CONSUMERS' WILLINGNESS TO PATRONIZE FOREIGN-BASED BUSINESS FORMAT FRANCHISES: EXPLORING THE FAST-FOOD SECTOR

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ABSTRACT

There exists a long-standing tradition of U.S.-based business format franchises that export their brands and franchise concepts abroad. In fact, the United States has long been the world leader in exporting franchises. In 2007, more than 93% of all global franchises were based in the United States. The globalization of brand mammoths like Century 21, McDonald's, 7-Eleven and Starbucks illuminate the unprecedented growth of U.S.-based franchises worldwide. However, the U.S. market has experienced a new trend: it is now a focal market for foreign-based franchise systems' global market entry and expansion strategies ("Buying a Foreign-Based Franchise" 2005). The findings of this study provide important insights for global franchising managers. For instance, a focus on creating consumer affect is seen to be fruitful as I was able to find support for the affect and retail patronage linkage. As global franchise offerings are new and original, they might be more successful if the managers focus on creating affect, especially during the market penetration stage where first impressions are formed. In addition, creating curiosity about product offerings is also advisable for such foreign-based firms, as there was a positive association for the level of curiosity and retail patronage. The curiosity dimension is very important for foreign-based retail firms as the service offering they bring to the United States is characterized by uniqueness or authenticity. To that end, if these strategies are pursued, then the practical benefits of this would be immense. In addition, the inability to link essentialist categorizations to retail patronage can be important, such that a focus on signs, symbols, and artifacts might not necessarily have negative consequences, even for consumers who are high in essentialist categorizations.

References Available Upon Request