

FACTORS AFFECTING THE SUCCESS DECISION TO PURCHASE THAI FRANCHISE BUSINESSES MANAGEMENT OF CUSTOMERS INTERESTED IN BECOMING ENTREPRENEURS: THE STUDY OF A CAUSAL RELATIONSHIP TRADE MODEL

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Abstract- This research paper presents was to investigate the significance of factors affecting the decision selection of Thai franchise businesses and to compare the differences of factors affecting franchise selection among those interested and can be classified by personal factors. The population used in study is all interested of customers in franchise business management in Thailand. Data were collected from the population sample was 495 sample entrepreneurs of business groups using the probability sample. The questionnaire was used as a research tool. The statistics used in the data analysis were percentage, mean, standard deviation (SD), t-test statistics and one-way analysis of variance (ANOVA). This research was to study factors and in Thai franchise business develop the causal relationship trade model of factors affecting the success decision of the Thai franchise business and to examine the fitness of the model and empirical data, which collected with the questionnaires to analyze the model with statistical program. The results from this research is found that a causal relationship trade model of the factors affecting success of Thai franchise businesses and empirical data were consistent, there are four factors in five factors that affecting success of Thai franchise businesses were; franchisor support, franchisor communication efficiency, relationship between the franchisor and the franchisee and brand equity. Each factor affected in a causal relationship trade model.

Keywords- Thai franchise business, Causal relationship, Franchise support factors, Purchase decision, Success.

I. INTRODUCTION

Franchise business in Thailand is a business that has continued to develop to the present time for not less than 30 years, the past time is 6-7 years. The number has increased significantly. The past Thai franchise business has been characterized by economic slowdown and growth. This is according to the expansion of the emerging community. In the annual survey by franchise business magazine are the survey compares the previous year. This is an approximate estimate that may vary by no more than 10% in the overall image of the franchise business in the past year. It may not be the trust of those who want to invest a lot. There are streams mentioned and franchise on the more negative side. The concern in the recession and but in fact, the investment in the franchise business. There are also groups of people who have new areas of emerging communities, including emerging villages, the front of the factory, the front of the school near the office and the new department store. However, the growth of the Thai franchise businesses is mainly to increase the volume rather than increase the quality. (Ministry of Commerce, 2010) and still face high competition to grab market share. From statistics on the closing rate of the franchise business in Thailand, showing the total number of franchises in each year, it is evident

that have the number of franchise businesses has continuously increased. However, when analyzing the occurrence of new business and closures, it can show that the franchise market business in Thailand, it is still needed for more accurate development to reduce the risk of business. Currently, the closing rate is higher than 20% each year and the trend is continuously increasing, resulting in the franchise business. The franchise businesses are not strong and succeed as intended. In addition, the results of a research study on the franchise business problem of the franchise businesses on (Business Promotion and Development 2003) found that the start of business in accessing. The franchise system is not right. There is no clear communication with factors. There are also indications from this research on the failure of the franchise business in part due to lack of care. This leads to the formation of a new business knowledge.

II. RESEARCH OBJECTIVES

1. To study the importance of factors affecting the selection of 7 Eleven and Family Mart franchisees who are interested in franchise business in Thailand.
2. To compare the differences in the magnitude of the factors that affect the selection of 7-Eleven and Family Mart franchisees of those interested for

franchise business in Thailand, classified by personal factors.

3. To study and develop the causal relationship model of factors affecting the success of Thai franchise business.

4. To examine the consistency of the causal relationship trade model of factors affecting the success of Thai franchise business with empirical data.

5. To study the causal relationship model in between demographic factors, such as gender, age, education level, occupation, and monthly income, etc. Which influence of decision making behavior of the 7-Eleven and Family Mart franchise business of Bangkok area in Thailand.

6. To study marketing factors (7Ps) including product factors, price factors, marketing place factors, promotion factors, people factors and process factors that influence the decision to buying a 7-Eleven and Family Mart franchise business for those interested in the area.

III. SCOPE OF RESEARCH

In this research, the factors influencing the decision to buy a Thai franchise businesses of consumers of consumers interested in doing business in Bangkok area. Researchers have defined scope for research, as follows:

1. Population Scope

1.1 The population is the consumers who are interested in entrepreneurship in Bangkok area.

1.2 Examples are consumers who are interested in being entrepreneurs in Bangkok. Multi-stage sampling was used to determine the size of the sample by using the program.

2. Research Scope

2.1 Dependent variable: such as decision to purchase a franchise business.

2.2 Independent variables: such as brand name, product, franchise support, trust, reliability, brand commitment, and franchise experience, etc.

The researcher has determined the scope of factors to be used. In this research by used for choosing to take personal factors and the marketing mix (7Ps) is include the product factor, the price factor, the distribution factor (Place), the marketing promotion factor (Promotion), the people factor, and the process factor. (Process) is used as a framework for the concept of education, etc.

The population used in this research study of the 7-Eleven and Family Mart franchisee surveyed in Bangkok is based on the primary data, by using the questionnaire. The duration of operation is from June 2017 to August 2018.

IV. EXPECTED BENEFITS RESEARCH

1. The researcher and the general public are aware of the factors affecting the purchase decision of the

franchise business of the interested consumers in Bangkok.

2. Those who are interested in being an entrepreneur can use the study results as information to decide on the franchise business, to help reduce the risk of doing business.

3. Franchise business operators can use the results as a guide to seek marketing opportunities and to develop the potential of franchisees to be competitive and successful of franchise business.

4. The results of study could be additional knowledge about the brand factors, product factors, franchise support factors trust factor and reliability factor. Factors influencing franchise business decision of consumers who are interested in entrepreneurship in Bangkok. This is the basis for future research for students, researchers or academics.



Fig. 1: The 7-Eleven franchise business of entrepreneurs interested in doing business in Thailand



Fig. 2: The Family Mart franchise business of entrepreneurs interested in doing business in Thailand

V. THEORETICAL CONCEPTS IN RESEARCH

Franchise is a market business that one person called "Franchisor". The franchisor agrees to another person called "Franchisee", to operate the market business using a system of procedures. The intellectual property rights of their own or they have the right to use others to operate the business within the specified period or territory. And the business is under promotion. Therefore, the franchisor and franchisee are responsible for paying the franchise fee.

1. Type of Franchise

Franchise business decisions can be classified into three categories. The characteristics of the business are as follows:

1.1 Product or Brand Franchise: is a franchise business system that gives franchisees the right to distribute their products. It also gives the right to use the trade mark of the manufacturer, emphasizing the sale of goods and the use of the brand.

1.2 Business Format Franchising: is a franchise business system that gives franchise business the right to distribute their products. Include the right to use the trade mark of the manufacturer to sell the product or service work. It is conveyed in standard business operation.

1.3 Conversion Franchising: is a franchise system that gives franchisees, to distribute the product of the franchise, including the right to use the trademark of the manufacturer. The manufacturers have already transformed their existing businesses into new ones. Because the business that can be very active.

2. Terms of Business Franchise

It consists as follows:

2.1 The size of a business is the size of a business that is large enough to provide a good image, which it can be show the success in the eyes of the common people.

2.2 The age of the business is one of the successes of your business, and it also gives you insights into how much work is enough to teach others to do it.

2.3 Profit or return is the main condition influencing the decision to buy a franchise. If your business is not successful without profit or loss, which then your business would not be suitable for the franchise.

2.4 The ability to convey a successful business is a way or a process that can be conveyed or taught to others. It is found that the franchise is easy.

2.5 Consistency of consumer demand is the franchise business must have the ability to be needed by the people, both the consumer and the franchisee.

2.6 Adjusting business models to markets is a form of franchise business that can be adapted to the market where the business expands. If you do not adjust your business may not be acceptable to the consumer there.

3. Measurement of the Success of a Franchise Business

Business success refers to the ability of an organization to perform various tasks. To achieve the goal set. It measures the success with financial performance, is such as revenue, profitability, financial ratios, and corporate clients, such as customer loyalty and customer satisfaction.

4. Decision Making Behavior

It includes the following steps:

Step 1: Recognizing needs is the process of decision making. Happens when a person feels the difference between what the consumers perceives the desired image as compared to the actual situation.

Step 2: Seeking information in memory, to determine whether the choice includes the characteristics of the desired product.

Step 3: Evaluating options before purchasing by product characteristics and compare it with the standard or feature, and the criteria used to evaluate options.

Step 4: Buying a franchise businesses depends on the salesman, must have good understanding and knowledge.

Step 5: Consumers will have to product evaluate the options after buying with the satisfaction of the consumer.

VI. RESEARCH METHODOLOGY

This research can explain that the factors that affect the decision to buy of the 7-Eleven and Family Mart franchise business of those interested in Bangkok area. Research is quantitative. Quantitative research in the form of survey research using the method data collection of population by questionnaire from the target groups, the research method is as follows:

1. Characteristics of the population sample size
2. Variables used in research
3. Tools used in research
4. Data collection procedure
5. Statistics and research tools

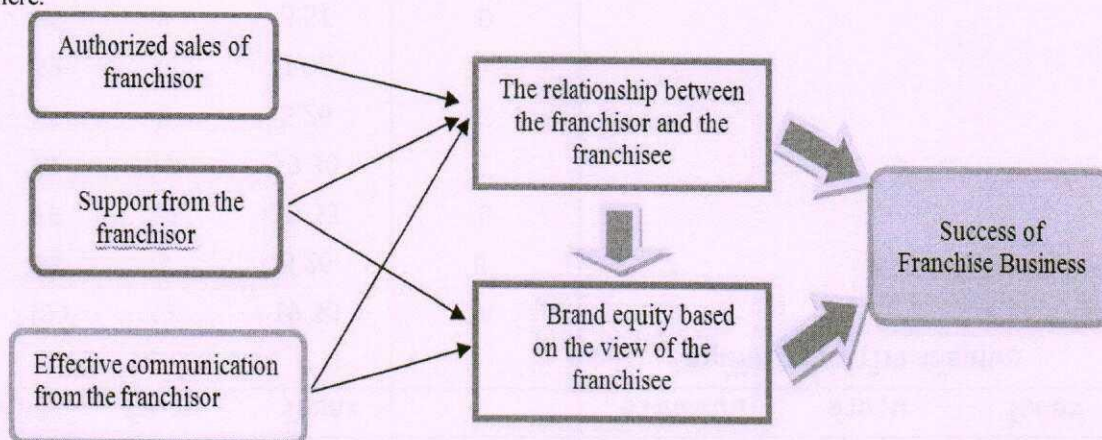


Fig. 3: Conceptual framework of causal relationships in determining the assumptions of factors affecting the success of Thai franchise business

1. Hypothesis of Research

The study of factors affecting the purchase decision of franchise business of consumers who are interested in being entrepreneurs in Bangkok, the hypothesis of the research is as follows:

1.1 The branding factor: This will affect the franchise businesses decision of consumers who are interested in entrepreneurship in Bangkok.

1.2 Product Factors: This will affect the decision to buy the franchise business in Thailand of consumers interested in entrepreneurship in Bangkok.

1.3 Factors supporting franchise: This will affect the decision to buy the franchise business with support factors of consumers interested in entrepreneurship in Bangkok.

1.4 Reliability factors: This will affect the decision to buy the franchise business with reliability of Thai consumers interested in entrepreneurship in Bangkok.

1.5 Brand Engagement Factors: This will affect the decision to buy the franchise business with brand factors of consumers interested in entrepreneurship in Bangkok.

1.6 Franchise Factor: This will affect the decision to buy the franchise business with factors of Thai consumers interested in entrepreneurship in Bangkok.

2. The Concept of Research

A study of the research concepts and theories, including related research. Researchers have defined the concept of research. To use as a guideline for the research on the factors affecting the decision to buy

of the 7-Eleven and the Family Mart franchise business of those interested in the Bangkok area. A study of the factors affecting the purchase decision of franchise business of Thai consumers who are interested in entrepreneurship in Bangkok, the concept of research for this research is shown in Fig. 3 and in Fig. 4.

3. Population

The target population is the study population. Those who are interested in buying the 7-Eleven and Family Mart franchise business in Bangkok area. The researcher collected a total population groups from in this research was 495 sample entrepreneurs of business and sampled by using the probability sample.

4. Research Tools

The instrument used from this research. There are two questionnaires. The first one for the franchisor with value of the reliability was 0.97, and the second for the franchisee. The reliability factor of the questionnaire was value 0.98. The details of the two questionnaires were as follows:

Part 1: General information and business fundamentals questionnaire consisted of 5 questionnaires such as, namely sex, education, franchise, for time to make a franchise and investment. (same as both versions 1 and 2)

Independent Variables Dependent variables

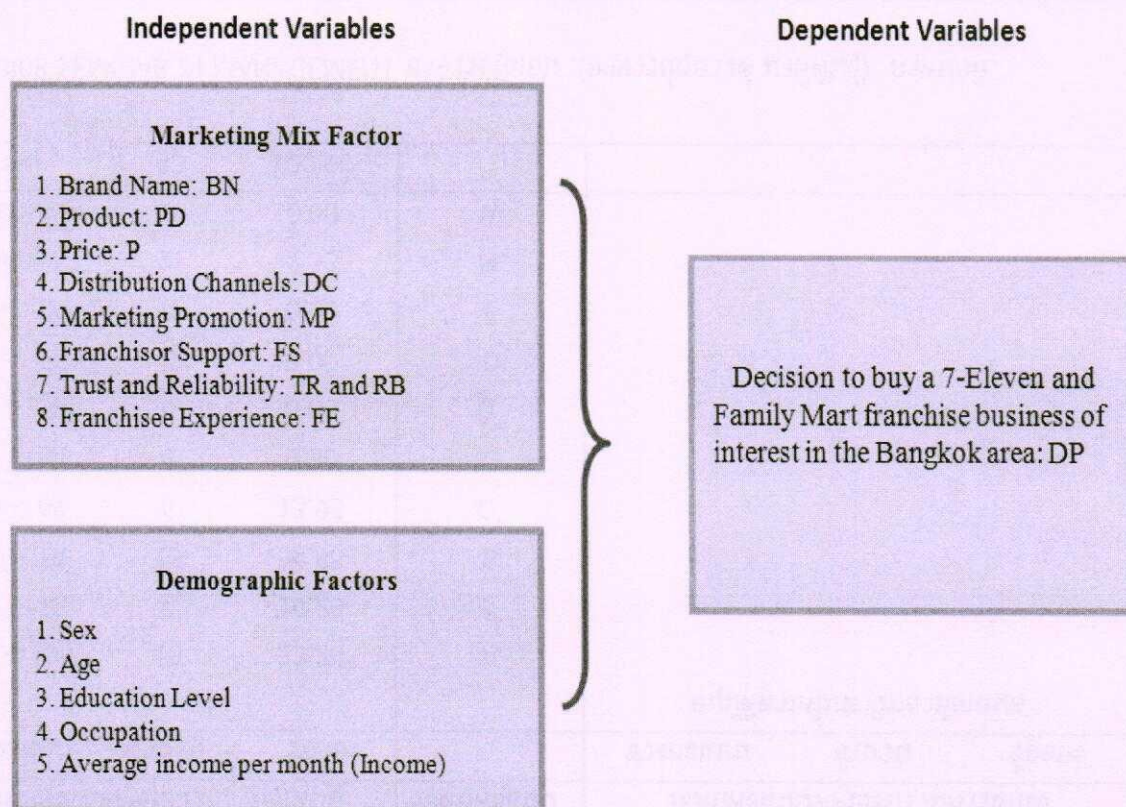


Fig. 4: Conceptual framework in research

Part 2: The question about the success of Thai franchise business is 2 aspects.

1) Level of financial performance of the franchisor. The questionnaire was a 3-item checklist. The questionnaire was rated 6 scales and

2) The level of performance of the customer franchisor. The questionnaire was rated 6 scales.

Part 3: Questionnaire about the factors that affecting the success of Thai franchise business with Likert-type scale ranging is a five-point scale that measure 5 levels: It consists of Highest, High, Medium, Low, and Lowest.

The researcher will review the answers and give the following scores:

Answer Yes is equals to 1 point

Answer No is equals to 0 point

5. Data Collection

In the study of this research, which factors influencing the decision to buying the 7-Eleven and Family Mart franchise business of interest in the Bangkok area. The researcher collected the data as follows:

5.1 Primary data is collected directly from the survey and collected in the study area using the questionnaire on the Internet from consumers because the cost savings quickly. It can be distributed to various consumer groups. Consumers have a variety of information.

5.2 Secondary data is the document from studying. To review the basics of the 7-Eleven and Family Mart franchise business, including the online information from the relevant website for the basics of research.

VII. DATA ANALYSIS

Data analysis was done by statistics computer program. Statistics used in this research were

Percentage, Mean, and Standard Deviation. For questions and answers according to Likert scale had the following details:

1. Lowest points given is 1 → Mean is 1.00-1.80
2. Low points given is 2 → Mean is 1.81-2.60
3. Medium points given is 3 → Mean is 2.61-3.40
4. High points given is 4 → Mean is 3.41-4.20
5. Highest points given is 5 → Mean is 4.21-5.00

VIII. THE RESULTS OF RESEARCH

The analysis of personal data and basic information of the franchise business showed that most respondents from the franchisor business were male, of which 120 were male, or is 61.5 %. There are 159 persons or is 81.5% of the total number of franchisees. Most franchisees are 78 franchisees or 40%. Franchise business is over 5 years but not over 7 years, are 75 people or is 38.5 % of the investment budget franchisee investment most of the money. Investors did not exceed 100,000 Baht, accounted 55.4 % of the respondents from the Company's franchisees. Most of them are female, of which there are 100 persons or is 51.3 %.

There are 181 persons for undergraduate student degree and is 92.8 %. Most of the 78 people of food franchisees and accounted for is 40 %. The franchise business will be more than 3 years, but not more than 5 years, 73 people or 37.4 %. The investment budget that the franchisee must invest most is investments not exceeding 100,000 Baht, accounting for 55.4 %.

Table 1: The results of the direct effect size verification, indirect effect and total effect of factors affecting success of Thai franchise business

Variable	The relationship between the franchisor and the franchisee			Brand equity based on the view of the franchisee			Success of Thai Franchise Business		
	R ² = 0.78			R ² = 0.55			R ² = 0.81		
	DE	IE	TE	DE	IE	TE	DE	IE	TE
Authorized sales of franchisor	0.12*	-	0.12*	-	0.05	0.05	-	0.07	0.07
Support from the franchisor	0.75**	-	0.75**	0.14*	0.39**	0.53**	-	0.56**	0.56**
Effective communication from the franchisor	0.16**	-	0.16**	0.15*	0.08**	0.23**	-	0.19**	0.19**
Relationship between the franchisor and the franchisee	-	-	-	0.54**	-	0.54**	0.26**	0.38**	0.63**
Brand equity based on the view of the franchisee	-	-	-	-	-	-	0.80**	-	0.80**

Note: DE = Direct Effect, IE = Indirect Effect, TE = Total Effect, R² = Square multiple correlation coefficient, * = Statistical significance was 0.05

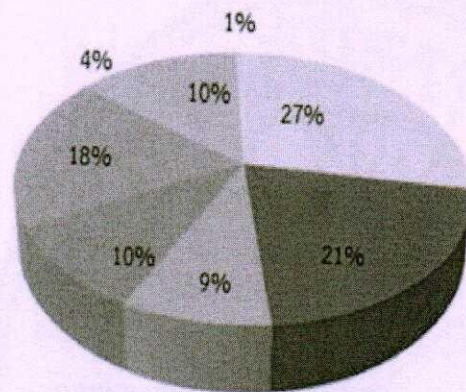
Table 2: The results of customer behavior interested in becoming entrepreneurs with demographic factors to buying for a 7-Eleven and Family Mart franchise business in Thailand

The factor is personal		Behavior	
		\bar{x}	S.D.
1. Gender	Male	3.75	0.62
	Female	3.86	0.73
2. Age	lower 30 year	3.84	0.55
	30-40 year	3.56	0.80
	41-50 year	3.46	0.78
	51 year go up	3.42	0.55
3. Education level	lower the bachelor's degree	3.68	0.56
	bachelor's degree	3.89	0.68
	tall more the bachelor's degree	3.94	0.47
4. Work position	account inventor	3.68	0.59
	accountants	3.73	0.65
5. Accounting work experience	lower 1 year	3.61	0.63
	1-5 year	3.74	0.79
	6-10 year	3.82	0.54
	10 year go up	3.47	0.65
6. Number of training attend per year	never be in training	3.85	0.58
	be in training 1-2 time	3.72	0.70
	be in training 3-4 time	3.61	0.47
	be in training 5 time go up	4.19	0.26

From the results of Table 1, the success of the franchise business in Thailand will be influenced by the direct effect of brand equity in the view of the franchisee. The influence of 0.80 was statistically significant at the 0.05 level, follow by the relationship

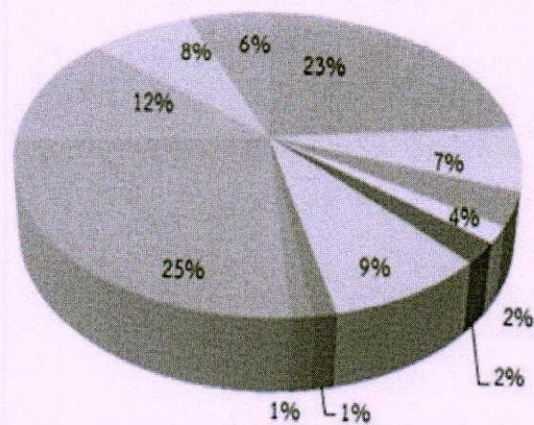
between the franchisor and the franchisee, which influenced the success of the business are 0.63. In the past, the direct effect and indirect effect on 0.26 and 0.38, respectively, and secondly to the relationship between the franchisor and the franchisee is supported by the influential franchisor are 0.54 by the sponsorship of the franchisor.

The value of communication efficiency was influenced by 0.19. The proportion of beliefs value in the success factors of Thai franchise business from factors 81 % ($R^2 = 0.83$).



Delicious = 27 %
 Easy to find = 21 %
 Famous shop = 9 %
 Beautiful place = 10 %
 Reasonable prices = 18 %
 Have a friend suggestion = 4 %
 Many promotions = 10 %
 Other = 1 %

Fig. 5: The results of factors in choosing to buy the 7-Eleven franchise business in Thailand



Fresh milk = 25 %
 Drinking water = 12 %
 Processed food = 8 %
 Soap and detergent = 6 %
 Chicken and sausage = 23 %
 Bread of farm house = 9 %
 Yogurt fruit = 7 %

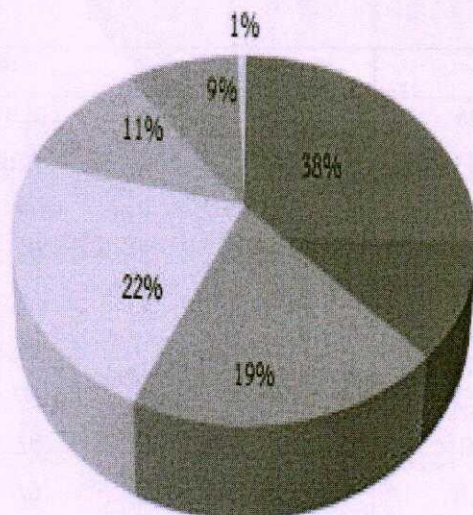
Stationary = 2 %
 Snack foods = 4%
 Other = 1 %

Fig. 6: The results of the success for products that people want to buy decision at 7-Eleven franchise business

Table 2 shows results of the demographic characteristics of the sample. 36.8 % were female, 63.2 % were male, and 56.3 % were between 31-40 years old. Most of the samples were 57.7 % were employees and the average income level of the sample, most of the income is. 20,000-30,000 Baht per month or 36.5 %

Franchisor business is largely dominated by financial performance, from gross margin to sales in the range of more than 40 % to less than is 50 %. There were 95 enterprises, represent is 48.7 %. The majority of net profit margin is in the range of 20 % but no more than 30%, and there are 75 enterprises businesses, representing 38.5 % the return on most of the major assets, more than 10 % but not more than 20 %.

There were 95 enterprises, representing 44.1 %, the financial performance of the Franchisee franchise compared to the target set for the past one year is the same as its target. The gross profit margin was mainly from the sales of 87 enterprises businesses, accounting for 44.6 %. The net profit margin was mainly from sales. The target is 84 businesses, representing 43.1 % and has a return on most of its total assets with the target of 94 enterprises businesses or 48.2 % as shown in Fig. 5-7.



Delicious = 38 %
 Easy to find = 19 %
 Famous shop = 22 %
 Beautiful place = 11 %
 Reasonable prices = 9 %
 Other = 1 %

Fig. 7: The results of factors in choosing to buy the Family Mart franchise business in Thailand

CONCLUSION

The results of the analysis of direct indirect influences and the combined influence of the factors affecting the success of the franchise business in Thailand are four factors out of the five factors that contribute to the success of the business. Thai franchise business is sponsored by franchisor, communication performance from the franchise business.

The relationship between the franchisor and the franchisee, and you brand words, according to the view of the franchise. The power of Franchise 1 does not influence the success of the franchise business. Each factor influences each other in the form of causal relationships.

The factors that are very influential or a factor in driving the Thai franchise business to be successful, and this is due to the support from the influential franchisees, which is driving the franchise and the franchise. The relationship is good, when both have a good relationship with each other. Make the brand of the franchise that you have words in the view of the franchise.

The result is loyalty and a factor that contributes to the success of the franchise business in Thailand. The factors that contributed to the success of the franchise business in Thailand at this research with reliability are 81 %.

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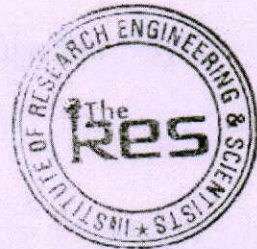
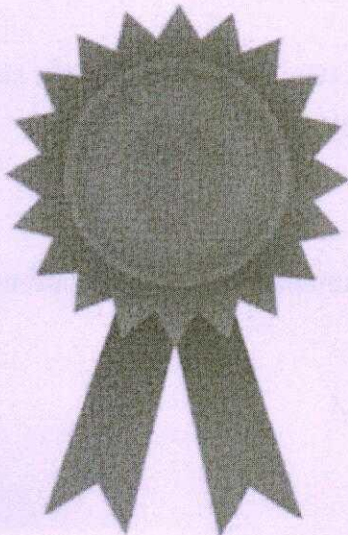


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