings, another benefit of franchising lies in the regionally anchored social connections of franchisees on site. Most franchisors prefer franchisees, who have extensive local knowledge and who are well connected on site. The franchisee is in the entrepreneurial position to operate one or several units and to plan processes on site. Understanding the prevailing political environment and the way business is done in the region is a plus for any business operation. Even if a franchisee candidate has little or no experience in the chosen sector, the way franchising is set up, it is still possible for most companies to accept highly motivated individuals, who show their willingness to work hard and learn about new tasks.

LITERATURE REVIEW

Vertical cooperations have demonstrated powerful potential in retailing and service industries amongst others. Pairing parties to build a strong network and to develop competitive advantages has to be planned carefully. Several key success factors help to establish fruitful operations. Franchisee selection is one of them and is therefore a critical issue. Common goals and sustainable coordination between the franchisee and franchisor spur the strength of the networks as a whole. Attention for franchising has been rising and it has developed into an internationally recognized and reputable network strategy amongst small, mid-size, and large companies around the

world. By nature, franchising spurs rapid expansion within a company,¹ while at the same time it saves scarce resources of franchisees and franchisors.

As rapid expansion strategy, franchising is a favorable tool to save a franchisor's own human resources and investments, since suitable franchisees have knowledge of local markets, specifically cultural, geographical, linguistic, and political knowledge. Franchise systems have developed over time, adapted to special business needs, and increased network sizes. Franchising allows distributing a certain service or product through a developed business idea, or by providing franchisees access to certain sources of knowledge, technicalities, or other resources.

Doherty sets up two approaches for market selection and partner selection in international retail franchising: an opportunistic and a strategic approach. With the opportunistic approach, partner selection influences market selection. With a strategic approach, market selection influences partner selection. She found out that financial background, business know-how, local knowledge, shared understanding of business are key aspects for suitable franchisee prospects (Doherty 2009, p. 532-533). This result shows that the decision for a potential candidate has strong influence on several future steps of the business, as it reflects the market possibilities the candidate performs in.

Altinay uses Geringer's (1991) task and partner-related criteria² to group certain intangible assets and to infer an adequate choice for future franchisees in the hotel industry. Altinay names important partner-related aspects, such as reliability, commitment, culture, and experience, and defines significant task-related aspects, such as operational skills and resources. Depending on the stage in the selection process, task or partner-related criteria are of more or less importance. In the divisional/company level the emphasis is on task-related criteria, which can be seen in the importance given to managerial experience. Also, financial resources play a relevant role, as they are seen as vital point together with managerial experience to successfully operate a franchise unit. As far as marketing is concerned, customer perception reaches high importance. This results in the need for a franchisee to understand intangible asset issues. Another point is raised regarding knowledge and expertise, which the company determines vital and declares a high need for transmission among organizational member (Altinay 2006, p. 124-12). Nevertheless, relationships are of great significance and should be based on mutual evaluation long before an agreement is struck.

Partner-related characteristics are the center of Clarkin & Swavely study of a variety of industries, in which personal characteristics are compared and related. The characteristics examined are consistent to Jambulingam and Nevin's (1999) categories of financial, individual background, and personal characteristics. Though, in Clarkin and Swavely's study, personal interviews

¹ "Company" without further reference in this article is referred to as the company network of a franchise system, including franchisor and franchisee.

² Geringer 1991 first came up with task and partner-related grouping of characteristics.

were rated most important, followed by the applicant's financial net worth, and general business experience. Industry experience was rated least important (Clarkin & Swavely 2006, p.138-140). By citing Stanworth, Clarkin and Swavely announce that still many franchisors take their intuition and gut feeling into account. This result stresses the importance of attitude and personality of candidates (Stanworth & Kaufann 1995 cited in Clarkin & Swavely 2006, p. 140). It goes hand in hand with Jambulingam and Nevin's result, which also emphasizes the influence on personal attributes, when selecting a franchisee.

In a previous contribution, Clarkin and Swavely 2003 had similar outcomes, as personal interviews were rated highest. Interesting is the component of financial background, as the majority rated it third and fourth. Formal education and specific industry experience are seen to be less important and therefore support Jambulingam and Nevin's (1999) importance ranking. Should formal education influence a potential franchisee's ability to learn, then the training provided from the franchisor may have the desired effect. As seen in the results and to overcome this challenge, franchisors which rate formal education higher, provide more training days to their franchisees. Also franchisors who rate a franchisee background highly important, offer more training (J. Clarkin & Swavely 2003, p. 17-18).

Jambulingam and Nevin (Bennett et al. 2010, p. 102) published a numerously cited study in 1999, which is referred to in many articles around the world over decades. It indicates favorable criteria for desired outcomes by the franchisor. Desired outcomes are cooperation, franchisee opportunism, and satisfaction with business decision. Referring to Olm, Jambulingam and Nevin state in their literature review the classical categories examined in franchisee selection research: "financial capabilities, experience and managerial factors, demographic factors, attitudes/personality, and other" (Olm et al. 1988 cited in Jambulingam & Nevin 1999, p. 367). The results of asking current franchisees, instead of potential franchisees, demonstrate that franchisee selection criteria do influence franchisee outcome and improve the efficiency of the relationship during the time of the agreement. Out of five dimensions perceived, innovativeness and personal commitment were significant in all of the three models used in the study, whereas the desire for personal development was not significant. Also prior experience and risk taking made it on the list of top criteria. Demographics in general have no effect on outcomes, but age and gender do have a significant effect on opportunism, with men being more opportunistic than women, and women being more satisfied with their business decision. In addition, franchisee satisfaction rises, the more years a system has been franchising.

In Germany, Ahlert et al. replicate Jambulingam and Nevin's US study of 1999 and compare the German results with the US. Although the sample is much smaller than in the US study, a snapshot of the German situation is possible. The outcome in Germany showed an overall importance on sales orientation,³ commercial and trading knowledge, experience in the relevant

³ Sales orientation unites elements of service and customer oriented, show communication talents.

business sector, and strong personal commitment. When differentiating the ideal profile between retail and service industries, financial background forms a major element in the service industry. At the same time, the most important characteristic in retail is commercial or trade experience. The study further distinguishes between small, middle, and large systems. In systems of up to 30 members, personal commitment to continue the spirit and development is among the most important characteristic. Larger systems put more emphasis on the financial background of their franchisees. Overall, large systems demand more profile characteristics than smaller systems. This is due to their experience and need for expertise to continue a successful and running system (Martin Ahlert et al. 2006, p. 36-38).

DeCeglie collected several statements from franchisees about their opinion on most important characteristics and duties for being part of the network within the service sector. Among the most critical topics mentioned is ability to work with people, being able to provide training to employees, being growth oriented, willing to invest time and money, and putting in a lot of effort. Nevertheless, the franchisor still emphasizes the financial background as a prerequisite to start and advance the new business. Plus, a background in business or management, and industry experience are also necessities considered by the franchisor. Obeying to corporate rules and valuing the system by not inventing another strategy, is a must for the network and extremely important to the head of the questioned company of the study (DeCeglie 1993, p. 58).

Soontiens and Lacroix dedicated their time to an in depth investigation of the McDonald's organization in Australia. Measuring five factors of personality traits within the franchisee network thorough self-reporting, the McDonald's franchisee average profile was compared to the overall Australian habitant profile. Considering the vast experience McDonald's has gained over centuries, one can expect a well-developed franchisee selection process resulting in favorable candidates. McDonald's candidates show a comparably higher degree of organization, conscientiousness, outgoingness, activity, extraversion, spirit, hardness, security, relaxation, and are less neurotic. Soontiens and Lacroix state, that personality measures, amongst other factors, qualify to select appropriate franchisees or an organization (Soontiens & Lacroix 2009, p. 241-242).

Vaishnav and Altinay recognized cultural and ethical values, as well as commitment to be necessary selection criteria for future franchisees (Vaishnav and Altinay 2009). Altinay and Wang emphasize the multinational context of cross border business. A franchisee should be aware of the possible difference in a country, due to the possible cultural distance between franchisor country and franchisee country (Altinay and Wang 2006). In addition, Rahatullah and Raeside consider cultural compatibility as a success factor for franchising and important selection criteria (Rahatullah and Raeside 2009). When selecting partners in an international franchise organization, which might also displays cross-functional teams, it is highly recommendable to find compatible partners, who feel confident in the international environment of the franchiseship (Altinay 2006, p. 126). For franchisors it is of high value to find someone who already has the local

market knowledge (Brookes and Altinay 2011), so the franchisee is compatible with the market and has access to the market.

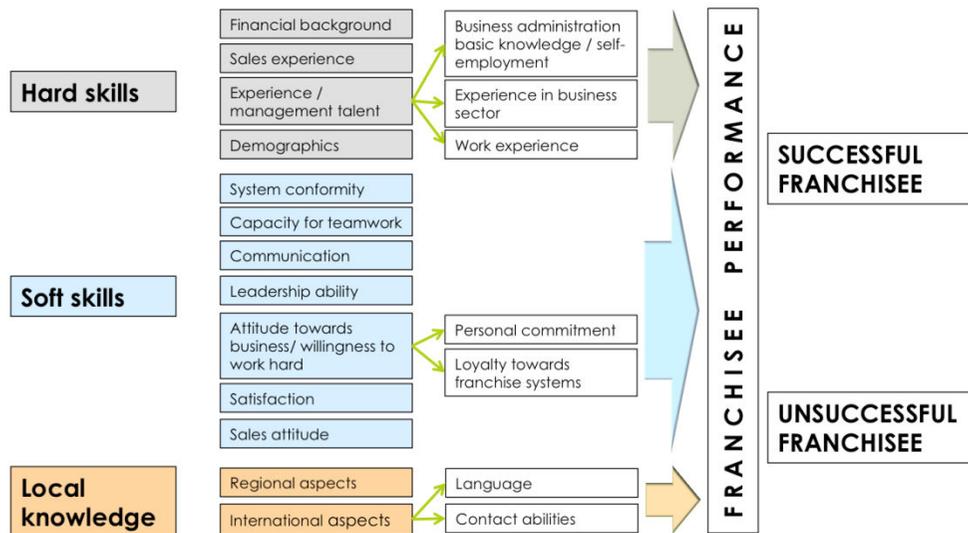
International business required local knowledge, in order to be prepared for the target market and the customer's needs on site. Based on the idea of defining different niches of criteria, the framework of this article focuses on skills. The definition of so called soft and hard skills is commonly used in general language. While soft skills include for example sales orientation, involvement, team ability, flexibility, and leadership potential, hard skills give evidence about business experience, age, own assets, trading and commercial experience (Ahlert et al. 2006, p. 44). Most desired and required characteristics of franchisee candidates combine skills of both categories. Literature shows that soft and hard skills, as well as local knowledge are relevant factors to determine a favorable candidate profile.

Grounded in the findings of researchers on the topic, the research question of this paper is formed. What are the most developed characteristics of successful franchisees? In the course of the investigation, the author considers prerequisites for successful franchise partners and develops a three skill set model, which includes soft skills, hard skills, and local knowledge, called Gaul's Triple, displayed in figure 1. Possessing certain skills does help to execute tasks and overcome challenges. Nevertheless, they are no guarantee for winning battles or achieving success. Andrews and Highson recognize the "increasingly wide gap between the skills and capabilities of graduates, and the requirements and demands of the work environment" (Yunus & Li 2005 cited in Andrews & Higson 2008 p. 411). In the case of franchising, skills and capabilities are the necessary fundament, which is then complemented by specific training given by the franchisor at the beginning and continuously thereafter. The model containing elements of soft skills, hard skills, and local knowledge was first presented by Gaul in 2014 (Gaul 2014, p. 153-154).

METHODS

Franchisors are defined as individuals who own, manage, or recruit franchisees for their company, as well as individuals who support the franchisee relations team. On the one hand, interviewees were selected personally during the Franchise-Forum in Munich, Germany in the period 19th to 21st May 2014, when questionnaires were filled on iPads. On the other hand, email addresses were taken from the yearly print publication of the German Franchise Federation called Franchise-Ratgeber 2013/2014 (Deutscher Franchise Verband 2013). In addition, email addresses from the printed Verzeichnis der Franchise Wirtschaft 2013/2014 (Martin Schaefer 2014) were selected via stratified random sampling. In the period between 12th May and 21st July 2014 a total of 149 answers was generated, all of which count for the collection of successful franchisee data.

Figure 1: Gaul's Triple, including soft skills, hard skills, and local knowledge to determine franchisee success



For the questionnaire on unsuccessful franchisees, emails were sent to a selected database. A return of 59 questionnaires was noted. The response rate is about 69% as 300 franchisors were approached in total, regarding successful and unsuccessful franchisees. A total of 208 answers were collected. The group of successful franchisees includes 144 questioned persons. All of them answered questions on national selection. 86 answers out of 144 answers include national and international information on selection criteria. The group of unsuccessful franchisees includes 51 persons. Out of these 51 national answers, 33 answers also filled in the international selection criteria section. The collected data is displayed in categories of soft skills, hard skills, local knowledge and their sub-categories. In the case of successful franchisees, a total of 144 answers were taken into account and in the case of unsuccessful franchisees a total of 51 answers were taken into consideration. A summary of data collection steps is shown in table 1.

Table 1: Overview of steps executed for data collection from experts and franchisors

Date	Step	N generated	N national taken into account	N national and international
12 May 2014 - 21 July 2014	Online questionnaire: successful franchisees	149	144	86

21 July 2014 - 18 August 2014	Online questionnaire: unsuccessful franchisees	59	51	33
--	---	----	----	----

Source: Author's own table describing primary data sources used in this research.

FINDINGS

The sample group of successful franchisees is comprised of 21% restaurants, 17% trade, 13% crafts, 39% other services, and 10% other business sectors. 85% of the franchisors are from Germany, 5% from Austria, 3% from Switzerland, 1% from the United States, and 7% from other countries. The division of origins of the franchise system is noted with 72% from Germany, 13% from the United States, 7% from Austria, 1% from Switzerland, and 7% from other countries. The number of franchisees in the systems questioned range from over 50 franchisees in 53% of the cases, between 21 and 50 in 20% of the cases, 11-20 franchisees in 12%, 5-10 franchisees in 5%, 1-4 franchisees in 5%, and other in 5% of the cases. For the group of unsuccessful franchisees 24% restaurants, 15% trade, 9% crafts, 47% other services, and 5% other business sectors. The group of successful franchisees bears a larger proportion of systems with more than 50 partners (52.7%) and also a larger proportion of systems with 1-4 partners (5.3%). In general, the group of unsuccessful franchisees bears less observations and less diversity, as far as the number of partners in the system is concerned. Other services still represent the largest proportion of participants of the study, and restaurants the second largest, followed by trade in both samples. The smallest is other sectors.

The values of the questions posed range from one (never) to five (absolutely) on a Likert scale. Interviewees considered the full range of choices as relevant to answering questions. Minimum values for unsuccessful franchisees range generally lower and for successful franchisees maximum values range higher. Moreover, means range higher for successful franchisees than for unsuccessful franchisees, which is expected. These results show that the questions posed do outlay characteristics, which show a distinction between the two groups.

The narrowest range for successful franchisees is shown in local knowledge (1.58) and soft skills (1.83). For unsuccessful franchisees these values are again local knowledge (1.85) and hard skills (1.77). The widest range appears for successful franchisees in communication (3.67) and demographics (3.67). The widest range for unsuccessful franchisee is displayed for financial background (3.33) and regional aspects (3.17). The importance of these components apparently is not seen similar by franchisors. The four minimum values (sales experience, capacity for teamwork, communication, leadership ability) at value 1.0 are, as expected, counted for unsuccessful franchisees. For successful franchisees, maximum values of 5.0 are reached for all components. Soft skills have a maximum of 4.96, hard skills 4.98, and local knowledge, 4.83. Their respective minimum

values are 3.13, 2.65, and 3.25. and fairly high compared to the minimum values of soft skills (1.63), hard skills (1.86), and local knowledge (2.25) for unsuccessful franchisees.

A ranking of mean values of all soft skills shows different results for successful and unsuccessful franchisees. Overall in the successful group, the highest means can be observed for “Will renew franchise contract most likely” with a mean value of 4.61, “Would recommend the system” (4.56), and “Are responsible” (4.46). This means, that a successful franchisee rates around 4.5 out of 5.0 in the top three positions. The average value for soft skills for this group is 4.1. A summary of values is shown in figure 2 (see Appendix).

Within the unsuccessful group, the highest means can be observed for “Are actively taking part in operations” with a mean value of 3.55, “Work over time on a regular basis without affecting them” (2.89), and “Would recommend the system” (2.83). This means, that an unsuccessful franchisee rates just above the middle value of 2.5 in the top three positions. The lowest values are recorded for “Work efficiently with own business figures” (1.29), “Exemplify the business to others through own life” (2.00), and “Motivate others” (2.06). These statements mean that unsuccessful franchisees are rather unmotivated in their acts and inefficiently working with their finances. The average value for soft skills for this group is 2.5. A summary of values is shown in figure 3 (see Appendix).

In the group of successful franchisees and the category of hard skills, the highest value is given to “Pay their franchise fees on time” (4.42), “Display corresponding attitude for company philosophy” (4.36), and “Do know their business sector very well” (4.24). These answers still range above the value of 4 and can be considered distinct. This group is extremely aware of their business situation and acts as part of the entire system. The average value for hard skills for this group is 3.2. A summary of values is shown in figure 4 (see Appendix).

In the category of hard skills, unsuccessful franchisees perform worst in “Leading their team well” (2.11), “Coach their own sales team” (2.18), and have a low mean value for being “Women” (2.21). According to the data, leadership skills and training skills seem underdeveloped. The average value for hard skills for this group is 2.7. A summary of values is shown in figure 5 (see Appendix).

Local knowledge for the successful group is led by extreme values of “Speaking the language on site fluently” (4.78), “Use modern means of communication” (4.58), and “Good knowledge of business code of conduct on site” (4.48). The top and third ranked criteria emphasize the urge to choose a local person from the area of the franchised unit. In addition, the ranking highlights the need for being up to date with modern technology, in order to take advantage of generally provided tools, but it is also an indicator of being able to use the tools provided by the franchisor, such as technical equipment and sales tool for example. The average value for local knowledge for this group is 3.7. A summary of values is shown in figure 6 (see Appendix).

In the category local knowledge, unsuccessful franchisees rated the following criteria lowest: “Communicate in a third language with franchisor (neither German nor English)” (1.38), “Speak English to communicate with franchisor” (1.97), and “Are well connected on site” (3.00). As one can see, the language ability and the personal connections on site are only barely developed and form part of the low performance context, in which the candidate is operating. When speaking English or a third language to communicate with the franchisor, there is a high potential of misunderstandings, in case neither or only one party talks in their mother tongue. The average value for local knowledge for this group is 3.4. A summary of values is shown in figure 7 (see Appendix).

Overall, the highest ranked means for successful franchisees are the willingness to renew the franchise contract, the use of modern communications, and the recommendation of the system. Especially for international operations the highest ranked characteristics are speaking the language on site fluently and a good knowledge of the business code of conduct on site. Overall, the lowest ranked means for unsuccessful franchisees are motivating others, exemplifying the business to others through their own life, and working efficiently with own business figures. Especially for international operations the most unsuccessful franchisees communicate either in English or in a third language (neither German nor English) with the franchisor.

Overall, mean values differ significantly between the two groups. The highest mean value is noted for local knowledge (4.0) in the successful group; the lowest mean value is stated for soft skills (2.5) in the unsuccessful group. According to these numbers, soft skills (4.2) are rated most developed for profitable franchise partners, whereas hard skills (3.6) show the lowest development amongst the skill set. The range of values differs least for local knowledge (1.6) and most for hard skills (2.4). This information hints towards a popular attitude of franchisors to value soft skills most, as the answers differ less. Local knowledge yields a very high value in mean and a low range value. In this category it is strongly assumed that the items surveyed were highly relevant to franchisors and their opinion is fairly similar. Even for unsuccessful partners, the range of values for local knowledge is low (1.9).

DISCUSSION

The research question posed in the introduction is: What are the most developed characteristics of successful franchisees? First, looking at the results of the collected and processed data for successful franchisees, soft skills display an overall mean value of 4.16, hard skills 3.64, and local knowledge show a mean value of 3.97. Ranking these mean values gives the impression that soft skills are most important followed by local knowledge, and hard skills. For the unsuccessful group the respective values are 2.52, 2.73, and 3.38. Here, a ranking of mean values shows local knowledge to be still more developed than, hard skills and soft skills.

Unsuccessful franchisees have least developed soft skills. Their successful counterparts have most developed soft skills. Soft skills present the largest gap in mean values. Second, the small gap between the groups concerning local knowledge may lay in the already careful selection procedure, when working cross borders. The items forming local knowledge are touching the very base of international business and therefore could be regarded and adhered to as obvious for franchisee selection. Third, franchisors were asked for their view on their network partners. The evaluation was therefore an external one, and not a self-evaluation. It was also franchisors who defined what success means to them and the ratings were executed according to their individual definition on success.

LIMITATIONS AND FUTURE RESEARCH SUGGESTIONS

Limitations arise due to the examination in only German speaking countries (Germany, Austria, Switzerland), with focus on Germany. Due to cultural differences in other nations, the most successful skill set may be perceived differently and results may differ. Another limitation is that the questions during data collection were directed to franchisors. This means, that the view from franchisees is not included. Therefore, one suggestion for further research is, using the model Gaul's Triple from a franchisee point of view. An additional limitation of this article is the examination of one point in time. No development or changes of situations are observed over a certain period. This again, is one aspect that is suggested for future research projects. Another limitation is the collection of data on existing franchisees, not future franchisees. This means that the examination of future franchisees may result in an incomplete skill set, as the one determined in this article. The reason is the possibility of learning certain points raised in the text, when starting the franchisee career. It implies that some characteristics can be developed over time and complement the existing skill set. A final suggestion for further research is therefore to compare franchisee applicants before they enter the system and with the point in time when they have successfully established their franchisee unit.

CONCLUSIONS AND IMPLICATIONS

The study delivers numerous results. First, the results show a straightforward difference between skills of successful and unsuccessful franchisees. In all questioned aspects, namely soft skills, hard, skills and local knowledge, successful franchisees score higher. Soft skills show the largest gap. For this reason, the practical implication for franchisors is to heavily investigate a candidate's soft skills, before looking at hard skills and local knowledge during the selection process. Certainly, the testing of certain skills is problematic during the selection process. However, overall the more emphasis is put on soft skills, the more likely the franchisee will demonstrate a successful profile.

Second, the way of franchisors defining success shall be clear to potential franchisees, in order to meet the expectations of the franchisor. The clearer the possible asymmetry of goals before entering the relationship, the better for all parties involved. Should success be defined fairly differently to one party, dissatisfaction in reaching common goals may be the result.

Opportunities for franchisors arise when implementing a detailed selection program, including testing soft skills, hard skills, and local knowledge. In addition, the study reveals the importance of soft skills, which need to be focused on when choosing a partner. At the same time, the franchisor has the duty to prepare the franchisee for the new routine and also for upcoming challenges. In this context, it is the franchisor's opportunity to allow hands on training to better getting to know the applicant before contracting. The summarized aspects will help both parties to yield a more desired result in a mutually benefitting environment. Consequently, a profound assessment by the franchisor is a positive opportunity for the franchisee to get an impression on the potential future franchisor. As a practical implication of the finding in this text, it is to say that franchise selection processes should enjoy the utmost attention by the franchisor and the franchisee. Due to asymmetry of information between the franchisor and the franchisee, it is the duty of the franchisor to treat the candidate fairly and ethically correct during the selection process and thereafter. Long-term goals and not short-term goals have to be the reason for cooperation. Overall, the needs of the franchisor have to match with the needs and prerequisites of the candidate. For this to match, a clear candidate profile has to be established, in order to build mutual success and satisfaction.

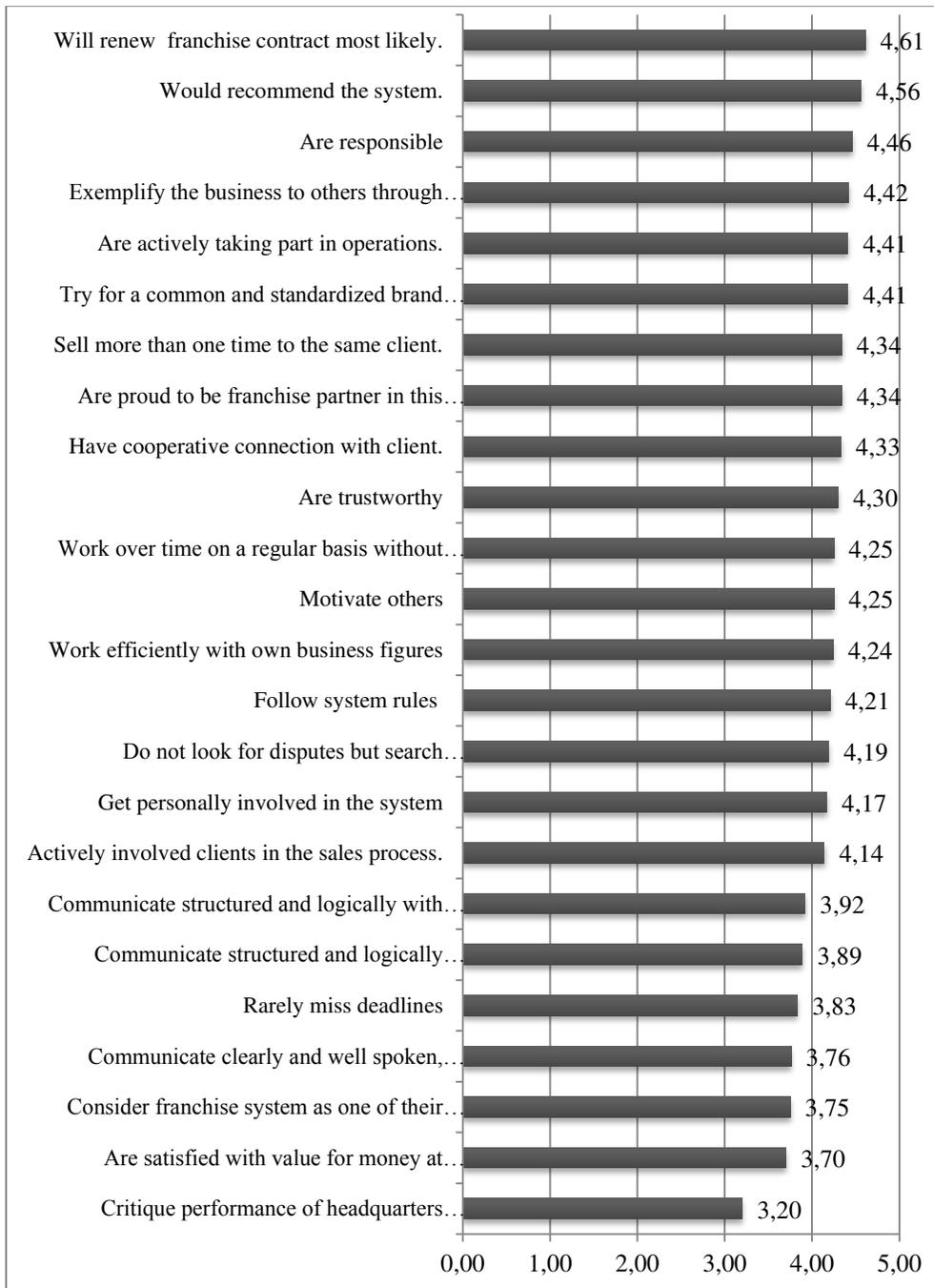
REFERENCES

- Ahlert, M., Brock, C. & Evanschitzky, H., 2006. Franchisenehmerselektion am Beispiel deutscher Franchisesysteme, Muenster.
- Altinay, L., 2006. Selecting Partners in an International Franchise Organisation. *International Journal of Hospitality Management*, 25(1), pp.108–128.
- Andrews, J. & Higson, H., 2008. Graduate Employability, "Soft Skills" Versus "Hard" Business Knowledge: A European Study. *Higher Education in Europe*, 33(4), pp.411–422.
- Beitraining et al., 2014. Franchise-Geber Weiterbildungsindex 2013: Eine Studie zum Weiterbildungsangebot von Franchise-Systemen in Deutschland.
- Bennett, S., Frazer, L. & Weaven, S., 2010. What Prospective Franchisees Are Seeking. *Journal of Marketing Channels*, 17(1), pp.69–87.
- Clarkin, J. & Swavelly, S.M., 2003. How Franchisors Choose Franchisees: A Comparison of Prospective Franchisee Evaluation Criteria. In 17th Annual International Society of Franchising Conference. San Antonio, Texas: International Society of Franchising, pp. 1–29.
- Clarkin, J.E. & Swavelly, S.M., 2006. The Importance of Personal Characteristics in Franchisee Selection. *Journal of Retailing and Consumer Services*, 13(2), pp.133–142.
- DeCeglie, P., 1993. What Franchisors Took for. *Nation's Business*, 81(7), pp.58–59.
- Doherty, A.M., 2009. Market and Partner Selection Processes in International Retail Franchising. *Journal of Business Research*, 62(5), pp.528–534.
- Gaul, C., 2014. International Franchise Partner Selection Model. In *New Challenges of Economic and Busienss Development*. Latvia: University of Latvia, pp. 149–156.
- Geringer, J.M., 1991. Strategic Determinants of Partner Selection Criteria in International Joint Ventures. *Journal of International Business Studies*, 22(1), pp.41–62.

- German Franchise Federation, 2013. Franchise-Ratgeber 2013 | 2014: Mit starken Partnern gemeinsam zum Ziel, Berlin: Deutscher Franchise Verband e. V.
- Jambulingam, T. & Nevin, J.R., 1999. Influence of Franchisee Selection Criteria on Outcomes Desired by the Franchisor. *Journal of Business Venturing*, 14(4), pp.363–395.
- Olm, K.W., Eddy, G.G. & Adaniya, A.R., 1988. Selecting Franchisees Prospects. In 2nd Annual International Society of Franchising Conference. San Francisco, California: International Society of Franchising, pp. 1–20.
- Schaefer, M., 2014. Verzeichnis der Franchise Wirtschaft 2013/2014., p.2011.
- Soontiens, W. & Lacroix, A., 2009. Personality Traits of Franchisees – McDonald' s Restaurants in Australia. *Problems in Perspectives in Management*, 7(1), pp.238–244.
- Stanworth, J. & Kaufmann, P., 1995. Franchising: Contemporary Issues and Research J. P. Dant, ed., New York: The Haworth Press Inc.
- Yunus, K. & Li, S., 2005. Matching Job Skills with Needs. *Business Times*.

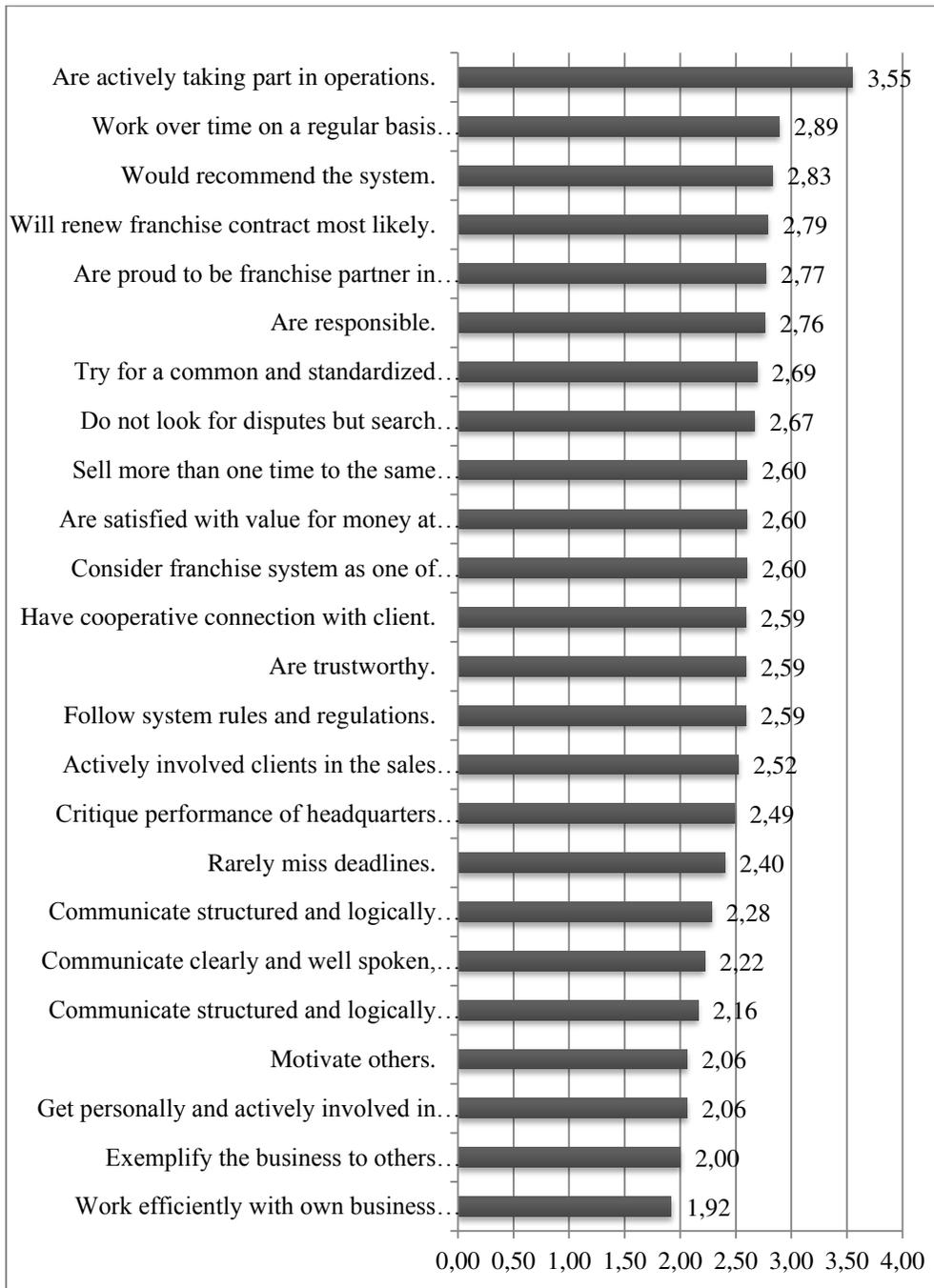
APPENDIX

Figure 2: Descending mean value for successful franchisees measuring soft skills



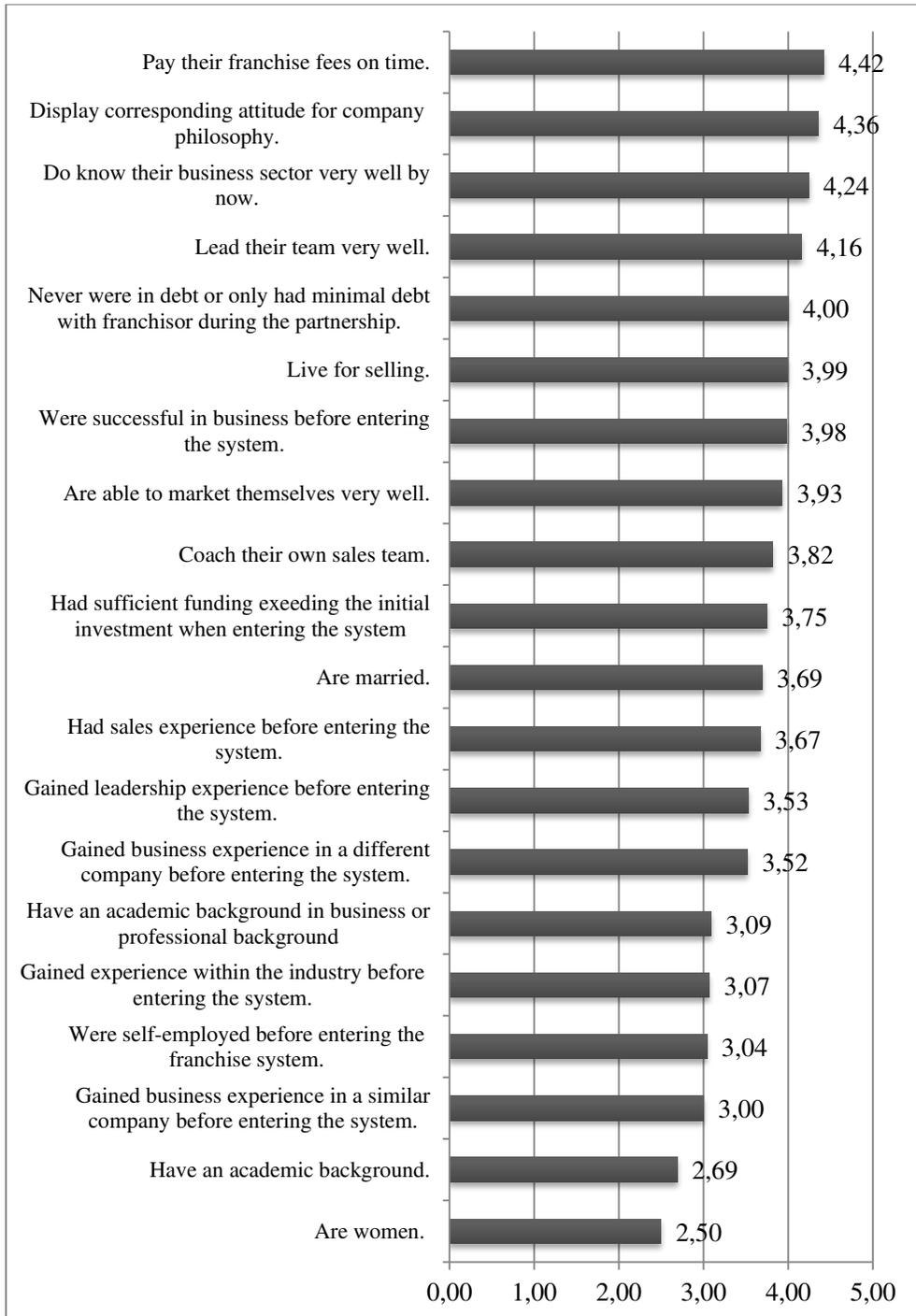
Source: Author's own research results based on primary data collected from franchisors (n=145); Scale ranges from 1 "never" to 5 "always".

Figure 3: Descending mean value for unsuccessful franchisees measuring soft skills



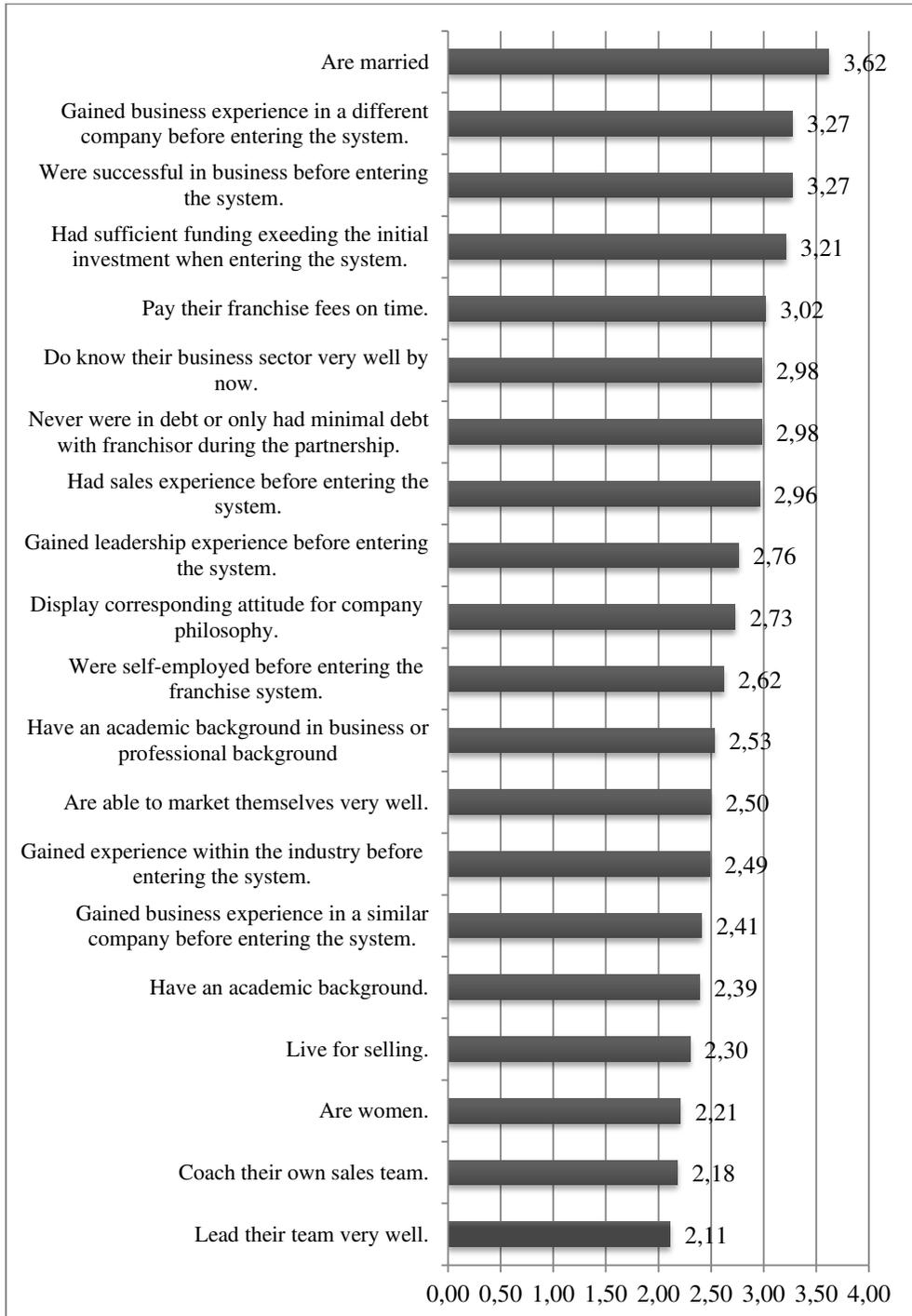
Source: Author's own research results based on primary data collected from franchisors (n min. 50 and max 51). Scale ranges from 1 "never" to 5 "always". The reason for different sizes in n, is due to the fact, that the questionnaire also offered the option of not to answer certain questions.

Figure 4: Descending mean value for successful franchisees measuring hard skills



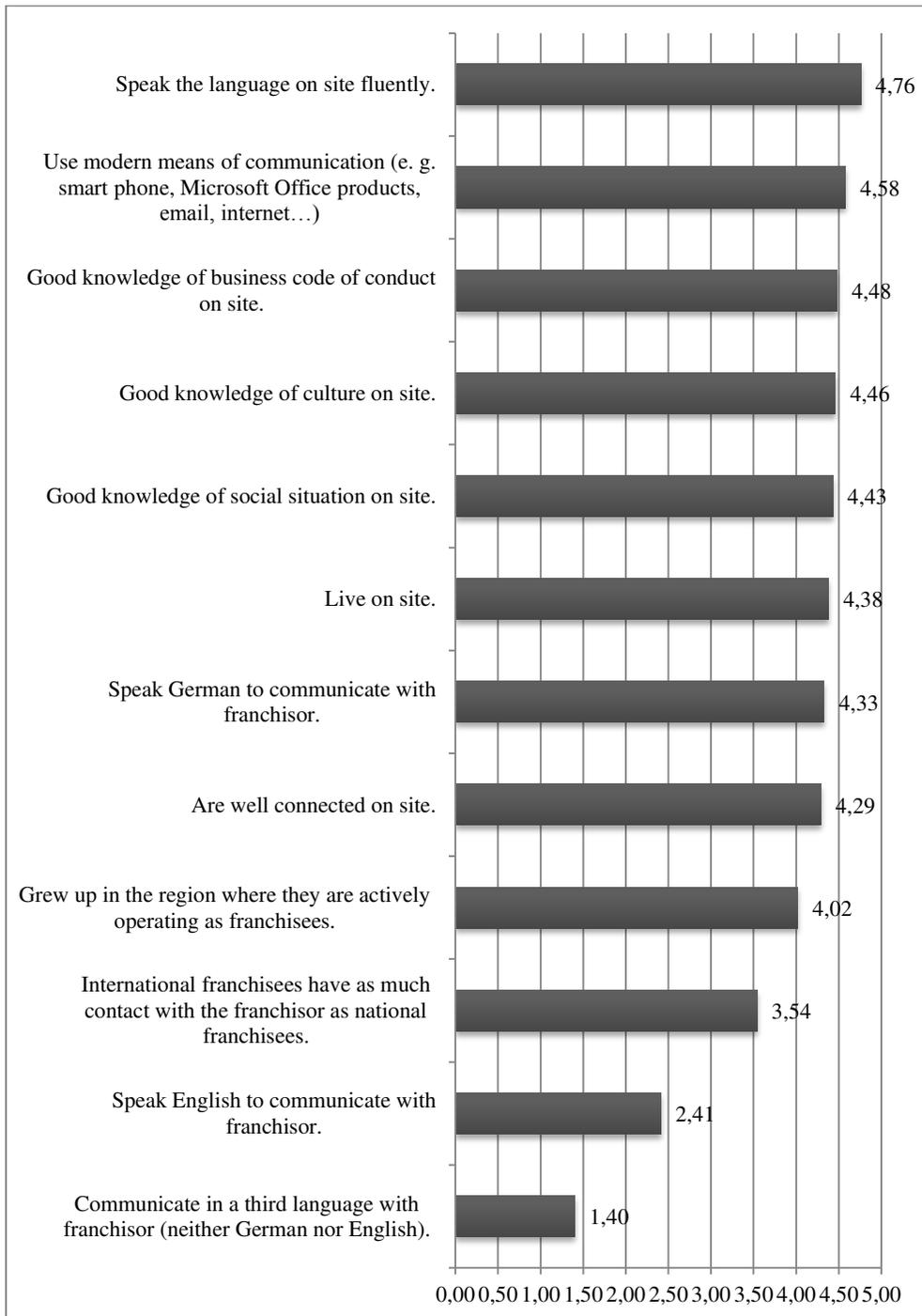
Source: Author's own research results based on primary data collected from franchisors (n=140). Scale ranges from 1 "never" to 5 "always".

Figure 5: Descending mean value for unsuccessful franchisees measuring hard skills



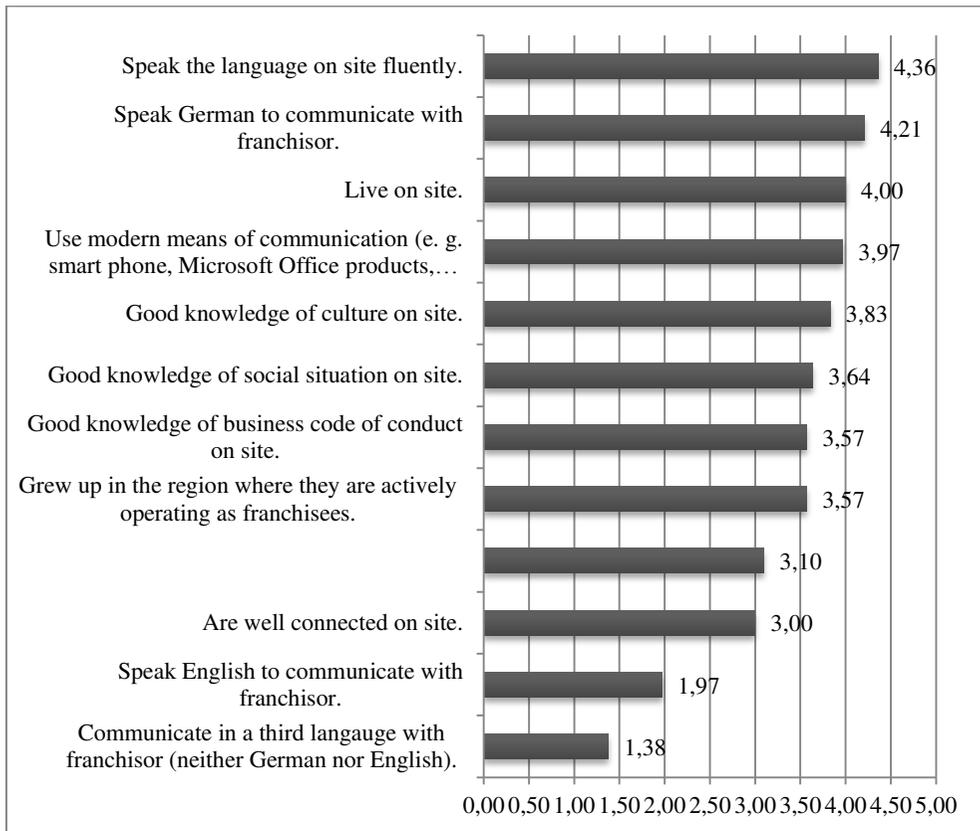
Source: Author's own research results based on primary data collected from franchisors (n=48). Scale ranges from 1 "never" to 5 "always".

Figure 6: Descending mean for successful franchisees measuring the skill local knowledge



Source: Author's own research results based on primary data collected from franchisors (n min. 87, n max. 140). Scale ranges from 1 "never" to 5 "always". The reason for different sizes in n, is due to the fact, that the questionnaire also offered the option of not to answer certain questions.

Figure 7: Descending mean for unsuccessful franchisees measuring local knowledge



Source: Author's own research results based on primary data collected from franchisors (n min. 34 and n max. 48). Scale ranges from 1 "never" to 5 "always". The reason for different sizes in n, is due to the fact, that the questionnaire also offered the option of not to answer certain questions.