

Print ISSN 2093-9582, Online ISSN 2508-4593
http://dx.doi.org/10.21871/KJFM.2017.03.8.1.5.

An Empirical Analysis of the Influence of Entrepreneurial Orientation on Franchisees' Outlet Performance and Intention to Stay

Adams Adeiza*, Marlin Abdul Malek**, Noor Azizi Ismail***

Received: February 11, 2017. Revised: February 23, 2017. Accepted: March 15, 2017.

Abstract

Purpose – Although literature has established the relevance of entrepreneurial orientation (EO) in the performance of conventional firms, the constraining nature of franchise arrangement makes one wonders if the same relationship holds for companies operating under the business model.

Research design, data, and methodology – Using Nigeria – a country with high potential for franchise growth – as a context, this study aims to explore the relevant entrepreneurial orientation skills exhibited by franchisees and show the extent to which these skills influence their business performance and intention to remain. 26 franchisees purposively selected from six local franchise brands in Nigeria were interviewed.

Result and Conclusions – The three classic entrepreneurial orientation factors of innovativeness, proactiveness and risk-taking were found to have varying influence on franchisees' business outcomes. This study answers the calls for more in-depth understanding of the relationship between EO and firm performance generally and, franchise firm performance in particular. The value of this effort lies in the fact that it strengthens theory and updates literature on the subject. Based on the findings, specific recommendations are offered to help improve the practice of franchising in Nigeria.

Keywords: Entrepreneurial Orientation, Franchisees' Performance, Overall Satisfaction, Intention to Remain.

JEL Classifications: L20, M13, M31.

1. Introduction

Entrepreneurial orientation (EO) relates to policies and practices that organizations use as bases for taking entrepreneurial decisions and actions (Rauch, Wiklund, Lumpkin, & Frese, 2009). EO is the capacity to innovate

(Merz & Sauber, 1995), ability to act proactively (Voss, Voss, & Moorman, 2005), propensity to take actions in the face of uncertainty (Pearce, Fritz, & Davis, 2010), and tendency to make calculated moves (strategically and tactically) to beat competitors (Avlonitis & Salavou, 2007). It is basically an 'entrepreneurial strategy-making processes' that managers and decision makers in organizations use to create corporate purposes, maintain vision and assure competitive advantages for their entities (Rauch et al., 2009: p.769).

The relevance of EO to organizations of all types especially a business firm is well noted in the literature. EO makes it possible for a firm to achieve and maintain a healthy degree of market relevance as it is about market-driving activities and innovation of products and services that may delight customers (Cools & Van den Broeck,

* First Author, Othman Yeop Abdullah Graduate School of Business, Universiti Utara Malaysia (UUM), 06010 Sintok, Kehah Darul Aman, Malaysia. Tel: +60-4-928-7157. E-mail: successfuladams@yahoo.com

** Othman Yeop Abdullah Graduate School of Business, Universiti Utara Malaysia (UUM), 06010 Sintok, Kehah Darul Aman, Malaysia. Tel: +60-4928-7157. E-mail: marissa@uum.edu.my

*** Corresponding Author, Professor, Othman Yeop Abdullah Graduate School of Business, Universiti Utara Malaysia (UUM), 06010 Sintok, Kehah Darul Aman, Malaysia. Tel: +60-4928-7100. E-mail: azizi833@uum.edu.my

2008; Lumpkin & Dess, 2001). Firms with high EO have better capacity to sustain visions, realize their goals and achieve enduring competitive advantage (Rauch et al., 2009). Alliance firms that have EO tend to lead others, readily accept new ideas, enjoy first-mover advantage and are more enthusiastic about their business success (Jiang et al., 2016). As an important form of strategic entrepreneurial alliances that has gained increased acceptance across the world (Dant, Grunhagen, & Windsperger, 2011; Kosova & Lafontaine, 2010; Larty, 2010), franchising (franchise firms) could also benefit from the promise of entrepreneurial orientation.

Moreover, given the constraining nature of franchise arrangement, especially from the perspective of franchisees (Lagarias & Boulter, 2010), to what extent do franchisees find rooms for entrepreneurial behaviors, and if they do, how much impact do their entrepreneurial traits have on the performance of their business units? Although these questions have inspired a number of research efforts (e.g. Chien, 2014; Dada, Watson, & Kirby, 2012, 2015; Dada & Watson, 2013; Ketchen, Short, & Combs, 2011) over the years, there seems to be no consensus among scholars on, first, the key factors that make up entrepreneurial orientation and second, the degree of influence that being entrepreneurial has on franchisees' business performance. The importance of clear insights on the link between EO and franchisees' performance is underscored by the increasing search for ideas that can help improve the performance of franchise systems which have recorded depressing performance in many part of the world in recent time.

Indeed, recently, franchise systems around the world have experienced a sharp decline in performance with rate of outlet closure and non-renewal of contracts by franchisees increasing steeply. For example, Australia which is often referred to as the franchise capital of the world has not recorded a net increase in the number of franchise outlets between 2014 and 2016 but rather a decrease in the number of franchise brands in the country – from 1,160 in 2014 to 1,120 in 2016 (Frazer, Weaven, Grace, & Selvanathan, 2016). This decrease (although small) in the number of franchise brands is significant and calls for concern given that the country's franchise industry has consistently grown (even during economic downturns) and is often cited by experts as a model for other countries of the world.

Similarly, according to the Korean Small Business Institute (2011) cited in et al. (2016), on average, franchisees in the country exit their franchise system after just about 3.9 years. Given that for most franchise systems, especially the food-service franchise, the average period for renewal of license is 5 years, this in essence means that most

franchisees do not renew their licenses after the expiration of the very first attempt in South Korea. This situation, as Lee et al. (2016: p.49) note "costs franchisors tremendous money as they have to constantly recruit and train new franchisees in order to fill the leaky bucket instead of using the resources for other strategic growth opportunities".

Further, in the global scheme of things, the recent poor performance of McDonald's, the largest franchise brand in the world, has been a concern not just for the general business community but especially for practitioners of and academics in franchise business model. Beginning from the early 2015 till date, several reports (e.g., Dean, Brat, & Gasparro, 2015; Gensler, 2015; Giammona, 2015; The Economist, 2015; Wahba, 2015) indicate that the company's performance has been worsening with revenues, sales and profits on downward spiral for the most part of 2015. More recently, after spending huge sums of money to promote its new All-Day Breakfast and McPick 2, the company posted weaker-than-expected 2016 sales in both its US and global markets with actual sales falling below forecast by 53% and 9% in both markets respectively (Whitten, 2016). Of course, McDonald's is a franchisor but scholars (Lucia-Palacio, Bordonabe-Juste, Madanoglu, & Alon, 2014) have noted that the performance of franchisors like McDonald's which is 90% franchised may be a reflection of the collective performance of its franchisees. More so, these reports note that the major cause of these hemorrhaging sales and profit levels is the fact that the company has been having a long running conflict with its franchisees regarding the need to revamp operations and renovate outlets (Gensler, 2015; Giammona, 2015; Wahba, 2015).

2. The Context of the Study

At the beginning (from the early 2000 to around 2012), the Nigerian franchise industry grew rapidly and attracted entrepreneurs from all nooks and crannies of the country to invest in it (Olotu & Awoseika, 2011). A survey by the US Commercial Service in 2010 valued the market size of the industry at about US \$25 billion (Agu, 2013). In fact, the country was tipped to be a viable market for franchise development (Agu, 2013) as the industry was experiencing explosive growth, prompting experts to predict that it would record much higher growth over several years in the future (Ndumanya & Quadri, 2014). It was also thought that the Nigerian franchise industry was a potential market of over US \$100 billion in annual sales (Agu, 2013) arguably with capacity to create thousands of jobs. As a confirmation of the proven potential of the country's franchise industry, it was reported that between 2010 and

2011 alone, the International Finance Corporation(IFC) invested a total of US \$28.5 million in two of the country's franchised quick service restaurants–Food Concept PLC and Tantalizers(Agu, 2013).

Sadly, the above mouth-watering account of the country's franchise industry is now the good old days. Things have taken the turn for the worse in recent years as the available performance records of some franchise systems in Nigeria indicate a worrisome state of affairs. For example, the financial performance of Mr Bigg's –the largest(by number of outlets) and leading franchise system in Nigeria has been below par since 2013. Its revenue was down 20% while profits dropped by a staggering 63% at the end of 2014(UAC, 2015). Its efforts to shore up performance by divesting 49% stakes to Famous Brands of South Africa in 2013 – in the hope of leveraging the latter's expertise–has not helped much as it continued to record loses with sales revenues going down further by 19%(year-on-year) while profit before tax recorded a further decrease of 88%(from US\$ 189,500 to US\$ 21,500) in the first quarter of 2015(UAC, 2015). The half-year 2016 report of the parent company–UAC Nigeria (where it still constitutes substantial percent of the portfolio) showed that sales were down 2% while profits decreased again by 16%(UAC, 2016). The number of outlets also shrunk considerably from almost 300 in 2012 to under 150 currently(UAC, 2016). This is more than 50% closure rate within a span of 4 years. Further, Tantalizers which is the second largest franchise system, has also been operating on a losing streak since 2012. The company which was doing so well and attracted IFC to invest in it in 2010 has declared loses in the last four years consecutively (N303.3 million in 2012, N564.8 million in 2013, N784.2 million in 2014 and N707million in 2015) totalling N2.36 billion (US\$ 118,032,786)(Nairametrics, 2015, 2016).

Thus, the poor performance of franchise systems across the world and in Nigeria and the fact that 'very little is known about what drives success in the food-service franchising business'(Lee et al., 2015: p.49) stimulated the interest of the researchers to undertake a comprehensive study of factors influencing franchisees' outlet performance, overall satisfaction and intention to remain. Franchisees' Entrepreneurial Orientation (EO) was one of the key issues explored.

Meanwhile, this investigation is from the perspective of franchisees. This is for both practical and theoretical purposes. Practically, franchisees' collective performance result in franchisors'(Lucia-Palacio et al., 2014) especially for systems that are purely franchised as some in Nigeria are. Thus, it was thought that the opinions of the franchisees on the operations of their systems would be

highly valuable in redesigning and re-strategizing for improved performance. More so, franchisees are more accessible and likely to vouch objective assessment of issues going on in their systems. On the other hand, i.e. theoretically, although franchisees form the backbone of the franchise system, only a few franchise studies have been conducted from their perspectives(Altinay, Brookes, Madanoglu, & Aktas, 2014).

Therefore, the objective of this paper is to explore the important entrepreneurial orientation factors and the degree to which these factors influence franchisees' business performance and intention to remain.

3. Literature Review

3.1. Dimensions of Entrepreneurial Orientation

Although many previous studies(e.g., Campo, Parra, & Parellada, 2012; Chien, 2014; Dada et al., 2015; Dada & Watson, 2013; Jiang et al., 2016; Krauss, Frese, Friedrich, & Unger, 2005; Yoon, 2012) define entrepreneurial orientation(EO) as one-dimensional construct, the construct has some distinct components. These components or dimensions include innovativeness, pro-activeness and risk-taking(Miller, 1983), and the two other later dimensions, competitive aggressiveness and autonomy(Lumpkin & Dess, 1996). However, Lumpkin, and Dess(1996, 2001) argue that each of the dimensions of EO can stand on its own as an independent determinant of new entry and firm performance. Moreover, scholars (Dada & Watson, 2013; Keh, Nguyen, & Ng, 2007) have tested the construct validity of the various dimensions and concluded that the Miller's original three dimensions – Innovativeness, Proactiveness and Risk-taking, have better internal consistency and are thus found to robustly measure EO. This paper focuses on these three dimensions.

Innovativeness is simply a process of executing creative ideas successfully(Dada et al., 2015). It relates to a firm's willingness to facilitate and support such activities as generation of original and imaginative ideas for improving or launching new product or service, investing in new technology as well as research and development that could result in new processes(Lumpkin & Dess, 2001). It is a firm's 'predisposition to engage in creativity and experimentation through the introduction of new products/services as well as technological leadership via R&D in new process(Rauch et al., 2009: p.763). Drucker(1985) stresses in his famous book – Entrepreneurship and Innovation, that innovation is a veritable tool by which firms can exploit change and opportunities in the market. Interestingly, White(2010)'s study of marketing strategy creation style

among US restaurant franchisees concludes that franchise chains that encourage their franchisees to be innovative are likely to achieve superior long-term performance.

Risk-taking refers to the propensity to take daring and bold actions including entering previously unexplored markets, devoting significant amount of resources to (new) enterprises without any guarantee of success and using high amount of leverage for financing firm's operations (Lumpkin & Dess, 2001). Although risk-taking is considered an important character of an entrepreneur, Campos, Nuno de la Parra, and Parallada(2012) warned that excessive risk-taking may jeopardize organizational performance. This is in agreement with the reasoning of Yang(2008: p.272) that 'successful entrepreneurs are not gamblers', indeed, they typically are not risk takers(Drucker, 1985), but people who are skilled in taking informed decisions and have a fairly developed risk-reduction skills.

Pro-activeness relates to driving the market (rather than being market-driven) by providing new products or services that may delight consumers and being forward-looking and opportunity-conscious such as pioneering introduction of new market offerings(Lumpkin & Dess, 2001). Proactive firms know that success is sometimes dressed in overall and invisible to ordinary business eyes, so they constantly scan and monitor their environment with the aim of finding and exploiting new business opportunity that can enhance their competitiveness(Keh et al., 2007). Indeed, pro-activeness is the first habit of a high-performing individual and organization. In his highly influential international leadership bestseller – *The Seven Habits of Highly Effective People*, Steven Covey – the late renowned leadership scholar emphasises the importance of acting before one is acted upon, taking initiative before one is asked to and having a sense of responsibility in all ones' affairs. These are what being proactive is about. A number of empirical studies have found that being proactive enhances the performance of business ventures (Yang, 2008) at all stages of business lifecycle(Yoon, 2012).

3.2. Previous Studies on Entrepreneurial Orientation

Instructively, most previous studies on the effects of EO on the performance of conventional firms like SMEs and larger corporate entities found a significant positive effects. A few others however, found contrary results.

Rauch et al.(2009) found that the influence of EO on firm's performance is, statistically speaking, moderately large. The scholars therefore conclude that firms that invest in and pursue EO are likely to have their performance improved by a considerable magnitude. Yang (2008) investigated 406 Taiwanese SMEs' top-level managers and found that EO(innovativeness, pro-activeness

and risk-taking) has a positive effect on business performance. More so, in line with the emerging argument that each of the dimensions of EO may affect firm performance differently(Lumpkin & Dess, 1996, 2001; Rauch et al., 2009; Yoon, 2012), Yang(2008) compared the relative influence of each dimension and subsequently found that although risk-taking also has a significantly positive effects on performance, innovativeness and pro-activeness correlate more highly with firm performance. The study also contribute to the emerging new concept of entrepreneurial leadership and found that EO-performance relationship becomes stronger in the presence of transformational leadership.

Furthermore, Jiang et al.(2016) was one of the first to examine the effect of EO on collaborative business arrangements. Using data from 205 alliance firms in China (410 respondents), Jiang et al.(2016) found that EO has a positive direct influence on both focal performance measures(innovative and financial) of Chinese partner firms. They also discovered that knowledge acquisition fully moderates the relationship between EO and alliance firms' innovative and financial performance.

More specifically, so far, only a few studies have applied EO to franchise system or franchise business units. These include Dada and Watson(2013) who found that EO is positively related to franchise system performance. Using a mail survey involving 95 UK-based franchisors, they conclude that franchise systems that emphasize entrepreneurial behaviours are likely to perform better than those that do not. Juxtaposing this finding with the findings of the authors' recent work(Dada et al., 2015), which reveals that franchisees tend to have and demonstrate entrepreneurial skills, and that most franchisors prefer to work with franchisees that are entrepreneurial, it can thus be reasonably inferred that franchisees' entrepreneurial skills will have positive effects on the performance of their individual units.

One notable empirical study that supports Dada and Watson(2013)'s conclusion is Chien(2014) who established that franchisees' entrepreneurial orientation has a direct, positive and significant influence on their outlet's performance in the context of Korea convenience store franchisees. Chien concludes that EO is an important precursor of franchise business unit(franchisees)'s performance, reiterating that in today's modern business environment that is characterized by intense local and global competition, franchisees with high EO will be better at recognizing and exploiting market opportunities.

However, as earlier noted, a few studies did not find evidence in support of a positive relationship between EO and firm performance. For example, Slater and Narver (2000)'s replication of their earlier study(Narver & Slater,

1990) on a much larger sample of business corporations found that EO does not have any effect on the profitability of the investigated businesses. The authors, who were surprised by the result, suggested two possible explanation for their findings. First, the effect of EO on profitability is likely to be indirect through product and market development efforts of corporations. Secondly, the correlation of EO with profitability measures is likely to be high and positive in the long-run than in the short run, suggesting 'a delayed effect on profitability'(Slater & Narver, 2000: p.72). Similarly, Walter, Auer, and Ritter(2006)'s study examining the impact of EO on the performance of university spin-offs(using mail questionnaire on a sample of 149 university founders), found that EO does not have any direct impact on such measures of performance as profitability, sales per employee and sales growth. Instructively, these 'no effect' findings lend support to the observations of Covin and Slevin(1988, 1990) and Dess, Lumpkin, and Covin (1997) that entrepreneurial orientation does not always lead to firm performance.

Thus, given these conflicting findings on the effect of EO on firm performance and current dearth of research on the link between EO and franchisees' performance in different settings, this study attempts to provide empirical evidence to clarify the position and contribute to both literature and theory on the focal variable.

3.3. Franchisees' Outlet Performance

Studies on franchisors' performance usually view organizational outcomes in terms of sales & profits growth, outlet growth and system survival(Nijmeijer, Fabbriotti, & Huijsman, 2014) as most of them are publicly quoted companies whose data is available. However, since franchisees are mainly MSMEs and privately owned, it is usually difficult to access their financial records. Hence most studies on franchisees perspective focus on obtaining their subjective assessment of outlet financial performance and non-financial aspects of performance such as intention to stay(Chiou et al., 2004). This study adopts this approach to data collection.

3.4. Intention to Remain

This is the willingness to continue business relation with the other partner. It is the business-to-business(B2B) version of behavioural intention in business-to-customer (B2C) circle. Franchisees'intention to remain in the franchise system is a commonly used dependent variable in franchise studies(e.g., Chiou et al., 2004; Doherty, Chen, & Alexander, 2014; Lucia-Palacio, Bordonabe-Juste, Madanoglu, & Alon, 2014; McDonnel et al., 2011), probably due to its power to predict franchisees' long-term

commitment to the franchise system as well as being an important indicator of franchise chain's long-term success (McDonnel et al., 2011). Just like in the case of consumer behavioural intention, franchisees' intention to remain in the franchise system could be either affirmative or negative. Intention to remain is affirmative when franchisees have a firm plan to renew their contracts and maintain a long-term relationship with the franchisors. When this is the case, franchisees must have had a positive evaluation of the important aspects of their relationship with their franchisors and a positive evaluation is often indicated by willingness to enhance cooperation, comply with standards, prevent conflicts and to recommend the system to other prospective franchisees(Davies, Lassar, Manolis, Prince, & Winsor, 2011; Davis, 2012; Frazer, Weaven, Giddings, & Grace, 2012; Roh & Yoon, 2009). Negative intention on the other hand often implies, at best, indifference to the brand and minimal efforts at promoting it, and at worst, all sorts of negative behaviours including non-compliance, opportunism, negative word-of-mouth and in some cases, litigations(Frazer, Merrilees, & Wright, 2007).

4. Methodology

4.1. Study Design and Measurement of Variables

The study aims to explore and gain deep insights into the relevant issues – entrepreneurial orientation factors and their influences on franchisees' outlet performance and intention to remain. Given the need for contextual and emic understanding of issues in franchising(e.g., Brookes & Altinay, 2011; Doherty et al., 2014), we adopted a qualitative data collection approach for the investigation.

In this study, there are such variables as: franchisees' outlet performance, intention to remain and entrepreneurial orientation. Entrepreneurial orientation consists of three dimensions as innovativeness, proactiveness, and risk-taking. Although this is a qualitative exploratory study, we designed the main questions in the interview protocols based on measures adapted from previous, mostly, quantitative studies. This is one of the measures suggested by scholars(e.g., Pratt, 2015) to enhance the validity of qualitative studies

Franchisees Outlet Performance

Following Lee, Kim, and Seo(2015), we measured franchisees outlet performance using respondents' own subjective assessment of their sales and profit growth. We designed the interview questions to seek responses that help to understand changes in outlet sales and profit over the last one year as well as changes compared to

franchisees’ competitors.

Intention to Remain – we measured franchisees’ intention to remain using items adapted from Chiou et al.(2004). The scale consists of three items viz.: “given your overall experience so far, are you willing to continue business relationship with this franchise system?”, “given the resources, are you willing to open new store elsewhere under this franchise system?”, and “are you willing to encourage others to join this franchise system?”.

Franchisees’ Entrepreneurial Orientation

Based on relevant previous studies, entrepreneurial orientation was measured as innovativeness, proactiveness, and risk-taking(Chien, 2014; Dada & Watson, 2013).

4.2. Population and Sample Selection

There are currently about 430 franchise outlets in Nigeria with 320 franchisees operating in such diverse industries as retailing, hotels & hospitality, quick service restaurants/ food & beverages, transport, education & IT, and so on (Ndumanya & Quadri, 2014; Olotu & Awoseila, 2011; Orji, 2013). Consistent with the qualitative nature of the study, we used the non-probability sampling techniques of purposive and in a few cases, snowballing to select appropriate subjects for the investigation(Alharbi, 2014; Altinay, Brookes, Yeung, & Aktas, 2014; Brookes & Altinay, 2011; Frazer et al., 2012). We made efforts to first contact and obtain the consent of key informants to participate in the study. The specific types of respondents sought and were reached with the sampling methods include: owners, that is, franchisees(or their knowledgeable representative like unit manager) of fairly older outlets (more than three years in operation) as they are likely to have reasonable experience with the focal issues of the investigation and have probably seen the intricacies of the business model generally; owners of well-performing franchise outlets; owners of poorly performing franchise outlet; former franchisees; franchise outlet owners in different parts of Nigeria as experience and observation reveal that there exist some differences in business sophistication and entrepreneurial behaviours of people from these different zones.

4.2. Data Collection

Initially using addresses of franchised outlets found on the websites of most of the franchise systems and subsequently few walk-ins to others, we initially contacted 50 franchisees for possible participation in the face-to-face interviews. Eventually, a total of 26 franchisees from different parts of the country were interviewed and this number is considered to be a reasonable sample size for a study of this nature as it is within the recommended range of

20-30 deem to be adequate to reach saturation(Corbin & Strauss, 2008; Creswell, 2007).

In order to guarantee consistency of structure throughout the interviews and enhance the overall reliability of approach(Yin, 2014), we used the case study protocol as a guide. The protocol spells out the steps and procedures that must be undertaken before, during and immediately after each interview. We prepared the interview questions based on the objective of the study and designed them to seek participants’ responses to broad questions relating to the focal issues of the study. We asked other appropriate follow-up questions as successive interviewees told their stories.

Further, we conducted all interviews within the franchisees’ business premises and tape-recorded them haven obtained their informed consent to do so. Each interview lasted for between one to one-and-half hours. We took notes throughout the interviews and in line with the suggestion of Corbin and Strauss(2008), we also wrote memos immediately after each interview. This was done to capture the thoughts and impressions of the researchers with regards to what the participants said. The memos did not form part of the data but merely an instrument to reflect and interpret both the spoken and unspoken words of the respondents.

<Table 1> Themes and within theme issues

Main Theme	Issues within theme
Innovativeness	Culture of or room for franchisees to innovate
	Evidence of franchisees innovativeness
	Influence of innovativeness on business outcomes
Proactiveness	Views on proactiveness
	Evidence of proactive tendencies/behaviours
	Influence of proactiveness on business outcomes
Risk-taking	Views on risk-taking
	Evidence of risk-taking behaviours
	Influence of risk-taking on business outcomes

Source: Authors’ compilation

4.3. Techniques of Data Analysis

We subsequently transcribed the interviews with the help of a manual transcription software called Transcriber Pro (version 1.0.3.1). In order to ensure that what has been transcribed is exactly what the respondents said, we carefully went through each transcript while listening to the corresponding tape. This was done three times. The transcripts of the interviews were subsequently sent to the respective interviewee for confirmation. All 26 transcripts were retrieved affirmed with minor corrections.

Haven developed the analytical codes in advance based on existing literature(Doherty et al., 2014), we coded the transcribed interviews manually and categorized them using Corbins and Straus(2008)’s step-wise advice. On the basis of the themes and sub-themes 5-(and in some

instances, sub-sub themes) that emerged, we loaded the data into the latest version of NVivo(version 11). NVivo is one of the most popular data analysis software commonly used in qualitative research(Myer, 2013: p.177). According to QSR International(2015), the manufacturer of the software, NVivo is a powerful platform used for analysing all types of unstructured data. The software has the capacity to quickly code data and appropriately organize same. There are also features to interrogate data, count words and display a descriptive analysis of responses. We used this software to code the data, appropriately organize and link memos and annotations, uncover connections, analyse opinions of different groups of respondents, search for common themes, visualize data, justify findings and assist in report writing. <Table 1> shows four themes and several within theme issues.

4.4. Data Analysis and Results

The participating franchisees in this study are hereafter referred to as informants. The informants were drawn from across six franchise systems herein labelled simply as SYSTEM 1, SYSTEM 2, SYSTEM 3, SYSTEM 4, SYSTEM 5 and SYSTEM 6, cutting across six industrial sectors including

quick service restaurants(QSR), retailing, transportation, telecommunication and mobile devices, and ice-cream vending. <Table 2> show business profiles of the informants.

Owing to the dominance of QSR sector which represents nearly 85% of the players in the Nigerian franchise industry(Orji, 2013), about two-third (18) of the informants were drawn therefrom. Three (3) of the interviewees come from the retail sector, two (2) sell ice-cream and related products, two (2) are from mobile phone sector and 1 runs a transportation firm. Nearly 50% of the respondents are from South West (particularly Lagos) – the commercial hub of the country where more than 50% of all franchise units in Nigeria operate. Other franchisees are from such other cities as Abuja(North Central), Port Harcourt(South South), Ibadan(South West), Abeokuta(South West), Kaduna (North West), Kano(North West), Jos(North Central), Lafia (North Central), Enugu(South East), Asaba(South South) and Lokoja(North Central). Effectively, five of the six geo-political zones of the country are represented in this study. Security challenges did not permit the researchers to visit and interview franchisees in the sixth zone - the North-East where insurgent activities was going on.

<Table 2> Business Profiles of Informants

S/N	Informants/Panelists	Designation	Organization	Unit Size	Sector	Location	Years in Business
1.	Informant 1	Franchisee	SYSTEM 1	Small	QSR	S/West	4 years
2.	Informant 2	Franchisee	SYSTEM 2	Medium	QSR	N/Central	4 years
3.	Informant 3	Franchisee	SYSTEM 2	Small	QSR	N/Central	3 years
4.	Informant 4	Franchisee	SYSTEM 1	Medium	QSR	S/South	5 years
5.	Informant 5	Franchisee	SYSTEM 1	Medium	QSR	S/East	3 years
6.	Informant 6	Franchisee	SYSTEM 1	Medium	QSR	N/West	7 years
7.	Informant 7	Franchisee	SYSTEM 1	Large	QSR	S/West	6 years
8.	Informant 8	Franchisee	SYSTEM 1	Medium	QSR	S/West	6 years
9.	Informant 9	Franchisee	SYSTEM 3	Large	Retail	S/West	5 years
10.	Informant 10	Franchisee	SYSTEM 2	Medium	QSR	S/South	4 years
11.	Informant 11	Franchisee	SYSTEM 1	Large	QSR	N/Central	8 years
12.	Informant 12	Franchisee	SYSTEM 2	Medium	QSR	N/Central	7 years
13.	Informant 13	Franchisee	SYSTEM 1	Medium	QSR	S/West	6 years
14.	Informant 14	Franchisee	SYSTEM 2	Small	QSR	S/West	6 years
15.	Informant 15	Franchisee	SYSTEM 1	Small	QSR	S/West	7 years
16.	Informant 16	Franchisee	SYSTEM 1	Medium	Mob.-Tele	S/West	6 years
17.	Informant 17	Franchisee	SYSTEM 3	Medium	Retail	S/West	10 years
18.	Informant 18	Franchisee	SYSTEM 4	Medium	Ice-C	N/Central	5 years
19.	Informant 19	Franchisee	SYSTEM 5	Medium	Trpt	S/East	4 years
20.	Informant 20	Franchisee	SYSTEM 2	Small	QSR	N/West	8 years
21.	Informant 21	Franchisee	SYSTEM 3	Large	Retail	N/West	6 years
22.	Informant 22	Franchisee	SYSTEM 1	Medium	QSR	S/South	8 years
23.	Informant 23	Franchisee	SYSTEM 4	Medium	Ice-C	S/West	5 years
24.	Informant 24	Franchisee	SYSTEM 1	Small	QSR	S/West	6 years
25.	Informant 25	Franchisee	SYSTEM 6	Medium	Mob-Tele	S/West	4 years
26.	Informant 26	Franchisee	SYSTEM 2	Medium	QSR	S/West	6 years

Source: In-depth Interview, 2016

5. Entrepreneurial Orientation Factors and Their Influences

The key entrepreneurial orientation factors investigated are: franchisees' innovativeness, proactiveness and risk-taking propensity. Findings on each of these as well as their relative influence on franchisees' business outcomes and intention to remain are analysed thus:

5.1. Franchisees' Innovativeness

It was a key objective of this study to understand whether or not franchisees in Nigeria found room to innovate, how much sense of innovativeness they have and what influence does innovativeness has on their business performance and other outcomes.

Across all the franchise systems studied, the experiences shared by many franchisees indicate that there is very little room afforded them to innovate. The common response by franchisee research participants is that the system is centrally controlled and standardized, and that attempt by any franchisee to innovate is akin to looking for trouble from franchisors. Highlights of this position can be seen in the following quotations.

Are we allowed to innovate? Everything is to follow them as they say. If you do anything different, except if you are ready to lose your license from them. How many times I have suggested new ideas that I know can make our business better that they refused to act on. Like I said earlier, 'tuwo shinkafa' are demanded by our customers but they wouldn't let us offer it here.(Informant 1).

Frankly there is no much innovation that we can make in this business even if we want to. Everything has to be in line with standards and when you do anything outside the standards, then you are breaching the contract.(Informant 12)...what I know is that it is a standardized business. Almost everything is managed centrally. So there is little room to innovate new ideas here.(Informant 18).

One franchisee, Informant 25, who was previously managing one of the corporate outlets lamented that to him it is a funny twist of event that he was given more space to innovate when he was an outlet manager than now that he is supposed to be running a business of his own. He said: "you know what I have noticed is that I

was allowed more hands to bring in innovative ideas in running our outlet when I was a manager more than now that I am a franchisee". To him, this is a funny paradox as he had hoped that franchisees who have invested their money in the business and tend to know local realities, should have more room for innovation, at least for their outlets.

Notwithstanding the general disincentive to innovate in most systems, a few franchisees shared experiences that indicate that they do have a sense of innovation and have actually pushed through some innovative initiatives without breaching the terms of their contracts. The following stories were shared by such innovative franchisees.

...But I try my best wherever possible. Like towards the end of last year, I started this promo called 'Bigg Royalty Pack', where customers that spend N2,000 above for three consecutive time have N1000 worth of lunch free for two each. The promo was a huge success and made a lot of smart sales through that. (Informant 10)

We bring in new innovation often. For example, we have been using inverter for our power supply and it has paid off far better than diesel engine. When you think of the noise, the frequent repairs and having to be buying expensive diesel, this is far better. (Informant 16)

What we do is that we listen to customers a lot and when they insist on certain items or products and many people really show interest, we would suggest to the office to either supply us from their trusted suppliers or allow us to source locally and satisfy our customers. (Informant 26)

As predicted by most literature on innovation (e.g. Rauch et al., 2009; White, 2010), those franchisees that found ways to implement innovative ideas in the management of their outlets achieve better business performance and as a consequence tend to feel more engaged and happier. Specifically, these group of franchisees indicated that their innovative ideas have helped their outlets improve efficiency and bottom line.

So, in terms of influence, indications are that while those that do not innovate or feel restrained from innovating have been negatively impacted in terms of loss of potential sales like informant 13 who wanted to add non-alcoholic wine to his beverages stocks and informant 1 who wanted to include highly demanded local dishes to his menus. On the other hand, those who found room to

innovate have reaped some rewards including improved sales and profits as well as satisfaction in the business. Informants 2 and 16 are among this group of franchisees.

Being innovative sure is important for this kind of business. Particularly on the operations side, you need new ideas to make things faster, better and sometimes cheaper like in the case of our solar panels now. (Informant 16).

Previously we opened to customers around 11-12am in the morning. But looking at our competitors and our need to generate more incomes, we decided to introduce breakfast section, opening by 7:30 in the morning. Our decision has paid off hugely as we now make roughly 30% of our daily sales from that sections alone. (Informant 2).

5.3. Franchisees' Proactiveness

Just like innovativeness, pro-activeness is a common component of entrepreneurial orientation, and so it was of similar importance for this study to understand how proactive franchisees in Nigeria are and whether or not being proactive has any influence on their business performance and other outcomes. To this end, data analysis revealed that regardless of the standardisation that characterized franchise operations, most research

participants plan ahead, take initiatives and decisions for the smooth running of their outlets. It however appears that most of the decisions they take are in the areas of operations and marketing. <Table 3> contains sample quotations that highlight participants' sense of proactiveness and the common areas that they exhibit their proactive skills.

Interestingly, as can be seen in the last two quotations in <Table 3>, some informants asserted that it is a mistake for any franchisee to think that franchise business is standardized and thus wait for franchisors to do everything. The experience of a number of informants show that in practice, just like in any business, there are many unknowns in franchise operations and so franchisees have to take personal initiatives and actions in order to be successful.

However, a few franchisees do not see things this way. They think that it is a standard system and so raise up their hands – literally, and wait for directions from franchisor on everything. Informant 9 and 24 belong to this group of franchisees. He said: "we just follow the established procedures" and Informant 9 statement completes the statement by saying "you know this is a franchise business. Most of the important new decisions are taken by the franchisor".

On the question of influence, the experience of many franchisees that are proactive indicate that the habit of proactiveness has been very helpful especially in problem solving and in taking advantage of opportunities in the

<Table 3> Sample Responses on Respondents Sense of Proactiveness.

Respondents	Sample Quotations
Informant 1	"...It is complex and very stressful. There are many pieces and parts to put together. So, I take different kinds of decision very often, especially for the operation to move smoothly".
Informant 12	"We have to plan ahead almost every day. Well, we have our sales projection that we developed together with the franchisor. But truth is, we don't usually follow it. We rely more on our own plans. We usually prepare a weekly estimate of how much sales we expect to make".
Informant 20	"Sure, in running this kind of business, stuffs come up every day necessitating our immediate attention. We have to take immediate decision to keep things in order. Although, we don't take decision to change major activities that much, we act to fix the different pieces of the puzzles every day".
Informant 23	"in the operations and marketing, we have always have the responsibility to review where we send our distributors to and new neighborhood we need to cover".
Informant 26	"Yea, you cannot run a restaurant business successfully without doing a lot of planning. It is a complex things. We have to be able to predict the demand on a particular day and prepare food that will meet that demand. You always want to make sure that you don't run out of menus when customers need and at the same time, you have to ensure that you reduce wastage as much as possible".
Informant 2	"This business is not as standardized as many think. There are many uncertainties and issues that crop up every day requiring our actions. For example, I recently took the decision to look for and hire more National Youth Corpers to work for us....For the Corpers, what we pay them is seen reasonable enough but for a graduate who has completed service and actively sought for jobs, our offering is never good enough".
Informants 5	"...Some people may tell you it is a standard business, they are lying".

Source: In-depth Interview, 2016

market. As Informant 26 said: “to take those decisions and solve our problem has obviously helped the business because without that, things could go wrong if we have to always wait to hear from them”.

5.4. Franchisees' Risk-taking Propensity

One of the interests of this study was to know how much of risk-takers Nigerian franchisees are and what influence does the habit of risk-taking has on their business performance.

Instructively, while risk-taking is the common word that most franchisees use to describe what it means to be an entrepreneur, the narrated experience of most of the franchisees that participated in this study indicate that they largely do not attempt to try anything that fits the description of risk-taking. Even those that recognize the need to do things that may be considered as risk-taking assume that their franchisors would not allow that and they said that they always have to consult their franchisors first in such cases. The quotations below represent the respondents' common responses to question on risk-taking and highlight their position on the issue.

I have an independent mind but in this business, you would not be allowed to do things independently. You have to always seek approval or consent of the head office. For example, I remember I had to recruit some new staff at a point without telling them. When they eventually discovered, they were not happy that I didn't inform them. (Informant 8).

Instructively, many franchisees think that it is not even ideal to encourage franchisees to take risks as that could have negative effect on the entire system.

If you leave every franchisee alone to be independent, one day you would wake up and discover that things have all gone bad and out of control. Yes, I believe that we need some space to take actions on some local issues or to solve urgent problem but not complete independence. (Informant 22).

In terms of influence, it is unclear from data analysis whether possession of this habit influence business performance. Most participating franchisees simply said they do not engage in any risky behaviour so it is hard to ask what benefit such behaviour could bring. It also was

not too clear from the accounts of the research participants whether or not there are any negative effect on business performance resulting from not being a risk-taker.

6. Discussion of Findings

Using in-depth interview to collect data from franchisees operating under local franchise brands in Nigeria, this study found that the major franchisees' entrepreneurial orientation factors that have significant influence on franchisees' business performance are innovativeness and proactiveness.

First, findings show that implementation of innovative ideas by franchisees in the running of their outlets has a positive impact on their business performance. This finding provides further empirical support for the conclusions of White(2010) that when franchisees are encouraged to innovate in the management of their outlets, their performance improves in performance which in turn enhance their overall satisfaction with the ultimate result that the entire chain will likely achieve superior long-term performance. The finding of this study also supports that of Yang(2008) that when a business unit is run with reasonable amount of innovative skills, the financial performance of the unit improves significantly. More broadly, this investigation provides evidence in support of Dada & Watson(2013) as well as Chien(2014) that franchisees' EO skills such as innovativeness may be an important factor for facilitating their outlets' performance. Given that innovativeness is both a skill and resources, this finding can be interpreted in the light of resource base view which speculates that resources of all kinds are important for the competitiveness and efficiency of a business unit(Barney, 1991; Grant, 2016) and by implication, non-available of a relevant resource (such as opportunity for innovativeness) could result in poor performance of business units(Barney, 2001) like franchisees' outlets.

Furthermore, findings show that there are positive business outcomes for most of the research participants who exhibit proactive skills such as planning ahead, taking initiatives and assuming responsibility for the smooth operation of their outlets. This finding is in agreement with Yoon(2012)'s conclusion that pro-activeness of the owner of a firm result in improved business performance at both early and growth stages of the business lifecycle. More specifically as relate to previous studies on franchise firms, this study provides empirical evidence to support Chien (2014) findings that EO skills(such as proactiveness) is an important precursor of franchise business unit

(franchisees)'s performance. As is the case with innovativeness, proactiveness is a skill – a set of resourceful activities, and thus it link with outlet performance can be explained by resource base view. According to the resource base view, resources which may be tangible(for example machinery, cash and factories) or intangible(for example, knowledge, attitude, skills etc.) are all critical for the pursuance of a firm's goals and for the achievement its strategies(Arbab Kash et al., 2014; Barney, 2001). The more an entrepreneur or business firm business is endowed with a given resources (for example the skill of proactiveness) the more likely the business will perform better(Barney, 1991).

Lastly, preponderance of franchisees do not take risk in running their outlets and so do not believe that risk-taking as a habit has any marked influence on their business performance. There is also no evidence that franchisees' business performances were negatively affected because they did not engage in behaviours that fit the description of risk taking. In essence, it seems that although risk-taking is a desired entrepreneurial trait, not having it as a franchisee does not lead to poor business performance. This finding is in contrast with the results of Yang(2008) who concludes that although risk-taking ranks low when compared with other dimensions of entrepreneurial orientation, it nonetheless has a positive influence on firm performance. The possible explanation for this opposing finding could be attributed to the nature of business and personalities or subjects of the two researches. While this study is on a dyadic business relation involving some restrictions on actions, that of Yang(2008) is on start-up entrepreneurs who have the latitude to take any decision they deem fit.

7. Limitation, Conclusion and Recommendation

The objective of this study was to explore and gain deep insights into franchisees' entrepreneurial orientation and how the traits influence their outlet performance and intention to remain. The study used the approach of

qualitative inquiry and therefore generalization may be limited to the context in which it was carried out. However, we took rigorous measures to guarantee reliability and validity of findings.

Thus, analysis of the in-depth interviews revealed key findings that informed several conclusions and thereby some recommendations for improving franchising practice in the country.

Based on the finding that franchisees' innovativeness is a key resource that influences their outlet performance, an enabling environment for innovation needs to be created. It is important that franchisors provide not just the encouragement but also the necessary leadership in creating a culture of innovation across the entire system. It was discovered that in many cases, there is a disconnect in what franchisees think franchisors want in terms of innovation. In order to overcome this, it is necessary that once a decision is made to have a system where innovativeness is a corporate culture, it has to be properly and consistently communicated to franchisees so that the usual franchisees' feeling of being restrained by the contract can be removed.

Further, proactive franchisees run outlets that perform better in terms of sales growth and profits and are more satisfied and willing to remain in their franchise system. The finding on proactiveness implies that indeed the skill of taking initiative and planning ahead, scanning the environment for opportunities and threats need to be encouraged and developed in franchisees. Franchisees' selection process should aim to test this and those who are already on-board can be trained to acquire this vital attitude.

Finally, the findings that franchisees' risk-taking behaviour is not always helpful to both franchise unit and the entire system should alert franchisors to the possible destructive result of franchisees that has the attitude of straying too far away from the standards. It also warns franchisees and indeed all entrepreneurs that excessive risk-taking may jeopardize organizational performance. It is better to embrace the personality of being a risk-reducer as Drucker(1985) advocates than being a risk-takers.

References

- Agu, A. (2013). Nigeria - Franchising. US Commercial Service. Abuja. Retrieved from http://www.franchise.org/sites/default/files/ek-pdfs/html_page/Franchise-Trade-Mission-2013--Nigerian-Franchise-Market-Briefing_0.pdf.
- Alharbi, M. M. (2014). Barriers to franchising in Saudi Arabia. *Journal of Marketing Channels*, 21(3), 196–209.
- Altinay, L., Brookes, M., Madanoglu, M., & Aktas, G. (2014). Franchisees' trust in and satisfaction with franchise partnerships. *Journal of Business Research*, 67, 722–728.
- Altinay, L., Brookes, M., Yeung, R., & Aktas, G. (2014). Franchisees' perception of relationship development in franchise partnerships. *Journal of Service Marketing*, 28(6), 509–519.

- Arbab Kash, B., Spaulding, A., Gamn, D. L., & Johnson, E. C. (2014). Healthcare strategic management and the resource based view. *Journal of Strategic Management*, 7(3), 251–264.
- Avlonitis, G. J., & Salavou, H. E. (2007). Entrepreneurial orientation of SMEs, product innovativeness, and performance. *Journal of Business Research*, 60, 566–575.
- Barney, J. (1991). Firm Resources and Sustained Competitive Advantage. *Journal of Management*, 17(1), 99–120.
- Barney, J. (2001). Is the Resource-Based “View” a Useful Perspective for Strategic Management Research? Yes. *Academy of Management Review*, 26(1), 41–56.
- Brookes, M., & Altinay, L. (2011). Franchise partner selection: Perspectives of franchisors and franchisees. *Journal of Service Marketing*, 25(5), 336–348.
- Campo, H. M., Parra, J. P. N., & Parellada, F. S. (2012). The entrepreneurial orientation-dominant logic-performance relationship in new ventures: An exploratory quantitative study. *Brazilian Administration Review*, 9(4), 60–77.
- Campos, H. M., Nuno de la Parra, J. P., & Parallada, F. S. (2012). The entrepreneurial orientation-dominant logic-performance relationship in new ventures: An exploratory quantitative study. *Brazilian Administration Review*, 9, 60–77.
- Chien, S.-Y. (2014). Franchisor resources, spousal resources, entrepreneurial orientation, and performance in a couple-owned franchise outlet. *Management Decision*, 52(5), 916–933.
- Chiou, J., Hsieh, C., & Yang, C. (2004). The effect of franchisors’ communication, service assistance, and competitive advantage on franchisees’ intentions to remain in the franchise system. *Journal of Small Business Management*, 42(1), 19–36.
- Cochet, O., Dormann, J., & Ehrmann, T. (2008). Capitalizing on franchisee autonomy: Relational forms of governance as controls in idiosyncratic franchise dyads. *Journal of Small Business Management*, 46(1), 50–72.
- Cools, E., & Van den Broeck, H. (2008). The hunt for the Heffalump continues: Can trait and cognitive characteristics predict entrepreneurial orientation. *Journal of Small Business Strategy*, 18(2), 23–41.
- Corbin, J., & Strauss, A. (2008). *Basics of qualitative research* (3rd ed.). Thousand Oaks, CA: Sage Publications.
- Covin, J. G., & Slevin, D. P. (1988). The influence of organization structure on the utility of an entrepreneurial top management style. *Journal of Management Studies*, 25(3), 217–234.
- Covin, J. G., & Slevin, D. P. (1990). New venture strategic posture, structure, and performance: An industry life cycle analysis. *Journal of Business Venturing*, 5(2), 123–135.
- Creswell, J. W. (2007). *Qualitative inquiry and research design: Choosing among five approaches* (2nd ed.). Thousand Oaks, CA: Sage Publications, Inc.
- Dada, O., & Watson, A. (2013). Entrepreneurial orientation and the franchise system: Organizational antecedents and performance outcomes. *European Journal of Marketing*, 47(5/6), 790–812.
- Dada, O., Watson, A., & Kirby, D. (2012). Towards a model of franchisee entrepreneurship. *International Small Business Journal*, 30(5), 559–583.
- Dada, O., Watson, A., & Kirby, D. (2015). Entrepreneurial tendencies in franchising: Evidence from the UK. *Journal of Small Business and Enterprise Development*, 22(1), 82–98.
- Dant, R. P., Grunhagen, M., & Windsperger, J. (2011). Franchising research frontiers for the twenty-first century. *Journal of Retailing*, 87(3), 253–268.
- Davies, M. A., Lassar, W., Manolis, C., Prince, M., & Winsor, B. (2011). A model of trust and compliance in franchise relationships. *Journal of Business Venturing*, 26(3), 321–340.
- Davis, P. J. (2012). A model for strategy implementation and conflict resolution in the franchise business. *Strategy and Business*, 40(5), 32–38.
- Dean, J., Brat, I., & Gasparro, A. (2015). McDonald's CEO is out as sales decline. Retrieved from <http://www.wsj.com/articles/mcdonalds-ceo-steps-down-1422485574>
- Dess, G. G., Lumpkin, G. T., & Covin, J. G. (1997). Entrepreneurial strategy making and firm performance: Tests of contingency and configurational models. *Strategic Management Journal*, 18(9), 677–695.
- Doherty, A. M., Chen, X., & Alexander, N. (2014). The franchise relationship in China: Agency and institutional theory perspectives. *European Journal of Marketing*, 48(9/10), 1664–1689.
- Drucker, P. (1985). *Entrepreneurship and innovation*. New York: Harper & Row.
- Frazer, L., Merrilees, B., & Wright, O. (2007). Power and control in the franchise network. *Journal of Marketing Management*, 23(9-10), 1037–1054.
- Frazer, L., Weaven, S., Giddings, J., & Grace, D. (2012). What went wrong? Franchisors and franchisees disclose the causes of conflict in franchising. *Qualitative Market Research: An International Journal*, 15(1), 87–102.
- Frazer, L., Weaven, S., Grace, A., & Selvanathan, S. (2016). Franchising Australia 2016. South Bank. Retrieved from https://www.franchise.edu.au/__data/assets/pdf_file/0/010/951085/Franchise-Australia-2016_web_version.pdf
- Gensler, L. (2015). McDonald's latest sales are worse than expected. Retrieved from <http://www.forbes.com/sites/laurengensler/2015/03/09/mcdonalds-latest-sales-are-worse-than-expected/>
- Giammona, C. (2015). McDonald's posts sales decline as new CEO takes helm. Retrieved from <http://www.bloomberg.com/news/articles/2015-03-09/mcdonald-s-u-s-sales-declined-more-than-projected-in-february>
- Gillis, W. E., & Combs, J. G. (2009). Franchisor strategy

- and firm performance: Making the most of strategic resource investments. *Business Horizons*, 52, 553–561.
- Grant, R. M. (2016). *Contemporary strategy analysis: Text and cases edition*. New Jersey, USA: John Wiley & Sons Ltd.
- Grunhagen, M., & Mittelstaedt, R. A. (2000). Are some franchisees more entrepreneurial than others? A conceptual perspective on multi-unit franchisees. *Journal of Business and Entrepreneurship*, 12(3), 15–28.
- Jiang, X., Yang, Y., Pei, Y., & Wang, G. (2016). Entrepreneurial orientation, strategic alliances, and firm performance: Inside the box. *Long Range Planning*, 49(1), 1–14.
- Keh, H. T., Nguyen, T. T. M., & Ng, H. P. (2007). The effects of entrepreneurial orientation and marketing information on the performance of SMEs. *Journal of Business Venturing*, 22, 592–611.
- Ketchen, D. J., Short, J. C., & Combs, J. G. (2011). Is franchising entrepreneurship? Yes, no, and maybe so. *Entrepreneurship Theory and Practice*, 35(3), 583–593.
- Kosova, R., & Lafontaine, F. (2010). Survival and growth in retailing and service industries: Evidence from franchised chains. *Journal of Industrial Economics*, 58(3), 542–578.
- Krauss, S. I., Frese, M., Friedrich, C., & Unger, J. M. (2005). Entrepreneurial orientation: A psychological model of success among Southern African small business owners. *European Journal of Work and Organizational Psychology*, 14(3), 315–344.
- Lagarias, P., & Boulter, R. (2010). The modern reality of the controlling franchisor: The case for more, not less, franchisee protections. *Franchise Law Journal*, 29(3), 163–172.
- Larty, J. (2010). Contribution of franchise research to entrepreneurship: A review and new opportunities (No. 2010/027). Retrieved from <http://eprints.lancs.ac.uk/49009/1/Document.pdf>
- Lee, Y.-K., Kim, S.-H., & Seo, M.-K. (2015). Franchise core competency and its relationship with environmental uncertainty, competitive advantage, and financial performance: An empirical assessment of food-service franchise firms. *Asia Pacific Journal of Tourism Research*, 20(10), 1151–1173.
- Lee, Y.-K., Nor, Y., Choi, J., Kim, S., Han, S., & Lee, J. H. (2016). Why does franchisor social responsibility really matter?. *International Journal of Hospitality Management*, 53, 49–58.
- Lucia-Palacio, L., Bordonabe-Juste, V., Madanoglu, M., & Alon, I. (2014). Franchising and value signalling. *Journal of Service Marketing*, 28(2), 105–115.
- Lumpkin, G. T., & Dess, G. G. (1996). Clarifying the entrepreneurial orientation construct and linking it to performance. *Academy of Management Review*, 21(1), 135–172.
- Lumpkin, G. T., & Dess, G. G. (2001). Linking two dimensions of entrepreneurial orientation to firm performance: The moderating role of environment and industry life cycle. *Journal of Business Venturing*, 16, 429–451.
- McDonnell, J., Beatson, A., & Huang, C.-H. (2011). Investigating relationships between relationship quality, customer loyalty and cooperation: An empirical study of convenience stores' franchise chain systems. *Asia Pacific Journal of Marketing and Logistics*, 23(3), 367–385.
- Merz, G. R., & Sauber, M. H. (1995). Profiles of managerial activities in small firms. *Strategic Management Journal*, 16(7), 551–564.
- Miller, D. (1983). The correlates of entrepreneurship in three types of firms. *Management Science*, 29(7), 770–791.
- Nairametrics. (2015). UAC Restaurant's Mr. Bigg's Post 63% Drop in Profit. Retrieved from www.nairametrics.com/uac-restaurants-mr-biggs-post-63-drop-in-profits-gala-also-disappoints
- Nairametrics. (2016). Tantalizers Reports N2.35 Billion Losses in 4 Years. Retrieved from www.nairametrics.com/tantalizers
- Narver, J. C., & Slater, S. F. (1990). The effect of a market orientation on business profitability. *Journal of Marketing*, 54(4), 20–35.
- Ndumanya, N., & Quadri, D. (2014). Expert tip franchising as an ideal way to tap into Nigeria's huge market. Retrieved June 28, 2015, from <http://www.nigerianfranchise.org/home.html>
- Nijmeijer, K. J., Fabbricotti, I. N., & Huijsman, R. (2014). Making franchising work: A framework based on a systematic review. *International Journal of Management Reviews*, 16(1), 62–83.
- Olotu, O. A., & Awoseila, F. (2011). Reinventing business growth through franchising in developing economies: A study of the Nigerian fast food sector. *International Journal of Marketing Studies*, 3(1), 162–170.
- Orji, C. (2013). *Franchise business in Nigeria: The Nigerian franchise directory*. Lagos: Business Franchise Solutions.
- Pearce, J. A. I., Fritz, P., & Davis, P. S. (2010). Entrepreneurial orientation and the performance of religious congregations as predicted by rational choice theory. *Entrepreneurship Theory and Practice*, 34(1), 219–248.
- Pratt, M. G. (2015). Fitting oval pegs into round holes: Tensions in evaluating and publishing qualitative research in top-tier North American Journals. In E. Bell & H. Willmott (Eds.), *Qualitative Research in Business and Management* (4th ed., pp.201–234). London: Sage Publications Ltd.
- QSR International. (2015). NVivo 10 for Windows. Retrieved August 19, 2015, from http://www.qsrinternational.com/products_nvivo.aspx.
- Rauch, A., Wiklund, J., Lumpkin, G. T., & Frese, M. (2009).

- Entrepreneurial orientation and business performance: An assessment of past research and suggestions for the future. *Entrepreneurship Theory and Practice*, 33(3), 761–787.
- Roh, E. Y., & Yoon, J. H. (2009). Franchisor's ongoing support and franchisee's satisfaction: A case of ice cream franchising in Korea. *International Journal of Contemporary Hospitality Management*, 21(1), 85–99.
- Slater, S. F., & Narver, J. C. (2000). The positive effect of a market orientation on business profitability: A balanced replication. *Journal of Business Research*, 48, 69–73.
- The Economist. (2015). Why McDonald's sales are falling. Retrieved from <http://www.economist.com/blogs/economist-explains/2015/01/economist-explains-7>
- UAC, N. (2015). Unaudited results for the first quarter ended 31 March 2015. Lagos. Retrieved from http://www.uacnplc.com/news/publications/presentations/UAC_Q1_2015_Results_Announcement.pdf.
- UAC, N. (2016). No Title.
- Voss, Z. G., Voss, G. B., & Moorman, C. (2005). An empirical examination of the complex relationships between entrepreneurial orientation and stakeholder support. *European Journal of Marketing*, 39(9/10), 1132–1150.
- Wahba, P. (2015). McDonald's sales bleed continues despite turnaround efforts. Retrieved from <http://fortune.com/2015/04/22/mcdonalds-sales-decline>.
- Walter, A., Auer, M., & Ritter, T. (2006). The impact of network capabilities and entrepreneurial orientation on university spin-off performance. *Journal of Business Venturing*, 21(4), 541–567.
- White, D. W. (2010). The impact of marketing strategy creation style on the formation of a climate of trust in a retail franchise setting. *European Journal of Marketing*, 44(1/2), 162–179.
- Whitten, S. (2016, July). McDonald's shares fall after US sales disappoint. CNBC Earnings Alert. Retrieved from <http://www.cnbc.com/2016/07/26/mcdonalds-reporting-second-quarter-2016-earnings.html>.
- Yang, C.-W. (2008). The relationship among leadership styles, entrepreneurial orientation, and business performance. *Managing Global Transition*, 6(3), 257–275.
- Yin, R. K. (2009). Case Study Research: Design and Methods. In L. Bickman & D. J. Rog (Eds.), *Essential guide to qualitative methods in organizational research* (Vol. 5). Sage Publications. <http://doi.org/10.1097/FCH.0b013e31822dda9e>.
- Yoon, H. (2012). The performance effects of entrepreneurial orientation: Evidence from South Korea start-ups. *International Journal of Arts and Commerce*, 1(4), 248–254.