

MCDONALD'S AND KFC AS A FRANCHISE

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ABSTRACT

In the context of a single unit, franchising is seen effective because it provides a level of freedom that is acceptable, as well as training and support that lowers risk compared to starting a firm on one's own. There is some indication that the results may not be applicable within the Australian franchising industry, even though research has looked at factors influencing the decision to buy a franchise within the context of the larger decision to become self-employed. The goal of this study is to develop theory through the presentation of a number of general premises that explain the choice to.



Keywords: Franchise, Services Marketing, Self-Employed, KFC, Mcdonald's.

Introduction

Although the perceived benefits of the franchising business model have received a lot of attention from the franchisor's perspective, the motivational factors influencing franchisee decision-making have received relatively little attention. This may be the consequence of a misconception that the franchisor makes all final decisions regarding franchises, or it may be the product of a challenge in gathering reliable data from the franchisee population, or it may be the result of a narrow assumption that both franchisees and franchisors have symmetrical motivations. Whatever the cause, grasping franchisee motivations is crucial for the development and administration of franchising partnerships. The motivations behind why particular entrepreneurs choose to purchase a franchise are examined in this essay.

KFC (Kentucky Fried Chicken)

KFC, or Kentucky Fried Chicken, is a fast food restaurant chain with headquarters in Louisville, Kentucky, and a fried chicken focus. With 22,621 locations worldwide in 150 countries as of December 2019, it is the second-largest restaurant chain in the world (by sales) behind McDonald's.



Yum! Brands has over 55,000 restaurants in 155 countries and territories operating the Company's restaurant brands – KFC, Pizza Hut, Taco Bell and The Habit Burger Grill.

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Literature Review

It is strange that so few studies have been conducted into why people choose to become franchisees (Hough 1986; Pham, Butler, and Lee 1996) given that researchers and practitioners advocate the financial benefits associated with the recruitment of suitable franchisee candidates that will fulfill the franchisor's goals (for instance, Jamb lingam and Nevins 1999). Franchisers should be better able to attract and qualify qualified potential incumbents and choose those people who would bring value to their network by understanding franchisee motivational incentives (Achill 1996). Although franchise agreements oblige franchisees to pay fees, royalties, and levies to franchisors, many franchisees could place a higher value on the perceived decrease in financial risk than on having full control over their own company. Potential franchisees may regard franchising as an effective means of distribution that offers an interdependent power-sharing system in a safe and independent organizational setting.

Company name:	McDonald's	Kentucky Fried Chicken (FKC)
Type:	Public	Subsidiary
Headquarters:	Oak Brook, Illinois, U.S.	Louisville, Kentucky, U.S.
Number of locations:	33,000+ worldwide, 700+China	11,000+worldwide, 1500+China
Products:	Fast food (hamburgers, chicken, French fries, soft drinks, coffee, milkshakes, salads, desserts, breakfast)	Fried chicken, grilled chicken related Southern foods and Asian foods.

A Canadian study determined that the most significant advantage of franchising is a tried-and-true business model. Another study discovered that the value of a well-known brand and cheaper upfront development costs were the main factors in people's decisions to franchise. In addition to the ideas put forth in the following section, this research will look at the relative weight franchisees give the brand name, business model, organizational support and training, perceived future autonomy, and operational independence when deciding whether to become a franchisee. Although these studies offer insightful data regarding the advantages of franchising, the Australian franchising industry has not formally analyzed them. Recent research also implies that these experiments might not have fully accounted for the variety of motivational motivations.

Thus, this research addresses gaps in the literature through the investigation of the following research question:



P1: People who want to hire friends or family members are more likely to buy a franchise than people who don't have these desires due to prior job and family conflict

Conflict in the home or at work may affect a person's degree of job satisfaction, according to some research. According to research, franchising might provide more flexibility than a paid position. The urge for people to pursue self-employment did not, however, appear to be correlated with the degree of friction between their personal and professional lives.

P2: People who experience more family and professional conflict are more likely to buy a franchise than people who experience less conflict

This could be because franchising gives unsuccessful businesses the chance to be self-employed; research implies that the decision to franchise is rooted in a person's desire for independence

in general. However, a more recent study discovered that prior self-employment was inversely associated with the likelihood of becoming a franchisee. As a result, there doesn't seem to be agreement in the literature.

P3: People who have previously worked for themselves are more likely to buy a franchise than people who have never worked for themselves

The prospective franchisees are likely to be more knowledgeable about system operations and overall performance than those who have no prior familiarity with the system. According to exchange theory research, experience is linked to higher order comparison levels, which could lead to a more critical assessment of the benefits of franchising.

P4: People who have previously worked in the franchising industry are more inclined to buy a franchise than people who have never done so

It is still in the early stages of development and the quantitative results come to be premature or inconclusive, qualitative approaches were utilized in this study.

Overview of Research Findings Analysis

All franchisees stated that they were quite happy with their decision to buy a McDonald's franchise. All of the respondents said that the franchise system's trademark or brand was its biggest benefit. The majority of respondents regarded the projected financial rewards as the second most crucial factor, followed by organizational support and training, and the tested idea or "business formula" as the third most crucial factor. Less than half of the interviewees cited financial stability as a reason for joining the franchising system, which seems to be similar with data from other countries (Stan worth 1999). Additionally, two respondents named the performance of the prior franchisor as a key factor in their choice to join the system. One interviewee in particular mentioned marketing innovation and competitive positioning as key determinants in the choice to buy a franchise.

Propositions were Supported

There was Opposition to Proposition 1

Less than half of the interviewees concurred that their choice to franchise was not significantly influenced by the possibility of providing friends and family with future employment. Only three franchisees expressed an interest in finding a company that would allow them to work alongside their spouse or partner, which is comparable with findings from other countries.

Poor Support was given to Proposition 2

Six respondents named their choice to get into self-employment through franchising as being motivated by prior employment and family issues. Four of them said that since franchising gave them greater flexibility over their working hours, it provided a way for them to meet the needs of their uniform seen families. These findings support the theory that people are drawn to franchising because it offers them greater autonomy and operational independence.

Weak Support was given to Proposition 3

The majority of respondents said they had prior experience working in the franchising industry. Seven respondents said it had given them a special insight on the elements necessary to ensure success in the industry.

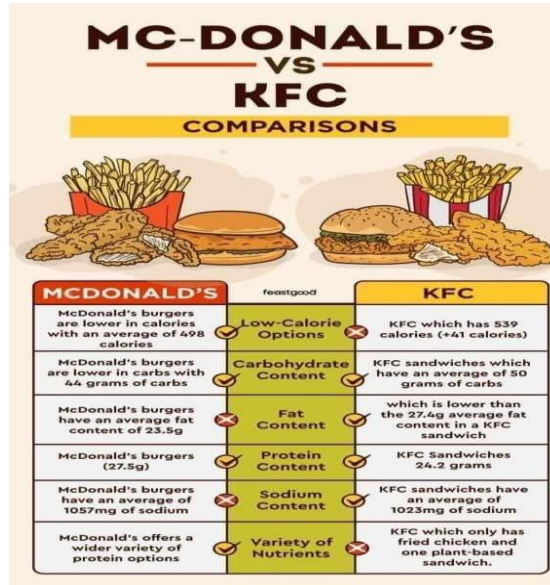
Proposition 4 Received Strong Supports

Conclusion and Recommendation for Future Research

The qualitative results of this study mostly supported the proposed theoretical connections between the identified components. To confirm and validate the suggested theoretical correlations, additional study is required. This is anticipated to happen in a future, extensive quantitative study of franchise systems.

Comparison between Macdonald's and KFC

Two of the most well-known fast food restaurants, McDonald's and KFC, are adored by people all over the world. McDonald's is usually the best choice when it comes to hamburgers, but KFC is always the first restaurant that comes to mind when thinking about fried chicken. This is due to the fact that the same things produced by these two companies have evolved into their trademarks and, consequently, their personalities. The primary Distinction between McDonald's and KFC is the type of food they provide.



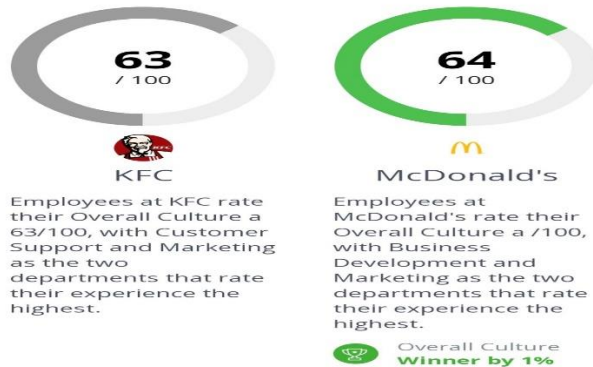
In essence:

McDonald's vs. KFC

- In the US and across the world, fast food businesses KFC and McDonald's are both well-known.
- In terms of their consideration of higher animal welfare standards, KFC and McDonald's are both questioned.
- The menus at KFC and McDonald's have distinct iterations. But on their menus, they both offer chicken.
- Fried chicken is the main product of KFC, whereas hamburgers are McDonald's major product.
- McDonald's also sells French fries, a breakfast menu, desserts, and chicken sandwiches. Chicken wraps, sandwiches, salads, roasted and grilled chicken dishes, and desserts are among KFC's other menu items.
- McDonald's is 10 years younger than KFC.
- KFC's logo is a cartoon representation of its original originator, whereas McDonald's is a giant yellow "M."

McDonald's definitely leads the competition with the recent addition of breakfast menu. Let's have a close look at the menu offered by McDonald's and KFC in India.

Overall Culture at KFC vs McDonald's





KFC

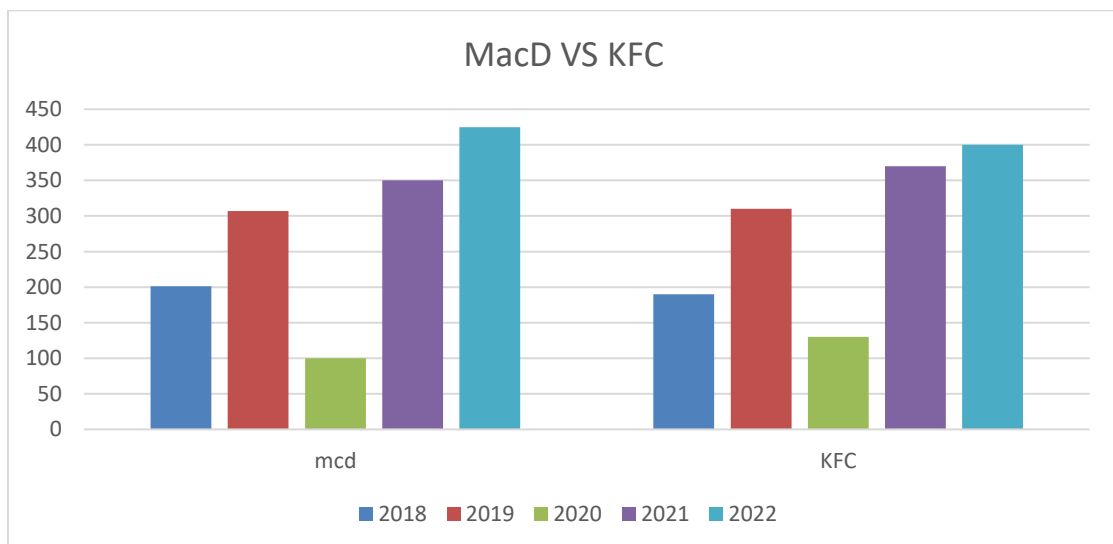
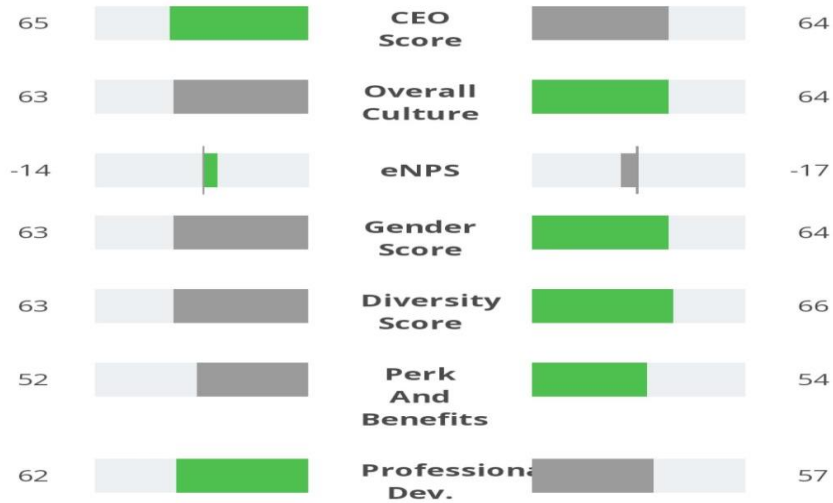
KFC doesn't have enough ratings to calculate the Team Culture Ratings.

Know someone that works there? [Invite them to rate their experience.](#)

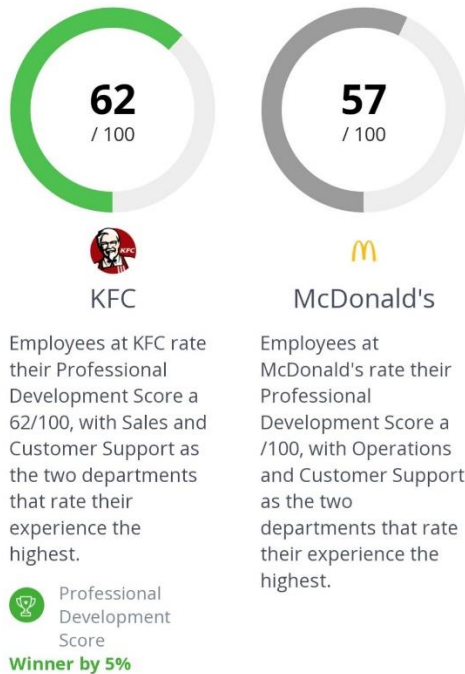


McDonald's

Employees at McDonald's rate their CEO, Chris Kempczinski, 64/100. This score is 1% lower than the scores of KFC's CEO, Sabir Sami. Employees in the Legal and Design departments rate Chris Kempczinski the highest.



Professional Development Score at KFC vs McDonald's



Summary

In conclusion, McDonald unquestionably tops the pack thanks to its widespread distribution across the nation. Every age group adores its delicious hamburgers. Additionally, a wide variety of popular vegetarian fast food is available. In keeping with McDonald, KFC has advanced and established itself in India. Thousands of Indians are weak to its delicious chicken. In order to wow the clients with their vegan and non-vegan delights, both of these fast food giants have advanced significantly.

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