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Determinants of sustainable growth for franchised restaurant brands in South Africa

Christopher Alan Wingrove

A research report submitted to the Faculty of Commerce, Law and Management, University of the Witwatersrand, in partial fulfilment of the requirements for the degree of Master of Business Administration.

Johannesburg, 2015

ABSTRACT

The fast food franchising industry has provided the South African economy with the opportunity of development and empowerment of skills, employment and growth within the business sector at both an entrepreneurial as well as a corporate level. The foundation of the franchising business model has provided substantial wealth creation for the franchisor and franchisee, however within the rapid changing business environment increased competition from both local and international franchises has placed significant pressure on revenue growth.

This study focused on two factors that influence revenue growth at a store level within the fast food franchising industry across two franchised restaurant brands, Steers and Debonairs and the impact these two factors have on their long-term sustainability. The factors entail site selection and brand knowledge from a consumer's point of view and examine how these two variables significantly influence revenue growth.

Research data was collected from 141 consumers across eight franchised outlets spread across four retail sites. Descriptive statistics, correlational analysis and stepwise regression technique were applied to determine the factors that influence revenue growth across the two franchised restaurant brands.

The findings of this research suggest that factors relating to competition, convenience and central facilities available within the retail site have also shown to have a relationship with that of revenue growth.

The importance of understanding how consumers choose a retail location and the brand available within the retail location provides both the franchisor and franchisee with the opportunity to make informed decisions about their business model, at both store and corporate levels. The research provides the foundation for further research into this topic with the inclusion of additional brands and additional variables

DECLARATION

I, Christopher Alan Wingrove, declare that this research report is my own work except as indicated in the references and acknowledgements. It is submitted in complete fulfilment of the requirements for the degree of Master of Business Administration in the University of the Witwatersrand, Johannesburg. It has not been submitted before for any degree or examination in this or any other university.

Christopher Wingrove - Electronic Signature

Signed at: 1 Troupant Road Bryanston

On the 25th day of May 2015

DEDICATION

This research report is dedicated to my family, friends, and fellow WBS colleagues who have all been a part of this incredible journey. The stepping stones and challenges to get here have provided the foundation for greater opportunities to come in life and the ability to leap forward with ease.

I thank each one of you for your patience, support and respect for the time dedicated to learning, this knowledge will not go unused and will be utilised in this life and the next.

All my love

Chris

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Steers and Debonairs outlets, to the franchisee' s and managers who welcomed me into the franchised outlet and allowed the research to take place, thank you for your time and support in this regard. I know it will add value back at the store and within your businesses.

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CHAPTER 1. INTRODUCTION

1.1 Purpose of the study

The purpose of this research report was to identify and measure variables that influence revenue growth and therefore sustainable growth of franchised restaurant brands within South Africa.

1.2 Context of the study

This section provides insight into the fast food and franchising industry within the emerging market of South Africa. This report focuses on two franchised restaurant brands, Steers and Debonairs, which form part of the Famous Brands portfolio. Famous Brands provides a full franchise solution to the food franchising industry. Currently the group has 24 flagship brands in their portfolio and a footprint of just over 2 000 franchised restaurants across South Africa. At present, Famous Brands does not own any of the franchise restaurants; these franchised outlets operate under and are governed by franchise agreements between the franchisor and franchisee (Famous Brands, 2014).

Business format franchising, is said to be the most commonly studied form of franchising as noted by Nijmeijer, Fabbricotti, and Huijsman (2014). It is defined as a “distribution network operating under the shared trademark or trade name with franchisees paying the franchisor for the right to do business under that name for specified period of time” (Franchising Association South Africa, 2014, p. 1). The franchisee therefore receives the right to resell the goods or services of the franchisor within a defined location for a specific period determined by a franchise agreement, which is a binding legal agreement between the two parties (RSA, 2009).

The franchising industry has provided a substantial revenue stream to the South African economy and contributed over R302 billion to the overall GDP in 2013, with the fast food franchising industry leading with around 22 percent of the overall

sectors of franchised outlets (Timm, 2013). Fast food outlets and restaurants constituted highest level of growth in this sector with 356 new stores opened in 2013, yet also accounted for 23 percent of all franchised outlets that closed during the same period.

At present, the current Gross Domestic Product in South Africa remains sluggish at around 2.3 percent and spending on food and non-food related items is forecast to continue growing and is projected to exceed R1.4 trillion by 2016. The franchising industry has enabled development within emerging markets and has created opportunity for employment and growth of small medium enterprises. Compounded with the increasing emerging middle market in South Africa, projections estimate that by 2016 there will be around 11 million consumers with an average annual income of R90 000 within this market (PwC, 2012).

Various factors influence the performance and profitability of the franchising industry and model; therefore, it is essential to have the appropriate strategy for each market (Kacker, Dant, Emerson & Coughlan, 2013). The factors that have previously been investigated include the relationship between the franchisor and franchisee, specifically focusing on how the size, age, level of competition and number of franchised outlets and how these factors influence the size of the total network distribution (Shane, 1998). However, very little research has been completed at a store level across franchised restaurant brands investigating the drivers of growth in relation to the size of the network (Castrogiovanni & Justis, 1998).

Agency costs, as noted by Michael and Combs (2008), are associated within the franchising industry and therefore the responsibility lies with the franchisor to ensure high quality franchisees are selected to run and operate these franchised outlets. The advertising, brand building, product / service mix and overall quality monitoring of the franchised outlets are a direct reflection of the franchisor and is the obligation of the franchisor to ensure that this is accomplished across the network distribution to ensure that the revenue growth and sustainability of both parties (Kaufmann & Stanworth, 1995).

Increased competition from international brands, such as Domino's, Pizza Hut and Burger King, entering the local market place has engaged additional pressure on local fast food outlets and the franchise model itself to ensure that they protect their current market share and increase revenue growth to remain profitable and sustainable in the long-term. Site selection and brand name in the fast food industry is the key to ensure that the product offering can be easily accessed and is well distinguished from competitors when a consumer makes a purchase decision.

The franchising model relies substantially on retail location that is used to attract consumers to their brands. Keller (1993) shows that the brand name and brand elements can be identified as logos and symbols used as signals of what the customer will receive at a particular brand or outlet based on prior experience. However, the consumer needs to be attracted to the retail location in the first place and have a common purpose for making use of the central facilities available within the retail location (North & Kotze, 2004). Central facilities of a retail establishment comprise many attributes including family shopping, banking facilities, retail merchandising, food court, entertainment and security.

Looking into the factors that influence consumer spending habits within the South African fast food market has revealed that there is indeed an increased consumption of fast food across the lower, middle and upper socio-economic groups. Van Zyl, Steyn and Marais'. (2010) study on characteristics and factors influencing fast food intake of young adult consumers within Johannesburg, South Africa showed that from a sample size of 341 consumers, interviewed across three shopping centres, 42 percent of consumers, who earned less than R5 000 per month, spent on average, R200 per month on fast food. Results from the study showed the most popular fast food take away choice was burgers (69.5 percent), pizza (56.6 percent) and fried chicken (38.4 percent). In summary, three key factors that influence the choice of fast food consumption are time, convenience and taste (Van Zyl et al., 2010).

The total revenue generated through the food and beverage industry in South Africa for the period February 2014 to April 2014 grew by 4.6 percent on the prior

year, to R10 398 billion (Table 1). A key driver of this growth can be attributed to that of the fast food and take away outlets, which grew at 8.6 percent over the same period and generated revenue of R3 672 billion (Stats SA, 2014).

Table 1: Year-on-year percentage increase on food and beverage income

(Stats SA, 2014)

Type of enterprise	Feb-Apr 2013 (R million)	Weight	Feb-Apr 2014 (R million)	% change between Feb-Apr 2013 and Feb-Apr 2014	Contribution (% points) to the total % change
Restaurants and coffee shops	4 761.3	45.8	4 949.5	4.0	1.8
Takeaway and fast food outlets	3 672.2	35.3	3 989.5	8.6	3.0
Catering services	1 965.2	18.9	1 941.8	-1.2	-0.2
Total	10 398.7	100	10 880.8	4.6	4.6

Governmental, political, social and economic change in South Africa between 2001 and 2011 has shown a drastic shift in the consumer profile, the biggest shift has been the decline of 48 percent of the lower consumer profile as segmented by the Living Standard Measures (LSM) 1 to 4. A major shift in the LSM 5 to 7 has been identified by a 57 percent increase in this segment, as well as 45 percent increase in LSM 8 to 10 (SAARF, 2012). Therefore, the aggregated projected food sales in South Africa, for the period 2011 to 2016, are forecast to grow at around 3.75 percent (PwC, 2012). This growing middle market leaves the fast food market open to both the local and international firms; the key to success will rely on positioning in the market through site location and brand performance.

1.2.1 *Business related issues to the research*

Several factors influence the revenue of a franchised restaurant brand; this report will attempt to measure how site location factors and brand knowledge factors influence revenue growth of franchised restaurant outlets. With increased expenses, such as input costs, salaries and wages, electricity and rental expenses, which escalate at a minimum of eight percent a year, it is essential that

business can grow top line revenue as well as control their expenses. This is to ensure a profit can be made, a return on investments achieved and that sufficient cash flow for future projects and/or investments, such as revamps of the existing business, can be achieved.

With increased competition from both local and international brands entering the South African market, retailers have had to adjust to the market demands and ensure a wider net is cast across its consumer base in order to capture the full range of the customer base measured through LSM 1 to 10. Location has been identified as a key differentiator, as shown by 59 percent of the black LSM 10 living in the greater Johannesburg area (SAARF, 2012). In order for retail locations to attract consumers within the surrounding area to visit, experience and return to the retail site and store, the facilities within the retail location need to cater for the surrounding area consumer needs (Strydom, 2014).

North and Kotze's (2004) study included numerous factors that are said to attract consumers to retail locations, including family shopping, banking facilities, retail merchandising, food, entertainment and security. These factors are said to be the central facilities within the retail establishment, however consumption of fast food and revenue generated between different brand names comes down to the success of the brand itself. Location of fast food outlets within retail establishments is primarily located within that of a food court or strip mall areas where many competitive offerings are available. These competitive offerings can be a contributing factor towards the performance of a particular fast food outlet (Shaw, 2009).

The second factor that has an influence on revenue growth of a brand and in this case a franchised fast food outlet is that of brand knowledge of the consumer. This can be broken down into two elements, brand awareness and brand image (Keller, 1993). These elements play a vital role in differentiating a specific brand from a competitor brand. Increased levels of brand awareness and a progressive brand image have a beneficial financial impact and allow the brand to command a price premium through its offerings and drive customer loyalty, which ultimately will reduce the long-term cost of acquiring new consumers.

Time, convenience and taste are shown to be three elements that influence consumers' brand choice within the fast food industry and therefore need to be taken into account (Van Zyl et al., 2010). While the Steers and Debonairs brands target consumers with different food offerings, the overall product category of fast food remains the same. Vast disparity has been identified between Steers and Debonairs revenue and revenue growth in similar markets with similar consumer profiles, which require some understanding.

Brand salience with consumers is important to ensure that a particular brand is top of mind when a consumer thinks about purchasing a product and therefore a brand strives to have a strong brand resonance with consumers to ultimately lower costs and increase profits in the long-term. The ability of a store to provide a superior product, service and overall experience within a competitive environment on a consistent basis will have a long-term impact on the customer base, as well as the revenue generated through the store by repeat business from loyal customers. Building strong brand equity is vital to a sustainable competitive advantage in the market place; this is based on a relationship between that of franchisor and franchisee and is essential in promoting brand equity of each brand across a portfolio (Nyadzayo, Matanda, & Ewing, 2011). Conversely, a franchisee that operates within a transient environment and relies solely on travelling consumers that will make a once off purchase, has no incentive to drive the long-term sustainably of the brand and will look to maximise short-term profit only (Watson & Johnson, 2010).

1.3 Problem statement

1.3.1 *Main problem*

The research problem was to identify external factors that influence the performance of two franchised restaurant brands.

1.3.2 *Sub-problems*

The first sub-problem was to measure the impact of site selection on the franchised restaurant brands' revenue growth.

The second sub-problem was to measure the impact of brand knowledge on the franchised restaurant brands' revenue growth.

1.4 Significance of the study

This study aimed to deepen the understanding between that of site location, brand knowledge and the impact these two elements have on revenue growth. The Steers and Debonairs brands are both prominent market leaders within their categories of fast food, hamburger and pizza offerings respectively. This study provided insight into how these two crucial elements impacted revenue growth and influenced the longevity of the brand.

The results obtained from this study benefitted both the franchisor and franchisee providing a better understanding of how site selection and brand knowledge influence revenue growth. Understanding the organisations' value proposition is an important part of strategy to ensure a sustainable competitive advantage is achieved (Kaplan & Norton, 2004). Strategy is based on a 'differentiated customer value proposition', as shown by Kaplan and Norton (2004), and therefore requires a clear indication of the value proposition offered to the segmented market that the organisation is trying to reach.

The franchisor benefited from a better understanding of the importance of site selection and brand knowledge within the competitive environment, thus enabling better site selection in the future and what drive consumers to these retail sites. Furthermore, the importance of brand knowledge across segmented markets was valuable in providing direction and guidance for the marketing of the brands going forward with primary local information pertaining to an emerging market playing a crucial role.

The study benefitted the franchisee with regard to the current positioning of their store within an emerging market and ensured that they have a greater understanding of how the location and brand knowledge influences their revenue growth. Furthermore, the advantage for franchisees considering expansion of their current portfolio, or new franchisees interested in entering the franchising business was evident.

1.5 Delimitations of the study

The data collected was limited to the Steers and Debonairs brands under the Famous Brands portfolio within selected franchised outlets named A, B, C and D as described in Appendix B. This delimitation was used for practical reasons to ensure a consistent result was achieved using similar comparative means. The following delimitations are noted:

- The research was focused primarily on the site location of franchised quick service restaurants;
- The research was limited to that of brand knowledge and specifically brand awareness, brand image and brand attributes within the current site locations and not focused on marketing strategies;
- The research was limited to that of the fast food industry and will not consider that of sit down restaurants;
- The research was limited to that of the Steers and Debonairs fast food brand outlets and will not consider non-franchised outlets;
- The research was limited to measuring the influence that site location and brand knowledge had on restaurant revenue growth; and
- The research was limited to that of selected regional and strip mall shopping centres located within the emerging market of Gauteng where both Steers and Debonairs brands operated.

1.6 Definition of terms

- *Brand:* A brand can be defined as “a name, term, sign, symbol or design, or combination of the[se], which is intended to identify the goods and services of one seller or group of sellers and differentiate them from those of competitors. These individual brand components are known as brand identities and when combined they make up what is called a ‘brand’” (Keller & Kotler, 2012, p. 263).
- *Emerging market:* This is an undeveloped market with high growth potential; the core focus is on that of goods rather than that of services (Gosh, 2010).
- *Franchise:* The right granted to resell the goods or service of the franchisor within a defined location for a specific period (Franchising Association South Africa, 2014).
- *Living Standard Measure (LSM):* A market segmentation and research tool, allows a market to be correctly segmented in terms of degree of urbanisation, possession of a motor vehicle and major appliances. Once the market has been segmented this allows the population to be grouped according to the LSM index, 1 being the lowest rating to 10 being the highest rating based on the latest LSM index scale (SAARF, 2012).
- *Sustainable growth:* “The maximum growth rate in the business measured by its growth in sales and net assets, which can be sustained within current operating and strategic parameters” (Ward & Price, 2006, p. 173).
- *Revenue growth, sales growth or turnover growth:* Within the franchising environment, this is measured by the annual growth of net sales. Several factors that influence the sales growth are said to be outside the franchisee control (Kasselmann, De Beer, Vermeulen & De Beer, 2002).
- *Shopping Centre*: Shopping malls are defined by their size and retail offering. As represented in Table 2, a retail shopping mall is classified according to the size of the mall in terms of square metres.

Table 2: Shopping centre classification

(Demacon, 2011)

Shopping Centre	Size Sq. Meter
Regional Mall	> 100 000
Regional Centre	50 000 to 100 000
Small Regional Centre	25 000 to 50 000
Community Centre	12 000 to 25 000

1.7 Assumptions

- It was assumed that the franchisor and franchisee were aware of certain elements relating to successful site location and the influence on revenue growth.
- It was assumed that the selected outlets and franchisor had a greater understanding of brand knowledge of their clientele and the influence on revenue growth.
- It was assumed that the franchisor and franchisee had a common understanding of the franchise business model and the requirements of a successful franchise outlet.

CHAPTER 2. LITERATURE REVIEW

This chapter outlines the supporting literature available for the development of the hypotheses against which the study was conducted. This chapter includes the formulation of the hypotheses throughout, with a summary of all hypotheses in the conclusion section.

The first objective discussed the influence of site selection on revenue growth, relevant literature on the local market as well as similar case studies completed, which provided evidence to support the determinants that influence site selection. Hypotheses were formulated to test the influence of site selection on revenue growth.

The second objective discussed the influence of brand knowledge on revenue growth; reference is made specifically to literature pertaining to brand knowledge within the fast food and retail industry. Hypotheses were formulated to test influence of brand knowledge on revenue growth.

Several factors influence the success of a franchise business model, increased growth is driven by the ever-changing environment that allows opportunities in the market place to be exploited; however, at the same time overextension and unplanned growth can lead to the decline of the business if not carefully managed (Hoffman & Preble, 1991). Within the emerging market place, a period of slow market growth alongside increased competition requires a new strategy to ensure that franchised restaurant outlets cater to the market demands in terms of menu mix, services and location. Revenue growth is a dependant variable that can be used to measure the success of a franchised restaurant model and ultimately the success of the franchised restaurant outlet.

2.1 Determinants of sustainable growth for franchised restaurant brands in South Africa

Franchising provides for a strategic alliance between the franchisor and franchisee, where the risk is therefore reduced and shared between both parties.

The franchisor reduces the risk where the franchisee outlays the capital required to invest in a brand and the franchisee reduces the risk of buying into an established brand with a guaranteed revenue stream, customer base and national footprint, thus generating cash flow (Hoffman & Preble, 1991).

Shane's (1998) study into making a franchise system work established that two key control variables are required to reduce the probability of failure within franchising business models, first this includes the size of the organisation and second the age of the organisation. The advantages of the franchising business model are factors such as access to capital, lowered risk, cost sharing, rapid market growth, and an increased distribution network that have proven successful in the past. However, with increased competitors entering the market space, downturn of the economy, increased inflation and increased input costs of the business model, revenue growth at a store level is essential to be sustainable but in some instances has not been achieved (Hoffman & Preble, 1991).

As noted in Chapter 1, agency costs exist within the franchising industry and therefore influence the business model and can lead to an overall increased risk that a franchisor needs to consider, where the opportunity of high growth exists this increases the appetite for new investors to buy into the franchise business model and the organisation. This allows the franchisee to be rewarded based on the financial growth of the business model, however when the growth is low this decreases the overall appetite for investment (Manolis, Dahlstrom, & Nygaard, 2011).

Franchising can be viewed as a generic strategy, in the sense that it provides two core functions, first it is a representation of the organisation's strategic choices made and second, franchising allows for the formation of strategic alliances between organisations (Hoffman & Preble, 1991). Therefore, strategy is a reflection of managerial decisions taken to align the organisation with the local market demands and ensure that they not only meet the consumer's needs but also exceed them. Three key decisions are said to influence the decision of the organisation within the franchising industry, these include product and market, technology, admin and lastly structures and systems.

While an overarching strategy is formulated at franchisor group level, this still needs to be executed on the ground at a store level. The franchised brands in this research report focused on eight franchised outlets trading across four retail sites. Site selection and brand knowledge were investigated in relation to their influence on revenue growth. The degree to which these two variables influence revenue growth independently is said to be a reflection of the franchisor's strategy as well as the franchisee's execution of that strategy. Increased fixed costs of operating a franchised outlet such as input costs, salaries and wages, electricity and rentals escalate at a minimum of eight percent per year; therefore, a minimum revenue or sales increase on the prior year of at eight percent is required to ensure a sustainable business model is achieved.

Within the retail environment, several factors exist that determine the success of a retail establishment and therefore influence revenue growth. These factors can be viewed as generic in some instances but rely on the fundamentals of site selection analysis and the attributes of demand density of a specific area (Goodchild, 1984). Retail site selection literature is readily available and proved useful for compiling this report, the majority of Famous Brands most successful fast food outlets operate within a retail or strip mall environment.

Famous Brands franchising division has a footprint of over 2 000 franchised restaurant establishments across South Africa. The Steers and Debonairs brands have over 300 franchised operational sites within the Gauteng Centre of Excellence (Famous Brands, 2014). Consumers numbering 141 were selected across four retail sites within the Gauteng region to measure how variables of site selection and brand knowledge influence revenue growth.

The sales growth or turnover growth within a franchising environment is measured by the annual growth of net sales on the prior year. Several factors that influence the sales growth are said to be outside the franchisee control, as noted by Kasselmann et al. (2002), and include, strength of the brand, site location, construction of the restaurant, effective marketing and management by the franchisor. However, there exists a major disparity between the sales turnover of Steers brand outlets and Debonairs brand outlets. Currently the average monthly

net sales per Steers outlet within the Gauteng Region is around R300 thousand compared to the Debonairs outlet with an average monthly net sales turnover of around R450 thousand (Famous Brands, 2014).

To date, all site selection of existing and new restaurants within the Famous Brand portfolio is based on a number of factors as per the Famous Brands new business development criteria (Famous Brands, 2014), including the following factors:

- Anchor tenants;
- Parking availability;
- Signage opportunities;
- Electricity supply;
- Tenant mix;
- Size of the store;
- Possibility of a combination store;
- Projected turnover;
- Competitors; and
- Existing famous brands stores within a five-kilometre radius.

The objective is to maximise the demand within the market share and be the brand of choice based on convenience within the given proximity of the trade area (Goodchild, 1984). However, with increased competition and a wider offering for consumers, site selection is based more on ‘gut feel’ with a view to having an increased footprint in the market place. Very little research has been conducted that indicates the success factors of site selection and the influence on revenue within the fast food industry. Certain critical factors need to be better understood and taken into consideration when assessing site selection to ensure long-term sustainable growth (Shaw, 2009).

Assessing the potential market and growth opportunity within the franchising industry, through the constant review of the sales performance, competitors, trends and the adjustments required at the store level, is essential to ensure that the correct brand building takes place to align the business with the ever-changing market and moving target of the consumer. Strategy formulation is important within

any market and utilising a matrix model approach, as shown in Figure 1, can help to develop and implement a framework for identifying strategic clusters (Hoffman & Preble, 1991). This allows for business to be classified into one of four quadrants dependant on the level of growth of that business and the competitive market position, including technological, leadership, manufacturing, financial strength and marketing competencies. Utilising the principle of the matrix approach in order to establish which brand falls into which quadrant and gain an understanding of which variables influence revenue growth will assist both the franchisor and franchisee to make informed decisions going forward.

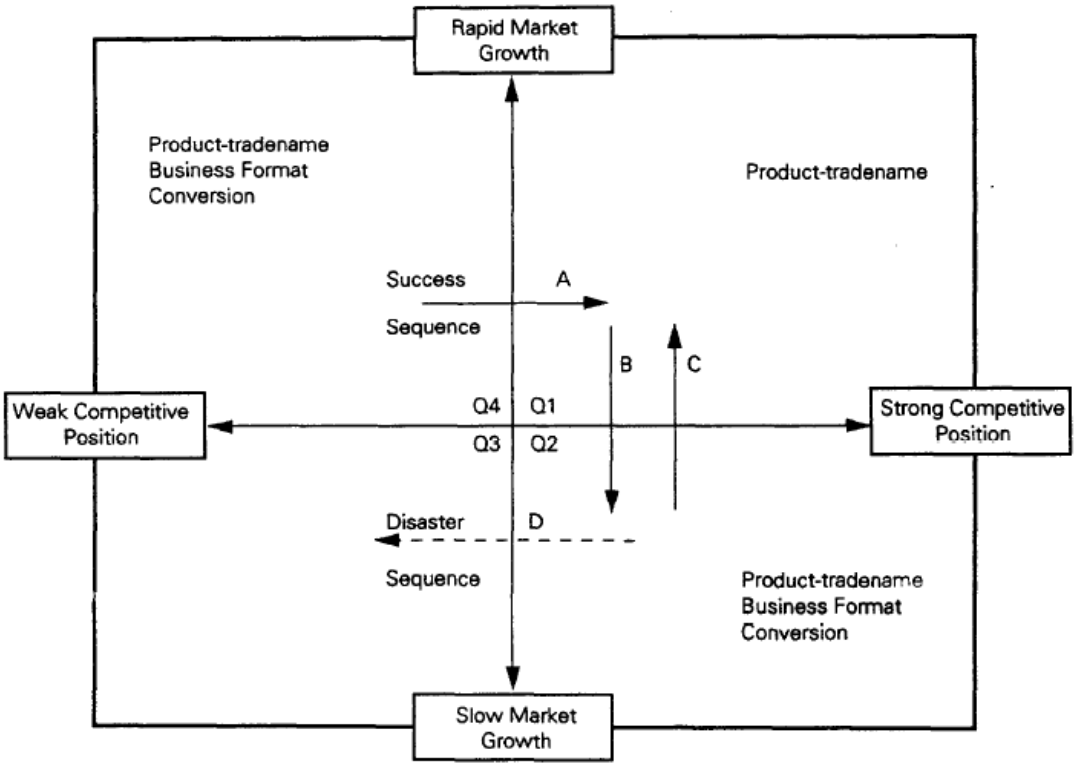


Figure 1: Framework for identifying strategic clusters

(Adapted from Christen, Berg, & Salter, 1976)

2.2 Site selection

Various models of site selection and allocation exist within the retail environment, the most prominent model, ILACS location-allocation model, as shown by Goodchild (1984), analyses the relationship between that of the facilities available within the location as well as the demand density within the area. By definition "Location-allocation is the simultaneous location of central facilities and the allocation of dispersed demand to them, to optimise the objective function" (Goodchild, 1984, p. 84). It is essential to establish the criteria of successful retail establishments; franchised restaurant outlets rely explicitly on the retail offering and central facilities to attract the consumers to the retail establishment. Therefore, the correct offering to the market is the key to ensure that consumers are aware of the central facilities available and these are aligned with the consumers' needs (North & Kotze, 2004).

Goodchild's (1984) location-allocation model suggests certain requirements to be appropriate to the location of the central facilities that are designed to serve a disseminated population specifically in that of retailing. Central facilities of a retail establishment are comprised of many attributes as noted by Wong, Lu and Yuan (2001). The Shopping Centre Attractiveness Scale (SCATTR) include the following but are not limited to: family shopping, banking facilities, retail merchandising, food court, entertainment and parking availability. Additional attributes within the South African environment have been included, such as security (North & Kotze, 2004).

Figure 2 is a summary of the five factors, which affect site selection. Each factor is discussed the sections that follow.

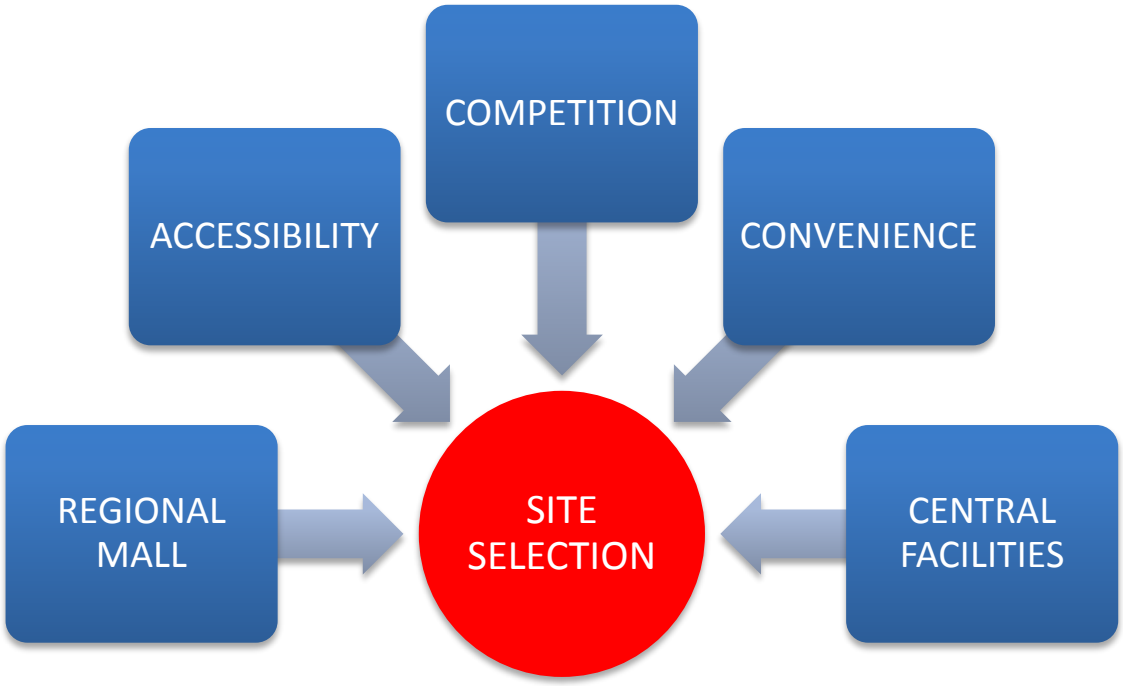


Figure 2: Hypothesised factors influencing site selection

2.2.1 *Regional mall factors influencing retail site selection*

The central placement theory of location (Ghosh & Craig, 1983) supports the generalised assumption that consumers will patronise the closest available store within the retail environment, thus the stores located closer to the entrance of the mall or in an emerging market closer to a main transport route, should perform at higher growth rates. However, larger regional retail malls have shown to provide a full range of goods and services offered to the trade area in comparison to smaller community shopping centres and therefore the expected demand within that smaller shopping centre will tend to be reduced (Tayman & Pol, 2011).

The greater the size of the mall to serve the surrounding population allows for increased number of retail offerings and increased central facilities, which in turn provides for a large number of consumers entering the retail environment and thus increases the likelihood of a consumers purchasing from a brand available.

Hypothesis 1: There is a relationship between fast food outlets located within a regional mall and sustainable growth.

2.2.2 *Accessibility factors influencing retail site selection*

Huff (1964) explains that a trade area of a retail establishment can be used to identify and assess the potential number of consumers, the level of patronage and the distances consumers are willing to travel in order to consume the goods. The attractiveness or pull factors of competing shopping centres or retail outlets can be used to attract consumers into the retail location (Huff, 1964). Therefore, the total distance between the retail location and consumers should be minimised to ensure that a trade area can be established and the consumer has an understanding of where the retail shopping centre is located as well as the availability of facilities within the retail shopping centre.

As shown by Jaravaza and Chitando (2013), the most prominent factors influencing customers' store choice within a retail establishment, based on 10 factors, resulted in only seven factors having a direct influence on consumers' choice. The factors specific location characteristics were ranked according to their level of importance from a consumer's point of view and include travel time (81 percent), location convenience (78 percent), nearness of complimentary outlets (56 percent) and store visibility (48 percent). Store specific factors included service quality (80 percent), price affordability (62 percent) and store ambiance (65 percent) (Jaravaza & Chitando, 2013).

Access to the retail outlet inside the shopping centre within the emerging market is a key component of site selection. Many consumers rely heavily on public transport, as shown in Strydom's (2014) study where 70.3 percent of the sample relied on local taxis. Accessibility to the retail outlets is key to success, however if the accessibility of the shopping centre does not allow for ease of access to the retail and food outlets available, this will decrease the chance of consumers patronising the retail location and therefore the outlets available.

As noted in Demacon's (2011) study, accessibility was defined by the parking availability, access to the main transport route as well as ease of access to the retail mall itself. This is further supported by North and Kotze's (2004) study, where

access is defined in a similar manner but included is the level of security pertaining to the South African environment.

Accessibility of a franchised restaurant brand is reliant on the accessibility of the retail site itself including, parking, ease of access, level of security and access to a main transport route.

Hypothesis 1a: There is a relationship between accessibility of the retail location and sustainable growth.

2.2.3 *Competition factors influencing retail site selection*

Goodchild (1984) identifies objective functions in the retailing environment through theoretical examples. First, where competitor activity is considered, consumers choose retail locations with no brand preference, rather based on convenience and proximity. The objective is therefore to maximise the demand within the market share and be the first choice of convenience within the proximity (Goodchild, 1984). Second, where competitor activity is ignored, the competitor activity within the retail location and demand is expected to be elastic with respect to the distance required to travel, and therefore increased distance will lead to increased competitors.

Maximising demand is therefore equal to minimising total distance required to travel. If competitor activity is considered, a market share model that identifies gaps in the competitors' market place coverage and therefore highlights what the retailer should implement to fill these gaps. If competitor activity is ignored, Goodchild (1984) suggested a competitor-ignoring model, which ignores all competition and focuses on current market penetration of locations that are highly accessible to the customer base. Competition of both local and international competitors is a key indicator of the market potential. As shown by Doherty (2009), international competition should be seen as a comfort factor in the sense that the correct research of the local market has been completed and indicates that there is in fact a potential market to be exploited.

Conversely, as noted by Emerson (2010), increased competition from international competitors and saturation of local brands have driven both prices and profitability down as competing brands look to get a bigger piece of the market share. In the early stages of the franchise development model the interests of both the franchisor and franchisee are aligned as both parties seek to exploit the untapped markets, however as these markets mature the interests of both parties may diverge. Saturation and cannibalisation of existing stores encroaching on existing trade areas can lead to the reduction of the probability of growth.

Corstjens, Corstjens and Lal (1995) show that shopping centres retail offering can compete for consumers based on low price, location, services, appeal and offering of a quality product. However, location has been seen as one of the protections from price competition, yet with the increased mobility of products and increased shopping centres available to consumers with private transportation, location is still a major factor; however, the final consumer decision is based on the supermarket offering within the retail centre.

Direct and indirect competitors as noted by Shaw (2009) both increases and decreases the revenue of a quick service restaurant brand operating within the South African environment. Both direct and indirect competitors were defined as those operating within a three-kilometre radius yet were shown to impact Steers revenue both positively and negatively. A McDonald's and Wimpy outlet operating within a three-kilometre radius positively increased the revenue of a Steers outlet, yet a KFC and Debonairs outlet negatively influenced the Steers revenue. The overall categories fall within fast food and take away offerings, yet the prominent product range of hamburgers within McDonald's and Wimpy could be shown to positively impact the Steers revenue as this was a similar category. KFC, representing a chicken category and Debonairs, representing a pizza category would provide the consumer with a choice that ignores the hamburger offering.

Thus, healthy competition is dependent on the product offering; increased demand for product offering allows for increased foot traffic as a food hub is established, which offers wider variety to consumers. Therefore, the strength of the brand is tested with increased competition and offerings.

Consumers, once attracted to the retail shopping centre must still make a purchase decision for their preferred brand of choice. In terms of the fast food offering, an increased number of fast food outlets available will cater for a wider clientele compared to a limited offering. As shown in Figure 3, as the demand density increases so should the central facilities available.

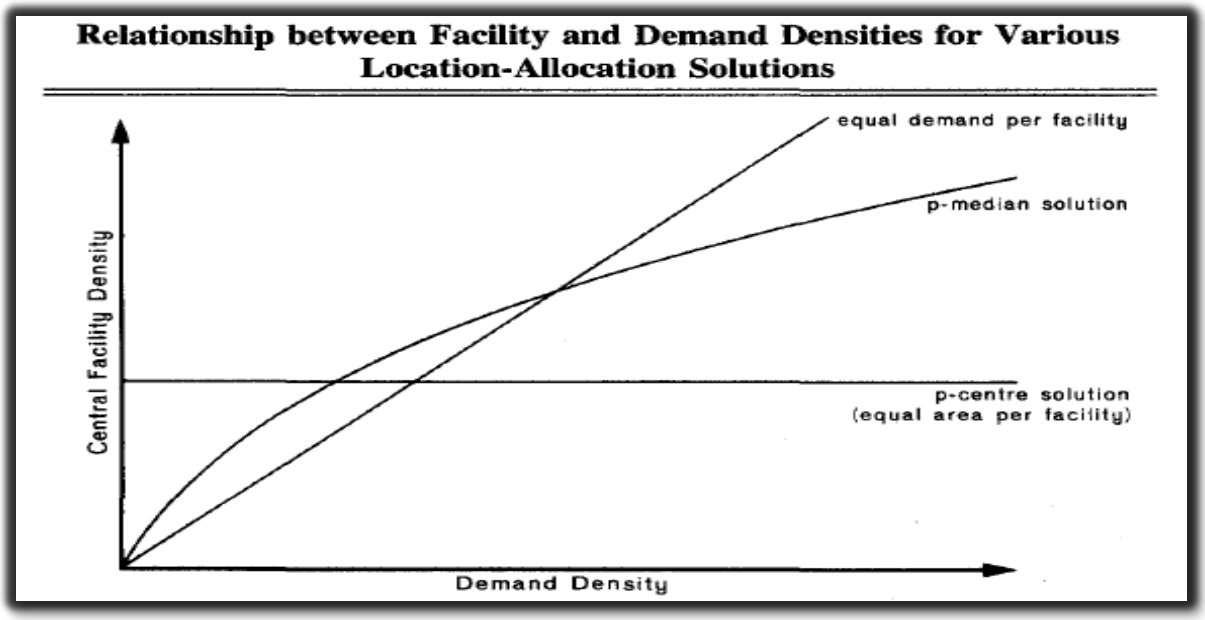


Figure 3: Demand density

(Goodchild, 1984)

Hypothesis 1b: There is a relationship between competition of fast food outlets and sustainable growth.

2.2.4 *Convenience factors influencing retail site selection*

Three key aspects relating to site selection within the retail environment have been noted as “location, location, location” (Baviera-Puig, Buitrago-Vera, & Mas-Verdú, 2012, p. 8). Therefore, the location and retail offering to the trade area of the environment is crucial to the success of the retail establishment. Location and convenience are two key success factors within the retail environment, yet many

other factors influence consumers store choice including price, selection of products and service levels of competitors (Tayman & Pol, 2011).

Famous Brands current footprint is large within the retail shopping centres as well as convenience-based locations. This has proven successful in the past to ensure that both the market share model and competitor-ignoring model have been applied; however, with consumer trends changing and international competitors entering the market a new understanding of what drives customers to retail and fast food locations is required. Within the emerging market, as noted by Jaravaza and Chitando (2013), convenience plays a vital role as many consumers have a pre-selected retail shopping centre that is located within walking distance of their home and or along a main transport route. Location convenience has been shown to be a major factor for consumers when they patronise shopping centres (Levy, Weitz, & Beitelspacher, 2012).

Consumers make decisions to shop at a particular supermarket based on location convenience, assortment, quality of the merchandise, service quality, price image and ambience, which play a major role (Berman & Evans, 1979). Thus location convenience of the retail site and the retail outlets available and can be said to influence consumers choice to patronise a particular retail mall itself as well as the retail outlet located within that mall.

Hypothesis 1c: There is a relationship between the convenience of site selection and sustainable growth.

2.2.5 *Central facility factors influencing retail site selection*

Store outlets must recognise the trade area and ensure the offerings are in line with the market requirements; the trade area can be described as “the continuous geographic area” that accounts for the majority of the store sales and customer base (Applebaum & Cohen, 1961). Therefore, it is essential to understand how consumers choose first, the site location and second, the brand within the site location. In order to attract the maximum consumers within the trade area, the

correct retail location mix of both tenants and offerings is crucial to success, as each location is unique with its own demands (Jaravaza & Chitando, 2013).

Factors that influence customer' store choice are said to include the size of the retail establishment, access to transport, availability of parking, surrounding population and level of competition (North & Kotze, 2004). Clusters of retail stores within a shopping centre generate increased consumer traffic; previous research by Grewal, Baker, Levy and Voss (2003) focused on three key attributes that influenced consumers' intention to patronise the retail store. These included customer density, wait expectations and store ambience. Results show that increased consumer density per store can lead to a negative association of the store and reduce the likelihood of purchase intention due to the wait time expected and low level of service. Similarly, the store layout and ambience of the store including the lighting, colours, signs and graphics have shown to have a positive influence on consumer's intention to purchase.

Martineau (1958) shows that retail store image plays a vital role in the consumers purchase decision, retail store attributes including, merchandising, accessibility, service and atmosphere are key factors influencing the purchase decision. Shopping centre attractiveness instrument, as employed by Wong et al. (2001) has proven to be successful in analysing those factors that attract consumers to shopping centres. They developed 21 attributes that can be used to assess the attractiveness factors within the retail environment. Frasquet, Gil and Molla (2001) further support this with the 19-attribute scale used to assess the perceived shopping centre customer value. The post factor analysis identified four constructs that influenced customer perceived value, including detail assortment and quality, atmosphere, décor and design, accessibility, parking and lastly time and convenience.

Within the emerging market, the basic requirements of the consumer needs have to be met and therefore the central facilities, as shown in previous research, including banking facilities, major retailers and supermarkets, retail shops, and entertainment facilities must not only suit the surrounding trade area but also act as a pull factor for consumers who patronise the retail mall.

Hypothesis 1d: There is a relationship between central facilities of the retail location and sustainable growth.

It is noted that in the case of the Debonairs franchise, free delivery is a unique concept that allows the product to be delivered to the consumer within a five-kilometre radius and ensures that the consumer would therefore have the facility or product, in this case, brought closer. Delivery sales do not constitute all turnover (see Table 3), however it was considered. Therefore, the site selection for this report took this into consideration, the average contribution of deliveries to total turnover for Debonairs sites was around 10 percent as shown in Table 3 below. Therefore revenue growth for deliveries across Debonairs sites has been included yet has shown an overall negative growth across the four retail sites and does not constitute majority revenue growth.

Table 3: Debonairs delivery percentage

	Debonairs Delivery Contribution				
Debonairs Retail Sites	**A**	**B**	**C**	**D**	**Total**
2013 average contribution of delivery % to sales	14.67	11.68	7.53	7.95	10.46
2014 average contribution of delivery % to sales	14.63	7.09	10.98	7.91	10.15
Year-on-year growth % of deliveries	-0.04	-4.59	3.45	-0.04	-0.31

The breakdown of this is indicated in Appendix B.

2.3 Brand knowledge

Customer-based brand equity is defined by Keller (1993) as “the differential effect of brand knowledge on the consumers’ response to marketing of the brand” (p. 3). Keller (1993) explains that a brand is said have what is known as a positive or negative customer-based brand equity when they respond more or less auspiciously to a component of the marketing mix of the brand, compared to an unnamed product or service.

The significance of knowledge memory in consumers is essential when making purchasing decisions, therefore understanding the composition of brand

knowledge is an important concept as it informs the consumer what brand to recall when purchasing a product or service as noted by Keller (1993). Brand knowledge is information that consumers retain about certain products or services, this knowledge is therefore stored in the mind of the consumer in the form of a memory node. Nodes are stored information associated by links that vary in the degree of strength (Collins & Loftus, 1975). The spreading activation process takes place between the nodes and establishes the ability to recall the information. The spreading of information from one node to another takes place and allows the transfer of information, once the activation of a node peaks at a certain level the information is recalled and in this case would refer to the capacity to recall the brand (Keller, 1993).

Figure 4 is a summary of the four factors, which affect brand knowledge. Each factor is discussed the sections that follow.

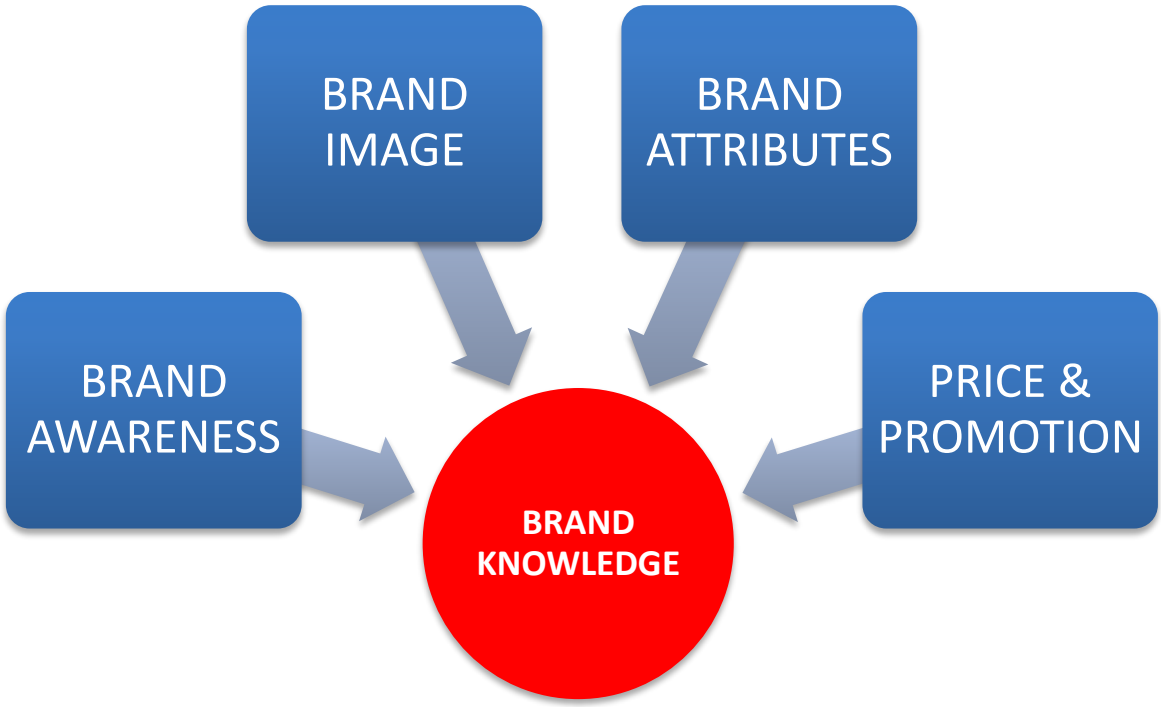


Figure 4: Hypothesised factors influencing brand knowledge

2.3.1 *Brand awareness and brand image*

A brand can be defined as “a name, term, sign, symbol, design or combination of them, which is intended to identify the goods and services of one seller or group of sellers and differentiate them from those of competitors” (Keller & Kotler, 2012, p. 263). Keller (1993) shows that these distinctive brand components are known as brand identities and when combined they make up what is called a brand. Brand knowledge comprises two elements brand awareness and brand image, these form part of the memory node that consumers hold when identifying a particular brand. Brand equity is essential to understand from a business point of view and more importantly customer-based brand equity informs us of the true reflection of the brands performance. Therefore favourable consumer response to the brand and a positive consumer-based brand equity will in theory lead to enhanced turnover growth, reduced operating costs and ultimately lead to greater profits in the long-term (Keller, 1993).

When a consumer thinks about purchasing certain food products within, for example, the fast food category, not just the choice of a pizza or a burger should come to mind but more specifically a Debonairs pizza or Steers burger would come to mind since there is some strong association with that of the product category as shown by Keller (1993). In this case, the customer would refer to perceptions of taste, texture or quality, an image of the brand most recently displayed through an advertising campaign, a cue, or an experience of product consumption. The conceptualisation of brand knowledge through memory recall is extremely important. Keller (1993) summarises that the relevant dimensions that characterise brand knowledge and influence consumers’ response are the “awareness of the brand (in terms of brand recall and recognition) and favourability, [along with] strength and uniqueness of the brand associations in the consumer’s memory” (Keller, 1993, p. 3).

The first characteristic of brand knowledge comprises brand awareness, which is associated with the strength of the brand node and the capacity to recall the brand in various settings. Brand awareness comprises two parts, including that of brand recognition and brand recall performance (Keller, 1993). Brand recognition relates

to the consumers ability to ratify a prior experience with a product utilising the brand as a clue, whereas brand recall refers to a consumers ability to recall the brand when given a product category.

Therefore, incremental levels of brand awareness and positive brand image should lead to an increased likelihood that the consumer will choose a particular brand more often, thus creating consumer loyalty and decreasing the cost of acquiring new customers on a consistent basis. To support this further, higher levels of brand awareness and positive brand image have an explicit influence on pricing strategies, distribution and promotion activities of a brand (Keller, 1993). Once the brand has developed a reputable brand image this should enable a brand to command larger margins and reduce price sensitivity with consumers; the most significant characteristic related to brand image that influences consumer's responses to price is the brand attitude.

Therefore, brand image, according to Keller (1993), is the perception of the brand as reflected by associations, which are embedded in the consumer's memory. Brand associations are the additional information nodes that are connected to the brand node in the consumer's memory and embrace the meaning of the brand.

Van Zyl's et al. (2010) study on factors influencing consumers' choice in fast food selection reveal that 49 percent of the consumers sampled indicated that advertising messages influenced them to purchase fast food. Consumers from the medium and low socioeconomic groups were influenced more through media advertising as compared to the higher socioeconomic group. The majority of the consumers, 88 percent, indicated that television advertising was the most influential form of media.

Therefore, to attract consumers to a particular fast food brand and convert this into a purchase decision is dependent on the consumer's brand knowledge through brand recall performance and recognition of a positive prior experience of the product. A brand logo plays a vital role in subtly reminding the consumer of the brand presence and differentiating the brand from its competitors within the trade area.

Once consumers have an understanding of what the brand stands for and are aware of the brand presence in a shopping centre, through a cue such as a logo or sign, the likelihood of a purchase decision will increase. A positive brand image across a brand can be confirmed through their response to how they feel about the brand itself. Consumers will therefore actively search for their brand of choice within a shopping centre; subtle cues such as directional signage can help to guide the consumer to where the brand is located and keep them top of mind.

Hypothesis 2a: There is a relationship between brand awareness and sustainable growth.

Hypothesis 2b: There is a relationship between brand image and sustainable growth.

2.3.2 *Brand attributes*

Keller (1993) notes that brand associations can take diverse forms, in order to successfully differentiate among brand associations, one measurement tool is by the level of generalisation, as shown by Johnson and Russo (1984). Therefore brand associations can be split into three groups, attributes, benefits and attitudes of the brand (Keller, 1993). Product related attributes refer to physical composition of the product such as the ingredients required to produce the product or service. Non-product related attributes are just as important and refer to price information, packaging and/or the product's visual appearance, user imagery refers to the type of person consuming the product and usage imagery refers to the location and situation of the product usage (Keller, 1993).

Segmenting the market is crucial and the relationship of a typical brand user may be based on the demographic factors including sex, age, race and income, psychographic factors such as attitudes towards career, possessions, the environment or political institutions, and the situation of the user including time of day, week or year and location (Keller, 1993).

Strength of the brand association is defined by the strength of the brand node, which is dependent on how consumers receive and decode the information

regarding the brand and how this information is stored and recalled when required. In essence, the purpose of brand positioning is to ensure a brand has a unique selling proposition that drives consumers to purchase products from a particular brand; this product has certain advantages that enhance the welfare of the consumer (Aaker & Shansby, 1982).

Ultimately, the differences between the brands are communicated overtly by making comparisons with competing brands or tacitly without stating the obvious competitive advantage. Terblanche and Boshoff (2010) show that the impact of customer satisfaction is influenced by two determinants, perceived quality and perceived value. Therefore, by nature when a customer is satisfied' this is a good predictor of customer loyalty. Customer relationship management can be shown as "the process of managing information about individual customers and all customer touch points to maximise loyalty" (Keller & Kotler, 2012, p. 157). The customer touch point is essentially any instance where a consumer interacts with a product or service of a certain brand through an experience. Therefore, an organisation should consistently deliver a superior quality product in order to increase customer loyalty, this will result in greater revenue streams and the cost of acquiring new customers will be reduced (Roberts-Lombard, 2009).

Direct and indirect factors, as shown by Dick, Jain and Richardson (1996), impacts the success of building the brand within an environment, direct factors such as ingredients, taste and texture and indirect factors such as price and brand name will affect that of the long-term building of the brand. Thus, the brand's success factors are weighted heavily on both direct and indirect factors of the brand positioning in the market place and this is key to ensure the access and therefore continuous consumption of the product or service of the brand is not just a once off purchase (Odin, Odin & Valette-Florence, 2001).

Product related attributes such as taste texture and quality are important to understand as they indicate how consumers differentiate between brands; therefore, each brand will have its own unique selling point that differentiates the brand from competitors as well as identifies the brand within a product related category.

Hypothesis 2c: There is a relationship between brand attributes and sustainable growth.

2.3.3 *Price and promotion*

As the brand was linked to the product category in this research report, there were various associations that became connected to the brand including beliefs about and attitudes towards the brand. Product category attitudes, as shown by Keller (1993), can be important determinants of consumer response; if a consumer's attitude towards a fast food category is negative; it is likely that the attitude towards the brand and consumption thereof will be low. In summary, the dimensions of brand knowledge and the analogy of brand associations should influence how easily an existing association can be recalled and how an added association can become connected to that brand node in the consumer's memory.

Consumers that have strong and favourable attitude towards the brand will be willing to pay a premium for the brand and will not react negatively to price increases (Starr & Rubinson, 1978). Price is an important attribute as consumers have beliefs regarding association between price and value of a brand, as shown by Blattberg and Wisniewski's (1989) discovery of asymmetric price competition. Therefore, 'price deals' on higher quality brands have proved to take market share away from similarly priced quality tier brands and lower tier brands. However, lower tier brands with price promotion will not take any market share from the higher tier brands but rather cannibalise similarly priced brands.

The research into brand equity is essential, first this gives us the financial indication of what the business is valued at from an accounting and financial point of view in terms of asset valuation (Ward & Price, 2006). Second, this provides an organisation with information to make informed decisions regarding their brand and marketing in the competitive environment (Keller, 1993). Customer-based brand equity therefore occurs when a consumer is familiar with a particular brand and has positive, strong and exclusive associations of the brand in their memory.

Keller (1993) shows that conceptualising brand equity from this point of view provides managers and marketers with frameworks and guidelines to make informed decisions within the competitive landscape. Marketing activities of a brand should look outside the normal scope and acknowledge the influence this has on brand knowledge, while ascertaining how changes in brand knowledge will affect the sales revenue generated. Therefore, the frequency of purchases from consumers is vital to understand the consumer's loyalty to the brand but more importantly the amount spent per purchase and if price influences purchasing decisions.

Hypothesis 2d: There is a relationship between price and promotion, and sustainable growth.

2.4 Conclusion of literature review

In summary, franchised restaurant revenue growth is influenced through site selection and brand knowledge; several factors influence the consumer choice to patronise a retail shopping centre and purchase from a particular fast food brand based on their perception of the brand and prior experience of the product. The literature provided insight into the construction of the hypotheses that are based on *a priori* from the literature as well as previous research conducted. The literature supports five hypotheses to test against site selection and four hypotheses to test against brand knowledge. The outcome was based on the influence of revenue growth that translated to the level of patronage and spend across both brands, first for site selection and second for brand knowledge.

In summary, the objective was to establish what underlying constructs influence site selection and brand knowledge and therefore how these influenced revenue growth of both the Steers and Debonairs brands, which determined the longevity of the brands.

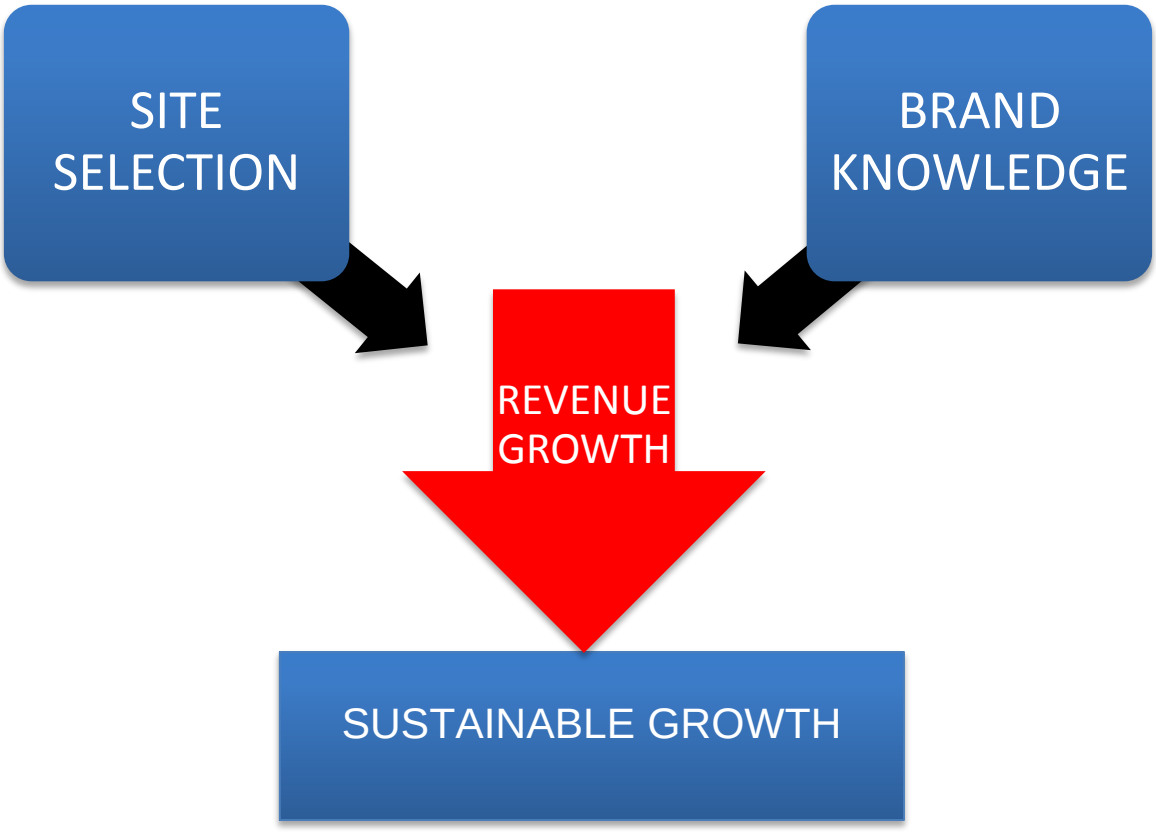


Figure 5: Hypothesised factors that have an influence on sustainable growth

2.4.1 *Hypotheses summary*

Site selection:

Hypothesis 1: There is a relationship between fast food outlets located within a regional mall and sustainable growth.

Hypothesis 1a: There is a relationship between accessibility of the retail location and sustainable growth.

Hypothesis 1b: There is a relationship between competition of fast food outlets and sustainable growth.

Hypothesis 1c: There is a relationship between the convenience of site selection and sustainable growth.

Hypothesis 1d: There is a relationship between central facilities of the retail location and sustainable growth.

Brand knowledge:

Hypothesis 2a: There is a relationship between brand awareness and sustainable growth.

Hypothesis 2b: There is a relationship between brand image and sustainable growth.

Hypothesis 2c: There is a relationship between brand attributes and sustainable growth.

Hypothesis 2d: There is a relationship between price and promotion, and sustainable growth.

CHAPTER 3. RESEARCH METHODOLOGY

This chapter provides insight into the hypotheses and methodology. This includes the research paradigm as well as the methodologies utilised to address the research problem and obtain the results.

In Chapter 1, site selection and brand knowledge were identified as two sub-problems that influence consumer's choice and will therefore influence revenue growth. The relevant literature pertaining to these sub-problems and hypotheses formulation is discussed in Chapter 2 and illustrates how these were fulfilled in terms of the requirements of the research problem.

3.1 Research methodology/paradigm

3.1.1 *Quantitative versus qualitative methodologies*

Quantitative research methods rely on gathering and analysis of data; the advantage of a quantitative approach is the impartial view employed, which aims to result in true reflection of the numbers that can be linked to a theory base (Bryman, 2012). In contrast, a qualitative approach is usually employed to find the answer to questions about complex phenomena, most often, the purpose is therefore to define the existence of the phenomena from a participants' point of view (Leedy & Ormrod, 2005). Deductive logic is valuable for producing research hypotheses and testing theories, therefore a deductive strategy has been used not only for practical reasons but to ensure the collection, analysis and interpretation of the data into meaningful findings that will add value and contribute to the business environment (Creswell, 2013).

The objective of this research was to identify the determinants that influence revenue growth of franchise restaurant brands and the sustainably of the franchised outlets. In order to achieve the objectives, the research had to ensure a measurable value, in business terms, which was used to assess the outcome. Revenue growth is one of the key success factors of business and therefore this

was used as the dependant variable within the research. Revenue growth, sales growth or turnover growth within a franchising environment is measured by the annual growth of net sales. There are several factors that influence the sales growth that are said to be outside the franchisee control as shown by Kasselmann et al. (2002) including strength of the brand, site location, construction of the restaurant, effective marketing and management of the franchisor. Hoffman and Preble (1991) note that revenue growth is fuelled by the environmental factors that are ever changing and within the emerging market place. Franchising is able to fill the gap by supplying goods to a growing middle class, younger clientele and taking advantage of an unsaturated market environment and therefore achieve rapid market growth.

Steyn, Labadarios and Nel's (2011) previous research made use of a quantitative strategy and has shown how numerous socio-demographic factors, including ownership of major appliances influence the consumption of fast food within the South African environment. Shaw (2009) identified various factors, including presence of a bank, competitor outlets and customer satisfaction that influence revenue within the fast food industry. Mackay, Spies, Williams, Jansen van Rensburg and Petzer (2013) show that three key aspects influence the service brand equity on the strength of the brand relationship within the fast food environment including, brand associations, brand trust and brand awareness. An endless number of variables influence the revenue growth of a franchised brand outlet; however, very few studies have specifically shown how site location and brand knowledge influence revenue growth.

For the purpose of this research, a quantitative research strategy was used for the following reasons:

- To provide insight into factors that influenced site selection and therefore revenue growth and financial performance of a franchised restaurant brand;
- To gain an understanding of how consumers chose fast food brands and better understand the disparity between two-franchised restaurant brands revenue growth; and

- To support previous research conducted within the South African context on franchised restaurant brands.

As stated, the purpose of this research was to identify retail site location factors and brand knowledge factors that had an influence on franchised restaurant outlets revenue growth across two brands.

3.1.2 *Site location methodologies*

Huff (1964) explains that a trade area of a retail establishment can be used to identify the potential number of consumers, the level of patronage of the consumers, and the distances consumers' travel in order to consume the goods. Therefore, accessibility of the retail location was a key factor within the emerging market where many consumers rely heavily on public transport, within this area of research the predominant source of transport was local taxi and mini buses. As noted by (North & Kotze, 2004), security is an attribute that was considered and is applicable to the South African environment of shopping centres. Therefore, ease of access to the shopping centre and peace of mind when entering can result in a preference of shopping centre choice due to level of accessibility.

When considering site location methodologies, Goodchild's (1984) location-allocation model provided insight into the analyses of the relationship between the facilities available and the location, as well as the demand density within the area from a retail organisation point of view. The first method utilised a market share model approach, as discussed in Chapter 2, where competitors in the market place were considered within the retail mix. The second method was that of the competitor-ignoring model within the market place, which looks to identify gaps in the market and fill those gaps with a potential brand or outlet to serve the disseminated population within the surrounding trade area.

Ghosh and Craig (1983) suggest that central placement theory supports the assumption that consumers will patronise the closest available store, however larger retail establishments have proved to be a greater success long-term with a wider variety of offerings to the trade area. Characteristics of the shopping centre

are said to include travel time, location convenience, nearness of complimentary outlets and store visibility; while, store specific characteristics include, service quality, price and store ambiance (Jaravaza & Chitando, 2013). Convenience and ease of transporting goods to the household location needs to be considered, as this will drive down the cost of travelling to a major retail mall and rather choosing a closer local mall (Strydom, 2014).

In order to accurately measure how consumers choose retail location, we can rely on the shopping centre attractiveness factor instrument as developed by Wong et al. (2001) This model utilised a 21-scale instrument to analyse the market attractiveness factors of retail shopping centres. Central facilities of a retail establishment comprise many attributes including family shopping, banking facilities, retail merchandising, food court and entertainment. Within the South African market, security is a major attribute as noted by North and Kotze (2004). This allows for the pull factors of the shopping centre to be established and what ultimately drives consumers to patronise the centre and a fast food outlet within that centre.

Therefore the methodology used to analyse how consumers choose retail locations has successfully been completed in previous research by utilising the SCATTR instrument, the need to incorporate the ease of accessibility, level of competition into the instrument, test how convenience factors can influence retail mall selection and what central facilities the emerging market consumer requires (Table 4).

Table 4: Summary of site location methodologies

Reference	Methodology	Advantages	Disadvantages
Goodchild, 1984	ILACS: location-allocation model Market share model Competitor-ignoring model	Analyse relationship between demand density and central facilities Understand the competitive environment	Does not include the delivery of products to consumers

Reference	Methodology	Advantages	Disadvantages
Wong et al., 2001 North & Kotze, 2004	SCATTR Instrument: Attractiveness factors of shopping centre	Understand customer choice in site selection Allows for adaptions to be made Tried and tested in previous research locally and internationally	Adaptions to the local market must be made
Huff, 1964 Jaravaza & Chitando, 2013	Defining and estimating a trade area. Site locations factors	Customer choice should link back to a central placement theory Previous research employed has resulted in identifying factors of site selection	Mobility of products today, consumers may ignore central place theory

3.1.3 *Brand knowledge methodologies*

The purpose of the brand methodology is to establish how brand knowledge can be measured across two franchised restaurant brands and how this influences revenue growth across the franchised restaurant brands. As shown by Keller (1993), in order to measure brand associations two methods can be employed; first, compare characteristics of brand associations, and second, openly ask consumers for information pertaining to the congruence, competitive overlap or leverage for the brand associations. Brand name in the franchising industry is important; this is how a consumer differentiates across the competitor's brands and is related to profits, sales growth and survival (Gillis & Combs, 2009).

Therefore, congruence can be measured through the consumer's beliefs, attitudes, and attributes of the brand. Competitive overlap can be measured by how consumers react to brand recall with some form of brand cue, additionally consumers can be questioned how strongly they recognise the brand with the product category. Leverage on the other hand can be measured on the conclusion made of the brand knowledge of the specific person, place, event or category.

As shown by Mackay's et al. (2013) study three key factors influence service brand equity including brand trust, brand attributes and brand awareness. It is essential to understand what drives a consumer to choose a particular brand within an emerging market; this provides insight into the consumer belief about the product category and allows for the strength of the brand node to be assessed.

Green, Krieger and Wind (2001) show that a conjoint analysis method can be employed when comparing two brands. This allows brand names to be compared in line with the price, product and promotion of that brand. As the two franchised restaurant brands fell across two separate categories, hamburgers and pizza, one may feel that this cannot be compared, yet from an overall fast food category it is essential to understand the revenue disparity and revenue growth disparity across the two brands.

Pricing strategies between the two brands target separate consumer profiles within each category respectively, but should rely on the fundamental basics of quality products, value for money and promotional intelligence for the surrounding trade area.

This is summarised in Table 5.

Table 5: Summary of brand knowledge methodologies

Reference	Methodology	Advantages	Disadvantages
Keller, 1993	Customer-based brand equity: Direct and indirect approach	Brand awareness and brand image can be measured	
Green et al., 2001	Conjoint Analysis: Analysis of brand name	Comparison of two brands based on product, price and promotion	Consumers could evaluate unrealistic profile that could violate basic expectation of a brand

3.2 Research design

The research was objective by nature; epistemologically it had a positivist paradigm and therefore allowed the methodology to be free from any undue

influence (Creswell, 2013). Leedy and Ormrod (2005) suggest that a quantitative approach allow questions about the relationship between measured variables to be asked. In this study, the variables of site location and brand knowledge, how they influence revenue growth within a franchised restaurant outlet and how this had an impact on sustainable growth was researched.

The research design for this study was therefore cross-sectional by nature, this allowed for a structured observation of the sub-population group at a given point in time, with descriptive components as noted by Mackay et al. (2013). The positivist approach is usually associated with quantitative studies allowing certain claims to be made based on prior knowledge including, cause and effect thinking, reductionism, measures of variables, and testing of certain theories.

The study involved identifying factors of site location and brand knowledge within the current operational Steers and Debonairs restaurant outlets. Both elements, site location and brand knowledge (independent variables) were directly related to the revenue growth (dependant variable) for these restaurant outlets. Consumers have to be attracted to first, the retail location and second, a specific brand within that retail location, on a continuous basis, to generate revenue growth. Therefore, the design of the instrument allowed the consumer to provide the insight into what attracts them to a retail location and how they chose a brand accordingly. This is then measured against the impact of revenue growth to establish which factors are responsible for increased or decreased revenue growth across these franchised outlets and how this impacted the long-term sustainable growth of the franchised restaurant brand.

3.2.1 *Site location characteristics*

As shown in Chapters 1 and 2, various factors influence the retail site selection and therefore have an influence on revenue growth. The nature of the data pertaining to the research was readily available and easily accessible.

Primary data of retail attractiveness factors was based on the SCATRR research instrument, as adapted by Wong et al. (2001), and measured through a five-point

Likert scale that allowed the consumers to provide primary information on their choice of retail site selection. This instrument included the level of accessibility, competition, convenience, central facilities and brand knowledge components.

Similar research conducted by North and Kotze (2004) in the South African market, utilised the SCATTR instrument and successfully assessed three well-known shopping centres within Gauteng to establish attractiveness factors of retail shopping centres.

Frasquet's et al. (2001) study to understand the dimensions of perceived shopping centre value had a factor analysis that resulted and confirmed in a four-factor loading, which included:

[1] Retail assortment and quality;
[2] Atmosphere, décor and design;
[3] Accessibility of the shopping centres in terms of parking and ease of access; and
[4] Time, convenience and availability of stores.

In summary the four factors that influence how consumers choose site selection were identified in Chapter 2 and were measured against their influence revenue growth, the four factors are defined by the following variables:

1. Accessibility of the retail location was defined by the following variables:
    - The shopping centre is easy to access;
    - The shopping centre has good parking;
    - The shopping centre has good security; and
    - The shopping centre is located off a main road.

2. Competition within the retail location was defined by the following variables:
    - The shopping centre has a food court;
    - The shopping centre has many fast food outlets to choose from;
    - There are many fast food outlets located within one kilometre; and
    - I choose the closest fast food offering.

3. Convenience of the retail location was defined by the following variables:
    - The shopping centre is located within one kilometre of work / home;
    - The shopping centre has many retail stores that I visit;
    - I choose the closest shop when I enter the shopping centre; and
    - The shopping centre is well established.

4. Central facilities within the retail location were defined by the following variables;
    - The shopping centre has a bank that I use;
    - The shopping centre has many shops that I use;
    - The shopping centre has a clothing retail shop that I require; and
    - The shopping centre has a chemist that I use.

3.2.2 *Brand knowledge characteristics*

Previous research conducted has shown that brand awareness, brand trust and brand attributes have been identified as three elements that influence consumers' choice of fast food within South Africa (Mackay et al., 2013). This is further supported in previous research where price has also been shown to influence the consumer-based decisions within a price sensitive market. Therefore, consumers that have a strong and favourable attitude towards a brand will be willing to pay a premium price for the brand and will not react negatively to price increases (Starr & Rubinson, 1978). Price is an important attribute association as consumers have beliefs about the correlation between the price and value of a brand, as shown by Blattberg and Wisniewski's (1989) discovery of asymmetric price competition.

Keller (1993) identifies product related attributes that refer to physical composition of the product such as the ingredients required to produce the product or service. Non-product related attributes are just as important and refer to price information, packaging and or the product's visual appearance, user imagery such as the type of person consuming the product and usage imagery such as the location and situation of the product usage.

In summary the four factors that influence brand knowledge were identified in Chapter 2 and were measured against their influence on revenue growth, the four factors are defined by the following variables:

1. Brand awareness was defined by the following variables:
    - My restaurant brand is located within one kilometre of my work place;
    - My restaurant brand is easy to locate within the shopping centre;
    - My restaurant brand has good visible signage; and
    - My restaurant brand is my first choice when I get hungry.

2. Brand image was defined by the following variables:
    - The brand logo allows me to find my restaurant easily;
    - I know what to expect when I see the logo;
    - The menu is easy to read and understand; and
    - TV advertising reminds me if the brand.

3. Brand attributes was defined by the following variables:
    - The food is served hot;
    - The quality of the food is fresh;
    - The food has a unique taste; and
    - The food looks appealing.

4. Price and promotion was defined by the following variables:
    - The food is good value for money;
    - Prices are competitive;
    - Price influences my choice when I purchase from the brand; and
    - I only buy from the brand because of the current promotion (removed post second run reliability).

3.3 Population and sample

3.3.1 *Population*

The population group of this research report was the fast food industry within South Africa. The sub-population of this group was drawn from four Steers and four Debonairs outlets across the Gauteng region emerging market, which formed part of the Famous Brands portfolio.

3.3.2 *Sample and sampling method*

A sample, as shown by Bryman (2012), is a segment of the population that is selected for exploration, a representative sample is therefore the subset of the population to be investigated that will result in a true reflection of the greater population if applied.

Convenience probability sampling technique was utilised at a store level, which allowed for random assortment so that each unit in the sample population had a fair chance of been selected. Eight franchised restaurant outlets were selected within the Gauteng region of which four are Steers outlets and four Debonairs outlets that operated within a one regional retail centre, two small regional malls and one community centre mall environment. Therefore, four site locations spread across Gauteng included, Soweto and Alexandra. The franchised restaurant outlets selected fall within the retail mall category as described, these sites were selected based on ease of access to the retail mall itself as well as access to the Steers and Debonairs franchised brand outlets.

It was noted that the restaurant outlets selected vary in terms of revenue with both Steers and Debonairs brands, revenue for the stores selected provided for average, above average and below average store turnover. Appendix B details the site locations, revenue generated and revenue growth generated across the outlets. The franchised restaurant outlets true names and locations were not revealed and were numbered to maintain anonymity. The questionnaires used to

assess the influence of site selection and brand knowledge were condensed into a single page format for ease of reference.

3.3.3 *Sample size*

Thirty questionnaires per outlet were issued across eight franchised outlets, which allowed for a final sample of 240 to assess the influence of site selection and brand knowledge on revenue growth, however only 141 complete and eligible questionnaires split across Steers and Debonairs were returned and used. Site-specific information was readily available from the franchisor including location, LSM, turnover and retail trade; however, in order to correctly identify the determinants of successful site location and brand knowledge factors was heavily dependent on the consumer's choice of retail location (Jaravaza & Chitando, 2013) and brand choice within the retail outlet (Beneke, 2010). Primary data provides the most valid source of data and manifests the highest level of truth; it was applied within this research (Leedy & Ormrod, 2005).

Therefore, the retail outlets were selected for the following reasons:

- *Site location:* The four retail malls selected, provided for sufficient segmentation of the LSM data. This allowed for consumers from LSM 4 to 10 to be included. Please refer to Appendix B.
- *Brand:* Steers and Debonairs outlets were present and well established within the retail malls selected. This provided a fair opportunity for the consumer to choose from selected brand names and product categories. Please refer to Appendix B.

3.3.4 *Sampling issues*

The sample outlets that were selected were non-probabilistic and therefore there was some degree of bias (Bryman, 2012). As previously stated, the outlets were selected for practical reasons; they represented three percent of the total store

outlets within the Gauteng region. However, it was noted that the outlets chosen represent the same criteria utilised for new and existing franchised outlets.

As the sample outlets were non-probabilistic, this provided a platform for the research to be conducted on a convenience sampling approach. This indicates that the franchised outlets provided the location for the research to take place where the patrons were readily available. Sampling bias is a concern in convenience sampling and has to be corrected to ensure that a true reflection of the population is included.

Therefore, a random sample selection of the sub-population took place at the store outlet level; this allowed consumers to be chosen at random once they had placed their order. In order to correct for any sample bias it was ensured that the consumers chosen all fell within the same time across both brands as well as across all sites selected. It was suggested that the above be taken into account between participants and non-participants within the research and ensure that the questionnaire is scrutinised to ensure that an equal and fair response was achieved (Rogelberg & Luong, 1998).

Any influence from an educational level was removed to the basic reading and marking in the appropriate section of the Likert scale rating, from Strongly Agree to Strongly Disagree. All questionnaires took place across all retail sites and both brands between 11:00 and 21:00 during the week of 17 to 23 November 2014; this provided for lunch and dinnertime consumers in the selection.

A skip interval process was used to ensure that every second customer receives a questionnaire until 30 questionnaires were complete. The customers were issued with a questionnaire directly after they had purchased their meal. As noted by Gilbert and Veloutsou (2006), this ensured a true reflection of their feedback is given. Should a customer not be willing to participate the following customer received a survey.

The following control variables were included to ensure sufficient control over the dependant and independent variable’s as described below:

Control Variables:

- *Retail shopping malls:* All questionnaires took place at one regional centre, two small regional mall centres' and one community shopping centre within the Gauteng region.
- *Steers and Debonairs brands:* All surveys took place at a Steers and Debonairs outlet that were present in the same mall or food court outlet.
- *Demographic:* The demographic included all consumers from LSM 4 to 10 that allows for a wide spread of consumers and fair chance of LSM 4 to 10 being selected.
- *Length of operation / Age:* Steers and Debonairs outlets chosen had been operating for more than one year in the mall selected and had built up a customer base.
- *Operating hours:* All Steers and Debonairs outlets selected are operational from 10:00 to 21:00, Monday through Sunday.
- *Anchor tenants:* All regional and strip malls selected had an anchor tenant present including but not limited to Pick n Pay, Shoprite Checkers or Spar supermarket. Please refer to Appendix B.
- *Economic:* All Steers and Debonairs brands had a controlled price point and menu offering that was available on a national level and regulated through Famous Brands. All national promotions were run within the stores for the same time.
- *Revenue growth / Size:* All franchised outlets revenue growth was assessed for the same trading period, including average year-on-year growth from March 2013 to November 2013 compared to March 2014 to November 2014. This allowed the average trading period to be established across each store.

3.4 The research instrument

The research instrument employed allowed for both primary and secondary data to be collected; for the purpose of this research report a description of primary data follows. The research instrument is a questionnaire developed to assess how site

selection and brand knowledge influenced fast food restaurant outlets revenue growth (Appendix A). The research instrument comprised two sections; the first provided insight into the determinants of site selection and variables influencing the consumers' choice of site selection. The second provides insight into the choice of brand knowledge and variables influencing choice of fast food restaurant outlets.

Therefore, site selection and brand knowledge were the independent variables and were measured through the impact on revenue growth, which was the dependent variable.

3.4.1 *Independent variables*

- *Site selection determinants*: As shown in Chapter 2, there are various factors that influence consumers' choice of retail site selection and fast food outlets, including but not limited to: accessibility, level of competition, convenience and central facilities available. Previous research conducted by Wong et al. (2001) made use of the SCATTR instrument to assess retail attractive factors, which is supported by North and Kotze (2004), who utilised the SCATTR instrument with adjustments to the local South African market. As described in the literature many demographic and psychographic attributes influence site selection, these were considered and included in the instrument.
- *Brand knowledge determinants*: In terms of brand knowledge, as described in Chapter 2 there are various factors that influence brand knowledge of the consumer. A combination of brand image and brand awareness is required to be assessed to determine brand knowledge; Keller (1993) shows that this can be completed through both direct and indirect methods. Brand attributes and price and promotion are equally as important, Mackay's et al. (2013) research on brand relationships within the fast food industry of South Africa has shown that brand awareness, brand association and brand trust positively influence the strength of the brand relationship of fast food customers. Terblanche and Boshoff's (2010) study attests to this as the

impact of customer satisfaction is influenced by two determinants, perceived quality and perceived value. Therefore, by nature the level of customer satisfaction is a good predictor of customer loyalty.

3.4.2 *Dependant variable*

- *Revenue growth*: Sales revenue is defined as “the product of the number of units sold and the price per unit, for all products” (Ward & Price, 2006, p. 172). Total revenue sales of a Steers and Debonairs outlet was influenced first through customer choice in site selection and second through the customers’ choice in brand selection based on their own brand knowledge. The degree of influence from site selection characteristics as well as the brand knowledge characteristics were measured through the impact on revenue growth that determined the impact on the long-term sustainable growth of the business and the brand itself. The sustainable growth rate is the maximum growth rate in sales and net assets, which can be sustained within the current operating and strategic parameters (Ward & Price, 2006).

3.5 Procedure for data collection

Individuals who had completed the franchised restaurant management and brand management course accredited through Famous Brands were selected as field workers. Each questionnaire was coded with the word Steers or Debonairs to ensure that the correct brand could be identified. The questionnaires at each site were allocated a letter, such as retail site A, B, C and D, to ensure that the retail locations remain unknown, please refer to Table 7 and Appendix B. The field workers approached consumers directly after they had placed their order at the counter to allow for continuous and uninterrupted purchase decisions to be made. Once the consumer was informed and agreed to take part in the survey the field worker took the consumer through the elements of the survey.

The benchmarked turnaround time for an order production at Steers and Debonairs ranges between five and ten minutes. This provided sufficient time for

the consumer to complete the questionnaire while the food preparation took place. Once the customer's food was ready for collection, the fieldworker collected the questionnaire and ensured that all details and fields were complete. The questionnaires took place throughout the day within the Steers and Debonairs outlets and were completed within a single operational week, as noted. The questionnaires that were incorrectly completed were discarded, which resulted in a higher and lower sample across stores selected as noted in Chapter 4.

The sales revenue or turnover revenue was collected from the audited sales reports submitted from the store outlets to Famous Brands on a monthly basis. The period used for the sales information analysis include a year-on-year comparison from 1 March 2013 to 30 November 2013 and 1 March 2014 to 30 November 2014. This allowed for an average trading period of 10 months to be assed, including both peak and off peak trading months, therefore the average sales for that period has been used across Steers and Debonairs outlets. The year-on-year growth percent is calculated through the difference between average revenue for 2014, less the average revenue for 2013. The customer count and spend analysis for November 2013 and November 2014 was included. (Data information summarised in Table 6) For the purpose of this report, the Steers and Debonairs brands were analysed within the retail site where they currently operate and on an individual basis as these are seen as individual brands.

The questionnaire layout was designed for ease of use through a simple English format. The questionnaire considered ethical aspects and included a description of the purpose of the survey. All consumers were asked if they wished to take part in the survey and were asked to sign agreements that they were first, older than 18 years of age and second, that they agree to take part in this report free of any undue influence.

Table 6: Data information

Source	Data Type
Site Location	Primary data
Sales Revenue	Secondary data
Customers choice of site selection	Primary data
Customer choice of fast food brand	Primary data

Table 7: Location information / Trade Area

Location	Retail Type	LSM
Alexandra	Community Centre	6 – 8
Soweto	Regional Mall Centre	4 – 10
Soweto	Small Regional Centre	6 – 10
Soweto	Small Regional Centre	6 – 10

3.6 Data analysis and interpretation

The data information was reduced to numbers and represented in a formal scientific style. All data information was coded and captured in Microsoft Excel and all analyses of data was completed through the use of the Statistical software programme SPSS.

3.6.1 *Analysis of variables*

All categorical variables were coded to ensure that the yes or no option was accurately captured as well as the retail site outlet location being easily identified in line with the Steers and Debonairs brands. All continuous variables were captured to provide numerical data for correlation and regression analysis to confirm the factors that drove customers' choice of site selection and brand selection within the fast food category.

The primary objective was to understand how the independent variables, such as site selection and brand knowledge factors, influenced the dependent variable, revenue growth, through the testing of the hypotheses formulated.

3.6.2 *Descriptive statistics*

Descriptive statistics were used to describe what the data showed and provided for an overview of the results. Descriptive statistics were used to summarise the distribution results of the eight franchised restaurants including: demographics, basic purchasing information of the consumers within the retail site location, site location variables and brand knowledge variables (North & Kotze, 2004). Consumers that had purchased from a Steers or Debonairs brand outlet located within a retail site formed part of the descriptive statistics assessed in terms of the consumer profile as shown by Mackay et al. (2013).

The Likert scale rating measurement was captured from Strongly Agree, representative of +2 through to Strongly Disagree -2. The mean score across the eight franchised outlets allowed for the comparison of means across site location, brand knowledge and most importantly revenue growth to be assessed. The mean was calculated by summing the values of a variable for all observations and dividing by the number of observations. This allows for the central tendency of the data to be described(Norušis, 2005)

Internal reliability was used to measure the grouped correlation coefficient known as the Cronbach Alpha. Variables that resembled a low reliability were removed to improve the overall Cronbach Alpha as shown in Chapter 4. The variables in each factor had to obtain a score of at least 0,6 to be considered reliable (Hair, Black, Babin, Anderson, & Tatham, 2006). As this was a multi-item scale, content validity or face validity from the consumers point of view was used as the measurement tool, this allowed for the correspondence between the individual items such as sites selection and brand knowledge and the impact these have on revenue growth to be compared. This has been completed in previous research as shown and including theory base within chapter 2. This was therefore used to test for internal

reliability to assess whether the groups of variables are consistent and whether similar patterns of response from other site locations are present.

In summary, the descriptive statistics allowed the testing of each Hypothesis against revenue growth across the eight franchised outlets including the four retail sites. This provides for an overview of how each store is currently preforming in terms of the site selection, brand knowledge and revenue growth.

3.6.3 *Independent samples t-test*

The purpose for making use of the independent t-test was that it allowed for comparisons to be drawn between two sets of data (Pallant, 2011). The mean score of the two independent groups, in this case Steers and Debonairs consumers, was compared across site selection factors and brand knowledge factors. The statistical significance of the results provided insight into the truth of the observation, the p-value produced from the independent t-test provided for a declining index of the reliability. Therefore the greater the p-value was, reduced the reliability of the variable being compared. The p-value represented the overall probability of error in accepting the results. Norušis (2005) notes the minimum cut off for a p-value to be considered statistically significant is usually less than 0.05. Within the research report the four retail sites provided for eight sets of data and was analysed by comparison of means of the following:

- Site selection factors
- Brand knowledge factors

3.6.4 *Correlation analysis*

Correlational research is a statistical investigation of the relationship between two or more variables as noted by (Leedy & Ormrod, 2005). Correlation analysis can be described as the analysis of the extent to which changes in one variable are associated with changes in another (McDaniel & Gates, 2006). Therefore correlational analysis was used to assess the relationship between site selection factors, brand knowledge factors and revenue growth as an overall measure

across the entire sample, as well as the individual independent brands revenue growth.

This allowed for any correlation between the variables and the revenue growth of the Steers outlets and Debonairs outlets to be established. The correlation co-efficient ranges from -1 to +1, where the -1 represented a negative correlation between two variables and a +1 represented a positive correlation between the two variables. Parametric statistics were used including the Pearson Correlation analysis, producing a p-value with a 0.05 cut off that allowed for any variable below the 0.05 cut off to be considered as a correlation with revenue growth.

A correlation analyses between the overall variables was completed to understand which variables had high and low correlations with one another, to test the hypotheses and provide insight into the regression analysis.

3.6.5 *Regression analysis*

A stepwise linear regression analysis was completed across the sample across all site selection factors and brand knowledge factors between Steers and Debonairs revenue growth. This approach took the outcome from the correlation analysis per brand revenue growth and provided for the stepwise regression methods to calculate which of variables of site selection and brand knowledge have an influence on revenue growth. More specifically, there was an independent focus on Steers revenue growth and Debonairs revenue growth. This method allowed for the variables of the revenue growth to be selected based on the best predictor variable and influence on revenue growth itself. Additional variables could have been selected based on the incremental explanatory power that they could possibly add to the regression model; however, Independent variables are only added as long as their partial correlation coefficients are statistically significant. In order for a stepwise regression to be correctly executed and fulfil the requirement of a stepwise regression, the recommended number of observations per variable is 50 to 1(Hair et al., 2006). A total of 65 Debonairs observations and 76 Steers observations were completed with revenue growth as the continuous dependant variable for each brand accordingly. This allowed for factors of revenue growth

across the entire franchised brand to be established, as well as which factors influence revenue growth across individual brands and the impact these have on the sustainability of the franchised brand outlets going forward

3.7 Limitations of the study

In the sample utilised not all the provinces were represented. Only major retail outlets and strip malls that had both a Steers and Debonairs restaurant outlet were selected, therefore discounting any other major retail outlets, fast food competition as well as where Famous Brands has other restaurants under the portfolio but not specified within this study.

Therefore, this research could have possibly showed a slight weakness in the sample, as the insight into the study related specifically to two brands under the same holding company and could be direct competitors in some instances but indirect competitors in others.

3.8 Validity and reliability

Bryman (2012) describes that validity of the research acts as an indicator or set of indicators that measure if the research itself provides concrete findings that can measure the concept. This is supported and described by Leedy and Ormrod (2005) as “validity of a measurement instrument is the extent to which the instrument measures what it is supposed to measure” (p. 28).

3.8.1 *External validity*

The study was conducted within current operational outlets and therefore the results yielded a broader applicability to real world settings. Leedy and Ormrod (2005) identify three strategies to be employed to enhance the external validity; this research report met all three criteria, firstly including a real life setting within the franchised restaurant outlet environment, secondly a representative sample

across both brands and the entire sample set and thirdly replication in a different context.

The number of retail site location outlets was small in terms of the number of outlets chosen but the sample size of the primary data ensured that the sample is representative of these four retail sites. Shaw (2009) completed previous research in this field and North and Kotze's (2004) study allowed for replication of the research into site location variables and Mackay's et al. (2013) study allowed for replication of brand knowledge variables in the fast food industry.

3.8.2 *Internal validity*

Internal validity refers to the research design and data that will enable accurate results about relationships within the data to be drawn (Leedy & Ormrod, 2005). It is acknowledged that several factors influence retail site selection and brand selection within the fast food industry. As described in the literature review and previous studies conducted both locally and internationally, primary data is a key source of information that will ensure an accurate result is drawn; therefore, primary data was used in this research study from a consumers point of view and supported by the revenue growth at store level which is a source of secondary data.

All information obtained from the consumers interviewed related directly to their opinion of why they chose to patronise first, a particular retail location and second, why they choose a specific brand for food consumption within a retail location. The results looked to yield similar trends shown in previous research and through the development of the hypotheses in the literature review.

In summary, the questionnaire developed had two parts that related specifically to factors influencing consumers' choice in site selection and brand knowledge.

3.8.3 *Reliability*

Reliability refers to the consistency of a measuring concept, achieved with the measuring instrument, when the unit that is being measured has not changed in anyway (Leedy & Ormrod, 2005).

Similarly, five-point Likert scale measurement tools have been used to gather data pertaining to the attractiveness factors of retail site location (North & Kotze, 2004; Wong et al., 2001) as well as with factors influencing consumption of fast food (Steyn et al., 2011).

The questionnaire developed and similarly the hypotheses formed pertain to the literature used in previous case studies by Shaw (2009), who researched determinants of successful quick service restaurants' site locations and how these affected revenue within the Steers brand. Mackay's et al. (2013) research into brand relationships of brand awareness, brand trust and brand association's influence on consumers' choice in fast food industry further supports this.

As shown in previous research completed within the South African fast food industry, a platform for the questionnaire development and reliability thereof was provided.

3.8.4 *Pilot Study*

A pilot study was completed at small regional centre D to ensure an accurate result was achieved, the statements produced resulted in a clear understanding of the questions asked. A total of 20 questionnaires were completed successfully and minor changes were made to the final questionnaire used.

CHAPTER 4. PRESENTATION OF RESULTS

This chapter presents the findings of the study aimed to identify the determinants of sustainable growth for franchised restaurants brands. A final sample size of one hundred and forty eligible questionnaires was received across four retail sites including 76 Steers respondents and 65 Debonairs respondents respectively. Appendix B provides the details of the retail sites including the Steers and Debonairs Brands accordingly. The presentation of the results is as follows:

- *Overview of the results:* This section includes overviews of the revenue and customer transaction counts, demographic and purchase information, group statistics, t-tests and the overall correlation analysis.
- *Retail site results (Hypotheses 1 to 1d);* This section presents the correlation and regression analyses, and the descriptive statistics.
- *Brand knowledge results (Hypotheses 2a to 2d):* This section presents the reliability, correlation and regression analyses and the descriptive statistics.

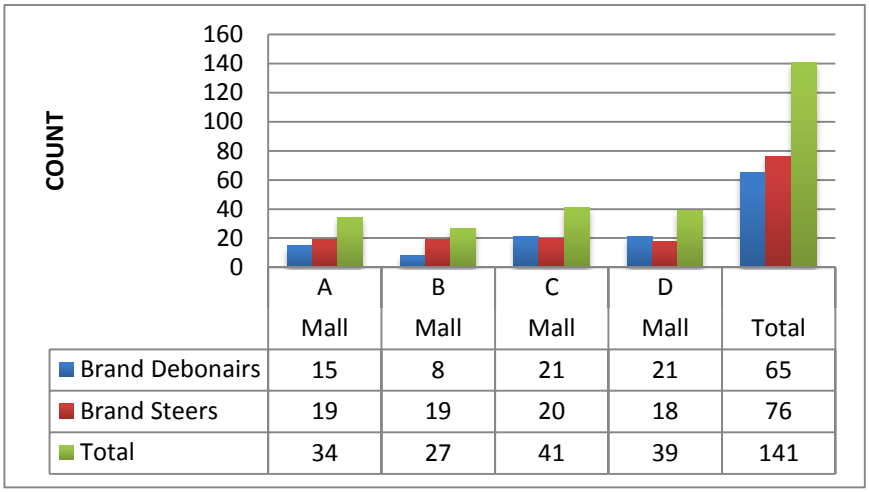
Full details of the results can be found in the following appendices:

- Appendix C: Descriptive statistics;
- Appendix D: Reliability analysis (second run);
- Appendix E: Group comparisons;
- Appendix F: Descriptive comparisons; and
- Appendix G: Full correlation analysis (parametric and non-parametric tests).

4.1 Overview

Retail site selection is described as the way in which consumers chose to patronise a shopping centre. Figure 6 represents the retail site selection across the four retail sites as represented by A, B, C and D. This was coded to ensure anonymity across these sites. Retail sites A, B and D were representative of small regional and community shopping mall centres while retail site C represented a regional mall centre and the largest portion of the sample, 29 percent of respondents. A final

sample of 141 consumers across the four retail sites, which included 65 for Debonairs and 76 for Steers, was used for the analysis. The eight individual revenue streams provide for total revenue and revenue growth across the eight outlets.

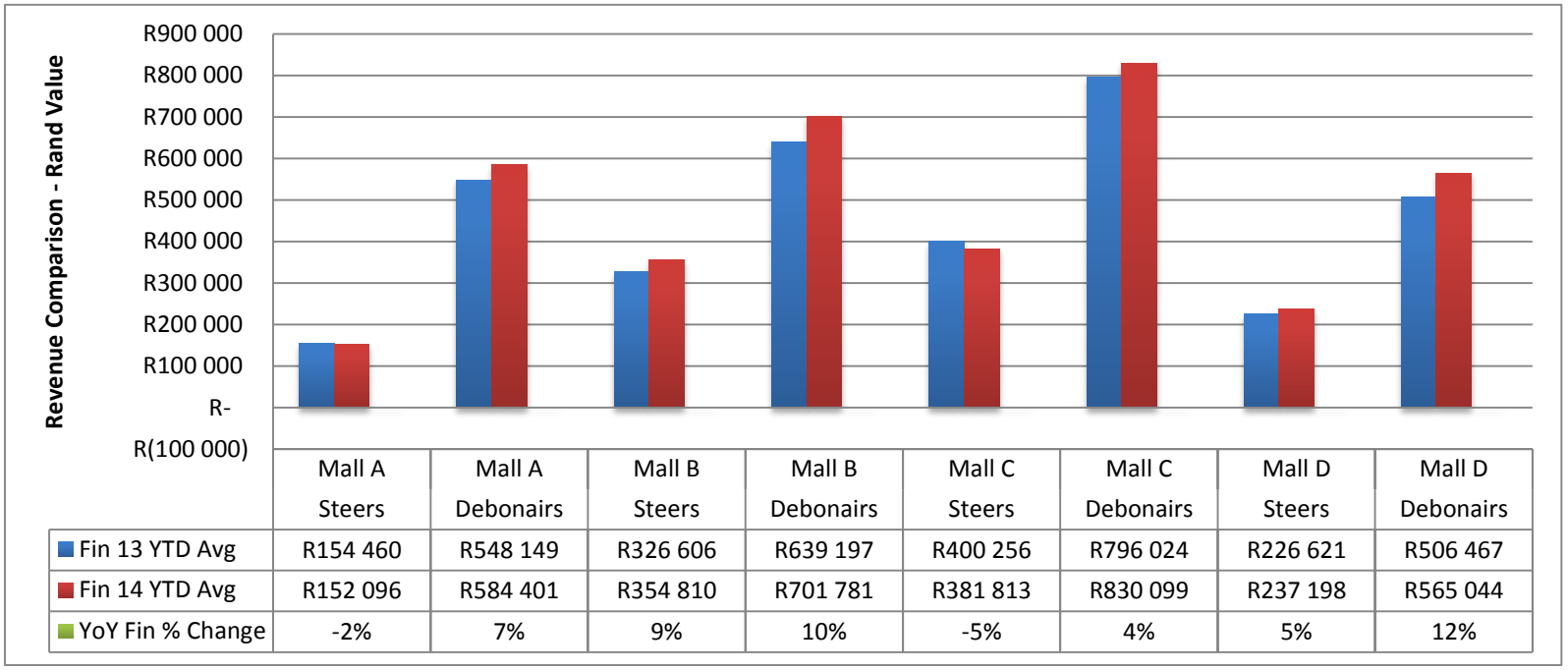


	A Mall	B Mall	C Mall	D Mall	Total
Brand Debonairs	15	8	21	21	65
Brand Steers	19	19	20	18	76
Total	34	27	41	39	141

Figure 6: Retail site sample size

4.1.1 *Revenue overview*

The purpose of Figure 7 represents the revenue disparity across the Steers and Debonairs Brands across retail sites A, B, C and D. The financial reports as mentioned in Chapter 3 were based on the average trading period from 1 March 2013 to 30 November 2013 in comparison with 1 March 2014 to 30 November 2014. This provides insight into the revenue and revenue growth disparity across the Steers and Debonairs brands as well across the retail sites. Debonairs brand average revenue growth for 2014 was 7.7 percent compared with Steers revenue growth of 1.6 percent.



	Mall A Steers	Mall A Debonairs	Mall B Steers	Mall B Debonairs	Mall C Steers	Mall C Debonairs	Mall D Steers	Mall D Debonairs
Fin 13 YTD Avg	R154 460	R548 149	R326 606	R639 197	R400 256	R796 024	R226 621	R506 467
Fin 14 YTD Avg	R152 096	R584 401	R354 810	R701 781	R381 813	R830 099	R237 198	R565 044
YoY Fin % Change	-2%	7%	9%	10%	-5%	4%	5%	12%

Figure 7: Year-on-year revenue growth

4.1.2 ***Customer transaction count overview***

The purpose of Table 8 represents the year-on-year customer count growth and spend analysis across all retail sites A, B, C and D. The transaction count across both brands measures the number of orders completed and shows a major disparity between the retail sites across the Steers and Debonairs brands. The Debonairs brand completed 12 847 more transactions in November 2013 compared to Steers brand and 12 365 more transactions in November 2014.

It is noted that the number of transactions across all retail sites shows a negative growth between November 2013 and November 2014 as indicated by the Count % with the exception of Debonairs retail site C (regional mall centre). The largest drop in the transaction count is Debonairs retail site A (community mall centre). The average transaction count across the four retail sites for Debonairs in 2014 was 11 822 compared with Steers, which was 7 210.

The ratio or spend analysis across the malls as indicated in Ratio-13 and Ratio-14 below were calculated by dividing the revenue per brand outlet by the number of consumers served for that period. This showed an overall increase between 2013 and 2014, this is linked back to the drop in transaction counts. Debonairs shows the biggest change in ratio with a 35 percent overall increase in 2014. The revenue growth shows a positive movement from 2013 to 2014 with the exception of Steers at retail site A (community mall centre) and Steers retail site C (regional mall centre).

Table 8: Year-on-year customer count growth and spend analysis

Brand	Site Location	Mall Type	Nov Count-13	Nov Count-14	Count-%	Ratio-13	Ratio-14	Ratio-%
Steers	A	Community Mall	4 000	3 430	-14%	41,94	43,26	3%
Debonairs	A	Community Mall	13 671	9 348	-32%	43,17	71,74	66%
Steers	B	Small Regional Mall	11 010	8 639	-22%	32,97	42,98	30%
Debonairs	B	Small Regional Mall	13 196	10 948	-17%	51,20	70,63	38%
Steers	C	Regional Mall	13 271	11 641	-12%	32,78	36,10	10%
Debonairs	C	Regional Mall	13 105	14 444	10%	61,51	64,70	5%
Steers	D	Small Regional Mall	6 160	5 130	-17%	40,65	52,46	29%
Debonairs	D	Small Regional Mall	7 316	6 465	-12%	70,01	101,36	45%
Steers	E	Overall	34 441	28 840	-16%	35,31	41,92	19%
Debonairs	E	Overall	47 288	41 205	-13%	54,65	73,62	35%

4.1.3 *Demographic information*

Demographic information is important in the retail trade to understand the consumer profile and make up; the purpose of Figure 8 was to represent the consumer profile make up for the participants that took part in this research. This not only provided an understanding of the type of consumer who patronises the retail malls selected but who purchases fast food from a particular brand. The four retail sites selected represented the Steers and Debonairs outlets within this research; this is indicated through the coding A, B, C and D in Appendix B. Forty eight percent of the consumers that took part in the questionnaire fell between 18 and 25 years of age. Sixty five percent of the respondents were female and 35 percent were male. Ninety seven percent of the respondents were black and two percent were coloured. From the sample 53 percent were Steers consumers and 47 percent were Debonairs consumers.

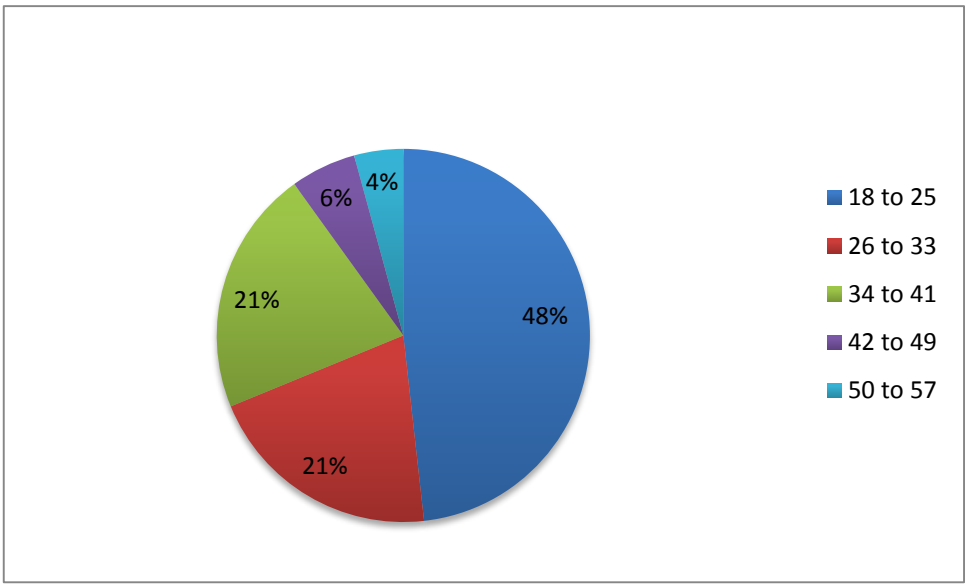


Figure 8: Consumer age profile

4.1.4 *Purchase information*

This information represents the frequency of purchasing patterns from Steers and Debonairs consumers from the sample. It was noted (Appendix C), 39 percent of

the consumers indicated that they purchased from a Steers or Debonairs outlet twice a week. As shown in Figure 9 thirty six percent of consumers from the sample indicated that they spent more than R 91 when purchasing from Steers and Debonairs brands. The most common form of transport used was public transport through local taxis, which accounted for 44 percent of the sample.

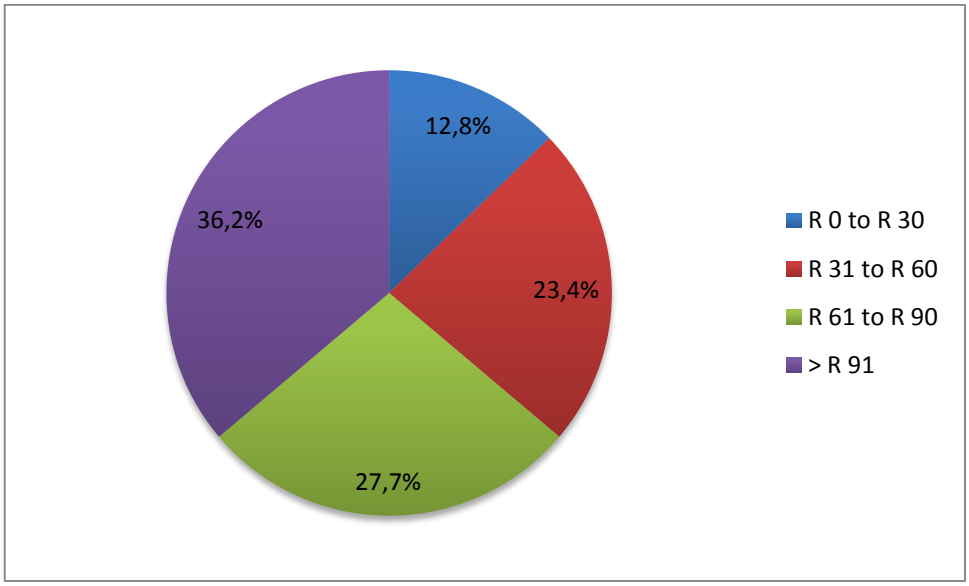


Figure 9: Spend analysis

4.1.5 ***Group statistics***

As presented in Table 9, the variables of sites selection and brand knowledge across two brands did not indicate any statistical difference across the sample. The results are presented on an individual level, per hypotheses, in their relation to retail mall and revenue growth.

Table 9: Group statistics

Variable	Brand	N	Mean	Std. Deviation
Accessibility	Debonairs	65	1,3692	,56863
	Steers	76	1,3772	,55868
Competition	Debonairs	65	1,2615	,71320
	Steers	76	1,2544	,67521
Convenience	Debonairs	65	,9731	,72769
	Steers	76	,8487	,77145
Central Facilities	Debonairs	65	1,4718	,53649
	Steers	76	1,4868	,55894
Brand Awareness	Debonairs	65	1,1885	,66882
	Steers	76	1,2697	,67177
Brand Image	Debonairs	65	1,5615	,46358
	Steers	76	1,5658	,48882
Brand Attributes	Debonairs	65	1,6962	,44742
	Steers	76	1,5658	,48882
Price & Promotion	Debonairs	65	1,3026	,62562
	Steers	76	1,3202	,47279

4.1.6 *Independent samples t-test*

Post the independent samples t-test at a 95 percent confidence level across the sample, the following is noted in terms of the site selection variables as per Table 10. None of the variables resembles any statistical significance across the retail sites in terms of the comparison to one another; however, the major revenue growth disparity between the Steers and Debonairs brands across the retail sites is explained later in Chapter 4 on an individual store basis.

Table 10: Independent samples t-test

	Levene's Test for Equality of Variances		t-test for Equality of Means		Sig. (2-tailed)	Mean Difference	95% Confidence Interval of the Difference	
	F	Sig.	t	df			Lower	Upper
Accessibility	,027	,870	-,084	139	,933	-,00796	-,19612	,18019
Competition	1,658	,200	,061	139	,951	,00715	-,22432	,23863
Convenience	,271	,604	,980	139	,329	,12439	-,12667	,37546
Central Facilities	,386	,536	-,162	139	,871	-,01505	-,19834	,16824
Brand Awareness	1,055	,306	-,718	139	,474	-,08128	-,30522	,14267
Brand Image	,189	,664	-,053	139	,958	-,00425	-,16371	,15521
Brand Attributes	2,755	,099	1,641	139	,103	,13036	-,02670	,28743
Price & Promotion	11,777	,001	-,190	139	,850	-,01761	-,20082	,16560

Note: Equal variances assumed

4.1.7 *Overall correlation analysis*

Table 11 represents the correlation between the site selection variables and brand knowledge variables. These are further explained in their impact on revenue growth.

Table 11: Correlations

		Accessibility	Competition	Convenience	Central Facilities	Brand Awareness	Brand Image	Brand Attributes	Price & Promotion
Pearson Correlation	Accessibility	1	,196	,293	,482	,335	,383	,290	,370
	Competition	,196	1	,385	,347	,270	,261	,250	,336
	Convenience	,293	,385	1	,258	,641	,250	,221	,360
	Central Facilities	,482	,347	,258	1	,167	,339	,269	,390
	Brand Awareness	,335	,270	,641	,167	1	,462	,408	,346
	Brand Image	,383	,261	,250	,339	,462	1	,676	,431
	Brand Attributes	,290	,250	,221	,269	,408	,676	1	,448
	Price & Promotion	,370	,336	,360	,390	,346	,431	,448	1
Sig. (2-tailed)	Accessibility		,020	,000	,000	,000	,000	,000	,000
	Competition	,020		,000	,000	,001	,002	,003	,000
	Convenience	,000	,000		,002	,000	,003	,009	,000
	Central Facilities	,000	,000	,002		,048	,000	,001	,000
	Brand Awareness	,000	,001	,000	,048		,000	,000	,000
	Brand Image	,000	,002	,003	,000	,000		,000	,000
	Brand Attributes	,000	,003	,009	,001	,000	,000		,000
	Price & Promotion	,000	,000	,000	,000	,000	,000	,000	
N	Accessibility	141	141	141	141	141	141	141	141
	Competition	141	141	141	141	141	141	141	141
	Convenience	141	141	141	141	141	141	141	141
	Central Facilities	141	141	141	141	141	141	141	141
	Brand Awareness	141	141	141	141	141	141	141	141
	Brand Image	141	141	141	141	141	141	141	141
	Brand Attributes	141	141	141	141	141	141	141	141
	Price & Promotion	141	141	141	141	141	141	141	141

4.2 Results pertaining to site selection (Hypotheses 1a to 1d)

The drivers of the retail site selection are comprised the four variables as discussed in Chapters 2 and 3. These variables are presented on an overall level and then on an individual level within the findings. This provides insight into each variables and the influence on revenue growth to address each hypothesis. The variables are as follows:

- Accessibility;
- Competition;
- Convenience; and
- Central facilities .

Appendix D presents the full reliability analysis from the respondents in terms of the site location variables across all retail locations post the second run reliability analysis which was completed, where necessary any variables required to be removed to improve the overall Cronbach Alpha were removed as indicated in the initial reliability tests. These are detailed in Tables 12, 13, 14 and 15.

Table 12: Accessibility

Reliability Statistics		
Cronbach's Alpha	**N of Items**	
,624	4	
Item-Total Statistics		
	Corrected Item-Total Correlation	**Cronbach's Alpha if Item Deleted**
The shopping centre is easy to access	,423	,557
The shopping centre has good parking	,578	,447
The shopping centre has good security	,424	,539
The shopping centre is located off a main road *	,294	,685

* Item removed to improve Cronbach Alpha- Improved Cronbach Alpha is: ,685

Table 13: Competition

Reliability Statistics		
Cronbach's Alpha	**N of Items**	
,630	4	
Item-Total Statistics		
	Corrected Item-Total Correlation	**Cronbach's Alpha if Item Deleted**
The shopping centre has a food court	,510	,495
The shopping centre has many fast food outlets to choose from	,393	,580
There are many fast food outlets located with 1 km	,538	,461
I choose the closest fast food offering *	,268	,696

***** Item removed to improve Cronbach Alpha- Improved Cronbach Alpha is: ,696

Table 14: Convenience

Reliability Statistics		
Cronbach's Alpha	**N of Items**	
,679	4	
Item-Total Statistics		
	Corrected Item-Total Correlation	**Cronbach's Alpha if Item Deleted**
The shopping centre is located within 1km work / home	,513	,584
The shopping centre has many retail stores that I visit	,455	,632
I choose the closest shop when I enter the shopping centre	,558	,553
The shopping centre is well established	,424	,654

Table 15: Central facilities

Reliability Statistics	
Cronbach's Alpha	**N of Items**
,620	4

Item-Total Statistics		
	Corrected Item-Total Correlation	**Cronbach's Alpha if Item Deleted**
The shopping centre has a bank that I use	,412	,550
The shopping centre has many retail shops that I use	,478	,506
The shopping centre has a clothing retail shop that I require	,508	,477
The shopping centre has a chemist that I use *	,299	,687

***** Item removed to improve Cronbach Alpha- Improved Cronbach Alpha is: ,687

4.2.1 *Correlation analysis*

The Pearson correlation analysis was completed and confirmed by the non-parametric correlation analysis; Tables 16 and 17 identify variables with a significant correlation with revenue growth, by brand revenue. This was important as it allowed the presentation of those variables that influence revenue growth independently of the brand and will allow the acceptance or rejection of the hypotheses Steers correlation resembles that competition; convenience and central facilities have a significant correlation with revenue growth as confirmed by the p-value produced (Table 16). Debonairs correlation resembles that only competition has a significant influence on revenue growth as confirmed by the p-value produced (Table 17).

Table 16: Steers' correlations – Revenue Growth

	Accessibility	**Competition**	**Convenience**	**Central Facilities**
Pearson Correlation	-,167	-,315	-,303	-,340
Sig. (2-tailed)	,150	,006	,008	,003
N	76	76	76	76

Table 17: Debonairs' correlations- Revenue Growth

	Accessibility	Competition	Convenience	Central Facilities
Pearson Correlation	,152	-,403	-,223	,040
Sig. (2-tailed)	,226	,001	,075	,749
N	65	65	65	65

4.2.2 *Regression analysis*

A stepwise linear regression was completed on Steers revenue growth and Debonairs revenue growth based on the outcome of the correlation analysis as shown in Tables 18 and 19. This allowed for the variables of the revenue growth to be selected based on the best predictor variable and influence on revenue growth. For the purpose of this research report Therefore, the additional variables were selected based on the incremental explanatory power that they add to the regression model itself, however, it is noted that independent variables have only been added where their partial correlation coefficients are statistically significant. The Steers stepwise linear regression analysis indicates that the variables of convenience and central facilities have an impact on revenue growth (Table 19), while Debonairs stepwise linear regression shows that competition has an impact on revenue growth (Table 18) and is explained in Chapter 5. The variables were tested to ensure there was no Collinearity between them, firstly this was confirmed through the VIF scores, which are below 10, secondly through the condition indices, which are below 13, for both the Steers and Debonairs brands.

Table 18: Debonairs stepwise linear regression

Variables Entered/Removed[a]			
Model	**Variables Entered**	**Variables Removed**	**Method**
1	Com-petition		Stepwise (Criteria: Probability-of-F-to-enter <= .050, Probability-of-F-to-remove >= .100).
a. Dependent Variable: Financial Revenue %			

Model Summary				
Model	**R**	**R Square**	**Adjusted R Square**	**Std. Error of the Estimate**
1	.403[a]	,162	,149	,02849
a. Predictors: (Constant), Competition				

ANOVA[a]						
Model		**Sum of Squares**	**df**	**Mean Square**	**F**	**Sig.**
1	Regressio n	,010	1	,010	12,215	.001[b]
	Residual	,051	63	,001		
	Total	,061	64			
a. Dependent Variable: Financial Revenue %						
b. Predictors: (Constant), Competition						

Coefficients[a]								
Model		**Un-standardized Coefficients**		**Standardised Coefficients**			**Collinearity Statistics**	
		B	**Std. Error**	**Beta**	**t**	**Sig.**	**Tolerance**	**VIF**
1	(Constant)	,101	,007		13,917	,000		
	Competition	-,017	,005	-,403	-3,495	,001	1,000	1,000
a. Dependent Variable: Financial Revenue %								

Collinearity Diagnostics[a]					
Model	**Dimension**	**Eigen-value**	**Condition Index**	**Variance Proportions**	
				(Constant)	**Competition**
1	1	1,872	1,000	,06	,06
	2	,128	3,827	,94	,94
a. Dependent Variable: Financial Revenue %					

Table 19: Steers stepwise linear regression

Variables Entered/Removed[a]			
Model	**Variables Entered**	**Variables Removed**	**Method**
1	Central Facilities		Stepwise (Criteria: Probability-of-F-to-enter <= .050, Probability-of-F-to-remove >= .100).
2	Convenience		Stepwise (Criteria: Probability-of-F-to-enter <= .050, Probability-of-F-to-remove >= .100).
a. Dependent Variable: Financial Revenue %			

Model Summary				
Model	**R**	**R Square**	**Adjusted R Square**	**Std. Error of the Estimate**
1	.340[a]	,116	,104	,04969
2	.404[b]	,163	,140	,04868
a. Predictors: (Constant), Central Facilities				
b. Predictors: (Constant), Central Facilities, Convenience				

ANOVA[a] Model 2					
Dimension	**Sum of Squares**	**df**	**Mean Square**	**F**	**Sig.**
Regression	,034	2	,017	7,106	.002[c]
Residual	,173	73	,002		
Total	,207	75			
a. Dependent Variable: Financial Revenue %					
c. Predictors: (Constant), Central Facilities, Convenience					

Coefficients[a]							
Model 2	**Unstandardized Coefficients**		**Standardised Coefficients**			**Collinearity Statistics**	
	B	**Std. Error**	**Beta**	**t**	**Sig.**	**Tolerance**	**VIF**
(Constant)	,068	,016		4,254	,000		
Central Facilities	-,026	,010	-,278	-2,489	,015	,922	1,084
Convenience	-,015	,008	-,226	-2,025	,046	,922	1,084
a. Dependent Variable: Financial Revenue %							

Collinearity Diagnostics[a] (Model 2)					
Dimension	**Eigen-value**	**Condition Index**	**Variance Proportions**		
			(Constant)	**Central Facilities**	**Convenience**
1	2,630	1,000	,02	,02	,05
2	,308	2,924	,07	,05	,94
3	,063	6,477	,92	,94	,01
a. Dependent Variable: Financial Revenue %					

4.2.3 *Descriptive statistics*

Hypothesis 1: There is a relationship between fast food outlets located within a regional mall and sustainable growth.

Steers and Debonairs franchise outlets located within regional mall centre C sites are currently growing at a combined negative -1 on prior year, whilst the small regional and community malls A, B and D are showing a combined positive 6.6 percent growth on prior year. This was calculated with average revenue growth period March 2014 to November 2014 less average revenue for March 2013 to November 2013.

Figures 10 and 11 represent the year-on-year growth across Steers and Debonairs brands across regional mall centre, small regional and community mall locations. Retail site C represents a regional mall while retail sites A, B, and D represent small regional and community malls. Figure 10 represents Debonairs outlets with an overall year-on-year growth of 7.7 percent, Debonairs outlets located in the regional mall centre C has a 4.3 percent year-on-year growth while small regional and community malls A, B and D have a 9.3 percent year-on-year growth on the previous year.

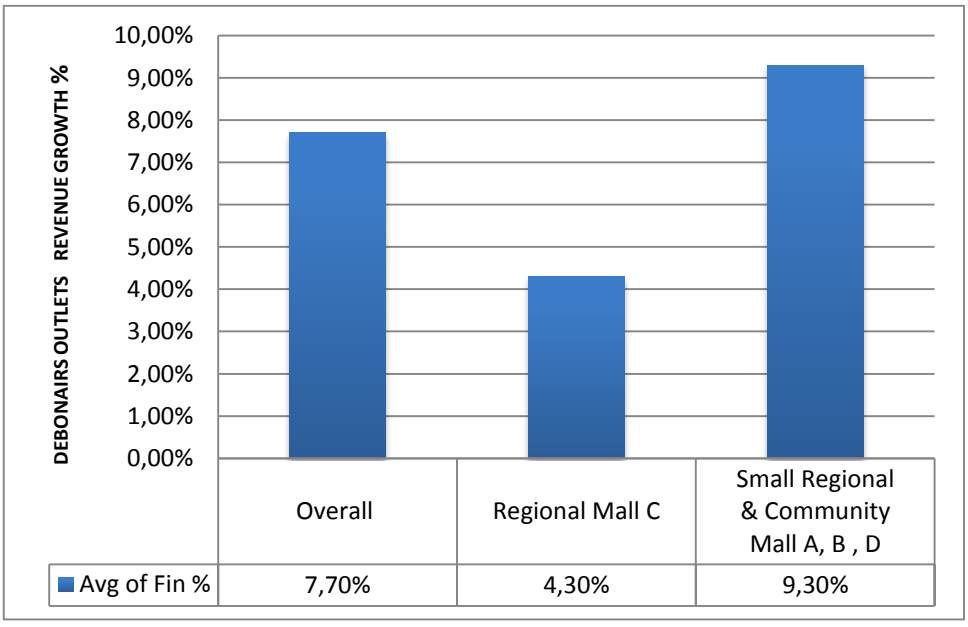


Figure 10: Debonairs revenue growth

Figure 11 represents the Steers outlets with an overall year-on-year growth of 1.6 percent; Steers outlets located within the regional mall centre C had a -4.6 percent growth, while Steers across small regional and community malls A, B and D had a 3.9 percent growth.

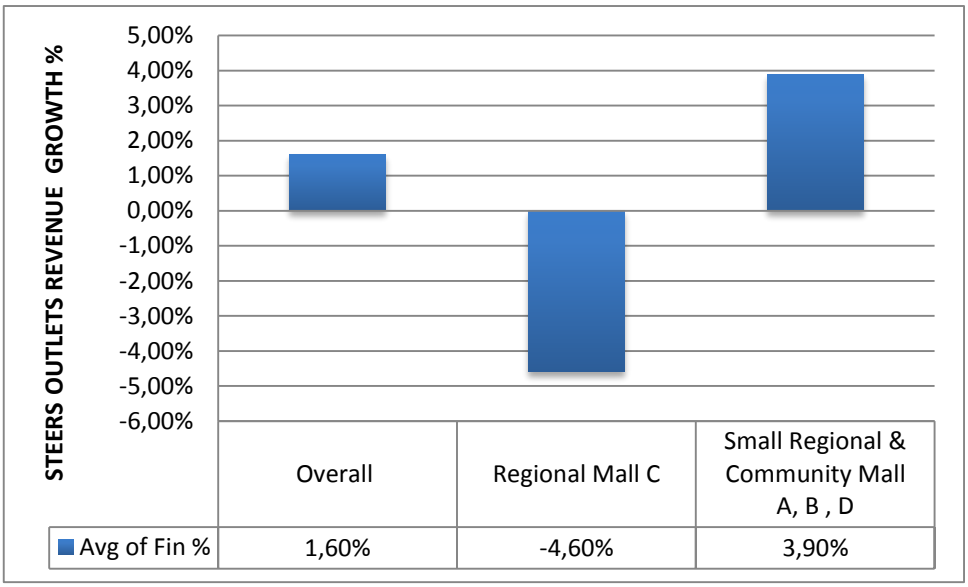


Figure 11: Steers revenue growth

Hypothesis 1a: There is a relationship between accessibility of the retail location and sustainable growth.

Accessibility of the retail location was defined by the following variables:

- The shopping centre is easy to access;
- The shopping centre has good parking;
- The shopping centre has good security; and
- The shopping centre is located off a main road (removed on second reliability run as not significant).

Post the second run reliability analysis of accessibility across the retail sites a final Cronbach Alpha of 0.685 was produced across the three variables. The independent t-test, group statistics and correlation analysis on revenue growth as

shown earlier note that none of the variables of accessibility were statistically significant across the sample on revenue growth.

Figure 12 represents the overall mean scores across the retail sites in terms of accessibility in comparison to the year-on-year revenue growth across both brands. Debonairs outlets produced a mean score of 1.37 with 7.7 percent overall revenue growth, while Steers outlets produced a mean score of 1.38 with an overall 1.6 percent revenue growth.

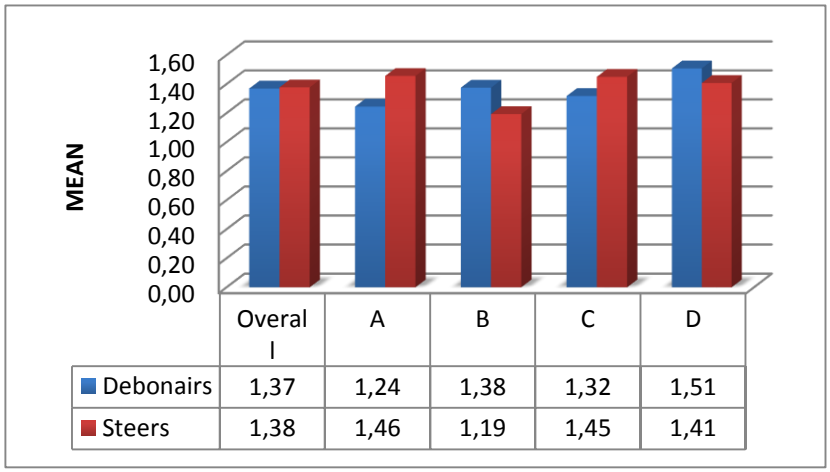


Figure 12: Retail site accessibility

Hypothesis 1b: There is a relationship between competition of fast food outlets and sustainable growth.

Competition within the retail location was defined by the following variables:

- The shopping centre has a food court;
- The shopping centre has many fast food outlets to choose from;
- There are many fast food outlets located within one kilometre; and
- I choose the closest fast food offering (removed on second reliability run as was not significant).

In order to establish the impact local competitors and the influence they have on consumers, Table 20 represents the competitor outlets recognised by the

respondents. This indicates the most recognisable outlet available within the retail sites as perceived by the consumer.

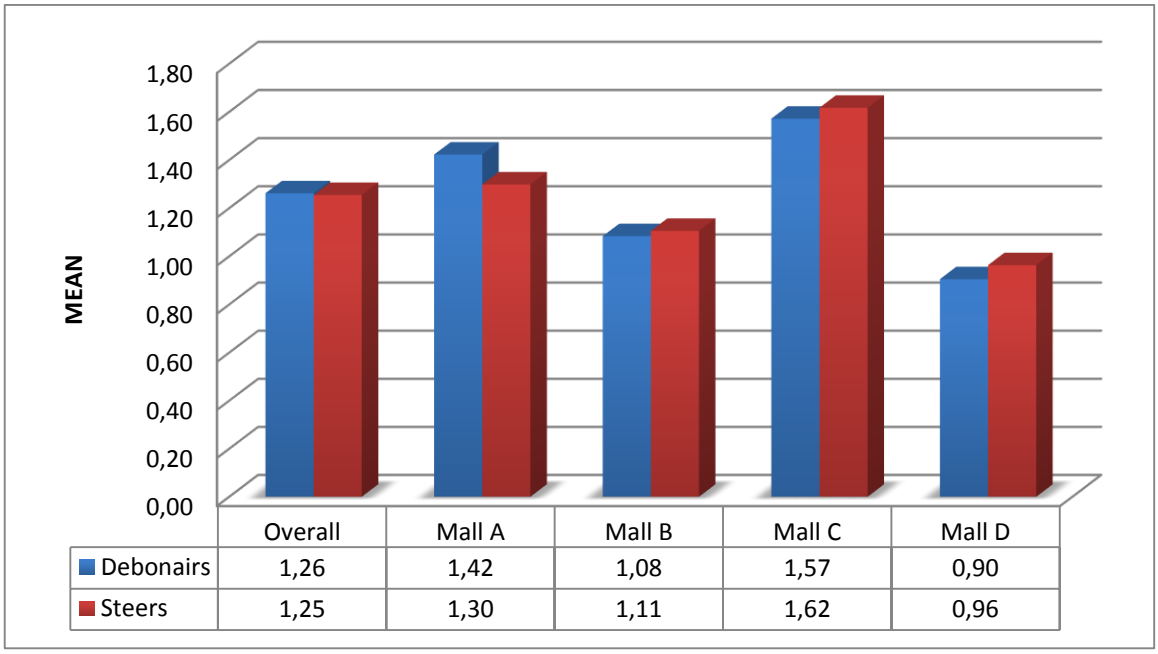
Table 20: Competitor outlets

Food Outlet		Unmarked	Marked	Total
McDonalds	Count	17	124	141
	Row N %	12,1%	87,9%	100,0%
KFC	Count	19	122	141
	Row N %	13,5%	86,5%	100,0%
Nandos	Count	78	63	141
	Row N %	55,3%	44,7%	100,0%
Spur	Count	76	65	141
	Row N %	53,9%	46,1%	100,0%
Fish & Chips	Count	29	112	141
	Row N %	20,6%	79,4%	100,0%

* Marked – Most recognisable competitor brand

Post the reliability analysis of competition across the retail sites, a final Cronbach Alpha of 0.696 was produced. The independent t-test and group statistics as shown earlier, note that none of the variables of competition was statistically significant across the Steers and Debonairs brands; however the correlation analysis completed across the Steers and Debonairs brand revenue independently showed that the competition factor was significant with Debonairs revenue growth. The correlation was a negative, which can infer that where there is less competition, which should allow for increased revenue growth. The regression analysis completed on the Debonairs revenue showed that competition could explain around .16.2 percent of the revenue growth.

Figure 13 represents the overall mean scores across the retail sites in terms of competition in comparison to the year-on-year revenue growth across both brands. Debonairs outlets show a mean score of 1.26 with 7.7 percent revenue growth while Steers outlets represents a mean score of 1.25 with a 1.6 percent growth. It is noted that regional mall centre C shows a significant influence of increased competition within the retail mall and this is discussed later in Chapter 5.



	Overall	Mall A	Mall B	Mall C	Mall D
Debonairs	1,26	1,42	1,08	1,57	0,90
Steers	1,25	1,30	1,11	1,62	0,96

Figure 13: Retail site competition

Hypothesis 1c: There is a relationship between convenience of the retail location and sustainable growth.

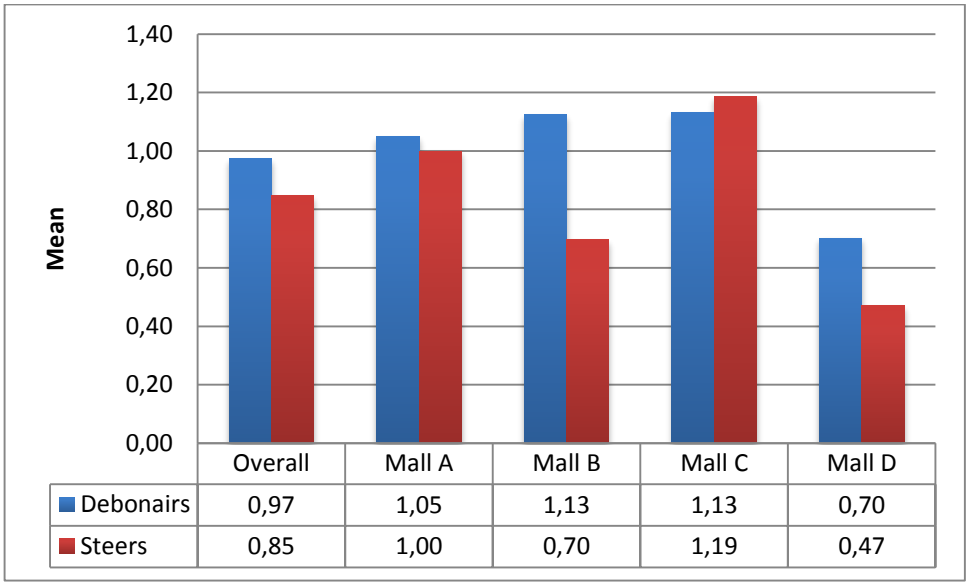
Convenience within retail location was defined by the following variables:

- The shopping centre is located within one kilometre of work / home;
- The shopping centre has many retail stores that I visit;
- I choose the closest shop when I enter the shopping centre; and
- The shopping centre is well established.

Post the reliability analysis of convenience across the retail sites, a final Cronbach Alpha of 0.679 was produced. The independent t-test and group statistics shown earlier note that none of the variables of convenience are statistically significant across the brands, yet the correlation analysis between convenience and revenue growth show that there is a negative correlation between Steers revenue growth and convenience with a p-value of 0.08. This was included in the regression analysis and explains around 14 percent of Steers revenue growth.

Figure 14 represents the overall mean scores across the retail sites in terms of convenience in comparison to the year-on-year revenue growth across both

brands. Debonairs outlets present a mean score of 0.97 with 7.7 percent revenue growth, while Steers outlets present a mean score of 0.85 with a 1.6 percent growth.



	Overall	Mall A	Mall B	Mall C	Mall D
Debonairs	0,97	1,05	1,13	1,13	0,70
Steers	0,85	1,00	0,70	1,19	0,47

Figure 14: Retail site convenience

Hypothesis 1d: There is a relationship between Central facilities and sustainable growth.

Central facilities within the retail location were defined by the following variables:

- The shopping centre has a bank that I use;
- The shopping centre has many shops that I use;
- The shopping centre has a clothing retail shop that I require; and
- The shopping centre has a chemist that I use (removed on second reliability run as not significant).

Post the reliability analysis of central facilities across the retail sites produced a final Cronbach Alpha of 0.687. The independent t-test and group statistics note that none of the variables of convenience were statistically significant across the sample. Post the correlation analysis, it was shown that there is a negative correlation between Steers revenue growth and central facilities available. The p-value produced of 0.06 indicates that possibly the central facilities of the retail mall

do not influence the Steers consumers to patronise a retail mall specifically. Post the regression analysis, it can be shown that central facilities describes around 11 percent of the Steers revenue growth.

Figure 15 represents the overall mean scores across the retail sites in terms of central facilities comparison to the year-on-year revenue growth across both brands. Debonairs outlets show a mean score of 1.47 with 7.7 percent revenue growth while Steers outlets show a mean score of 1.49 with a 1.6 percent growth.

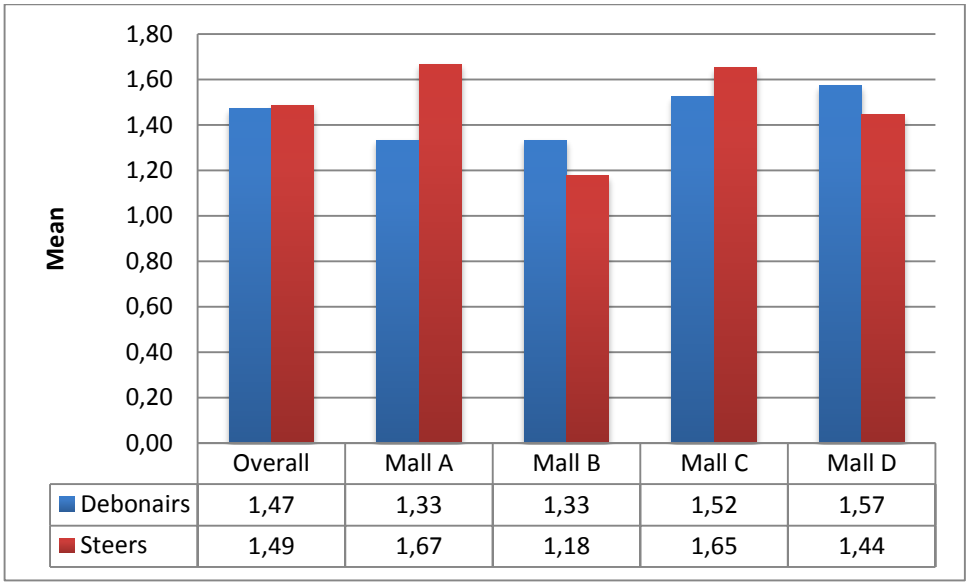


Figure 15: Retail site central facilities

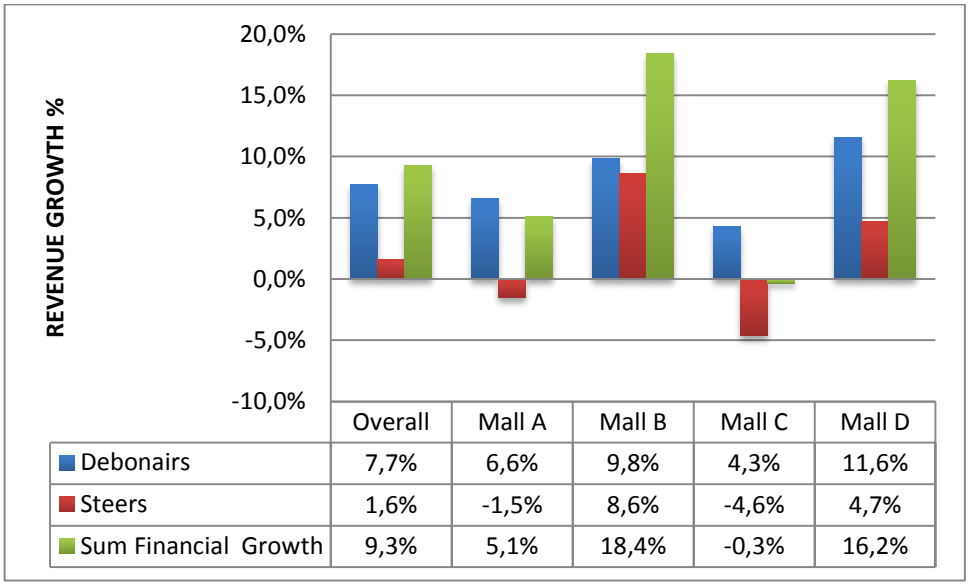
4.3 Results pertaining to brand knowledge (Hypotheses 2a to 2d)

This section presents the results of brand knowledge of consumers spread across the four retail sites and the revenue growth currently achieved. The drivers of brand knowledge were comprised of the following variables and were presented individually in terms of their influence on revenue growth across the Steers and Debonairs brands in terms of the hypotheses formulated.

- Brand awareness;
- Brand image;

- Brand attributes; and
- Price and promotion.

The purpose of figure 16 below indicates the current revenue growth per brand on an individual basis and per retail outlet combined as a destination outlet. This allows for reference to be made pertaining to the revenue growth disparity in terms of the consumer's brand knowledge across Steers and Debonairs brands.



	Overall	Mall A	Mall B	Mall C	Mall D
Debonairs	7,7%	6,6%	9,8%	4,3%	11,6%
Steers	1,6%	-1,5%	8,6%	-4,6%	4,7%
Sum Financial Growth	9,3%	5,1%	18,4%	-0,3%	16,2%

Figure 16: Retail site revenue growth

4.3.1 *Reliability analysis*

Appendix D presents the full reliability analysis from the respondents in terms of the brand knowledge variables across all retail locations post the second run reliability analysis which was completed, where necessary any variables required to be removed to improve the overall Cronbach Alpha were removed as indicated in the initial reliability tests in Table 21.

Table 21: Reliability analysis

Brand Awareness		
Cronbach's Alpha	**N of Items**	
,737	4	
Item-Total Statistics	**Corrected Item-Total Correlation**	**Cronbach's Alpha if Item Deleted**
My restaurant brand is located within 1km from my work place	,549	,733
My restaurant brand is easy to locate in the shopping centre	,605	,641
My restaurant brand has good visible signage	,608	,684
My restaurant brand is my first choice when I get hungry	,550	,670
Brand Image		
Cronbach's Alpha	**N of Items**	
,890	4	
Item-Total Statistics	**Corrected Item-Total Correlation**	**Cronbach's Alpha if Item Deleted**
The brand logo allows me to find my restaurant easily	,780	,852
I know what to expect when I see the logo	,811	,840
The menu is easy to read and understand	,794	,846
TV advertising reminds me of the brand	,662	,898
Brand Attributes		
Cronbach's Alpha	**N of Items**	
,903	4	
Item-Total Statistics	**Corrected Item-Total Correlation**	**Cronbach's Alpha if Item Deleted**
The food is served hot	,702	,904
The quality of the food is fresh	,864	,845
The food has a unique taste	,802	,868
The food looks appealing	,769	,879

Price & Promotion		
Cronbach's Alpha	**N of Items**	
,583	4	
Item-Total Statistics	**Corrected Item-Total Correlation**	**Cronbach's Alpha if Item Deleted**
The food is good value for money	,440	,487
Prices are competitive	,454	,452
Price influences my choice when I purchase from the brand	,452	,458
I only buy from the brand because of the current promotion *	,262	,690

* Item removed to improve Cronbach Alpha- Improved Cronbach Alpha ,690

4.3.2 *Correlation analysis*

The purpose of Tables 22 and 23 is to present the brand knowledge variables overall correlation with that of the independent brand revenue growth across the four retail sites. Post the Pearson correlation analysis and confirmed by the non-parametric statistics (Appendix G), price and promotion are shown to have a correlation with the Debonairs revenue growth while brand awareness and price and promotion are shown to have a correlation with Steers revenue yet these resemble a negative correlation. This is discussed in Chapter 5.

Table 22: Debonairs Pearson correlation

	Brand Awareness	Brand Image	Brand Attributes	Price & Promotion
Pearson Correlation	-,220	-,041	-,022	-,259
Sig. (2-tailed)	,079	,745	,862	,037
N	65	65	65	65

Table 23: Steers Pearson correlation

	Brand Awareness	Brand Image	Brand Attributes	Price & Promotion
Pearson Correlation	-,234	-,018	-,187	-,313
Sig. (2-tailed)	,042	,880	,105	,006
N	76	76	76	76

4.3.3 *Regression analysis*

Post the correlation analysis; the variable that was shown to influence the group revenue across both brands was that of price and promotion. Making use of the stepwise regression analysis allowed for the variables of the revenue growth to be selected based on the best predictor variable and influence on revenue growth per brand, however none of the variables were shown to be significant for the stepwise regression.

4.3.4 *Descriptive statistics*

Therefore, the results are described using descriptive statistics; reference is made to the correlation analysis and supported by the reliability tests. No additional variables were selected based on the incremental explanatory power that they could add to the regression model.

Hypothesis 2a: There is a relationship between brand awareness and sustainable growth.

Brand awareness was defined by the following variables:

- My restaurant brand is located within one kilometre of my work place;
- My restaurant brand is easy to locate within the shopping centre;
- My restaurant brand has good visible signage; and
- My restaurant brand is my first choice when I get hungry.

Post the reliability analysis of brand awareness across the retail sites a final Cronbach Alpha of 0.737 was produced. As noted in the group statistics and independent t-tests, there was no significance across the sample.

Figure 17 presents the overall mean scores across the retail sites in terms of brand awareness in comparison to the year-on-year revenue growth across both brands. Debonairs outlets present a mean score of 1.19 with 7.7 percent revenue growth, while Steers outlets present a mean score of 1.27 with a 1.6 percent growth.

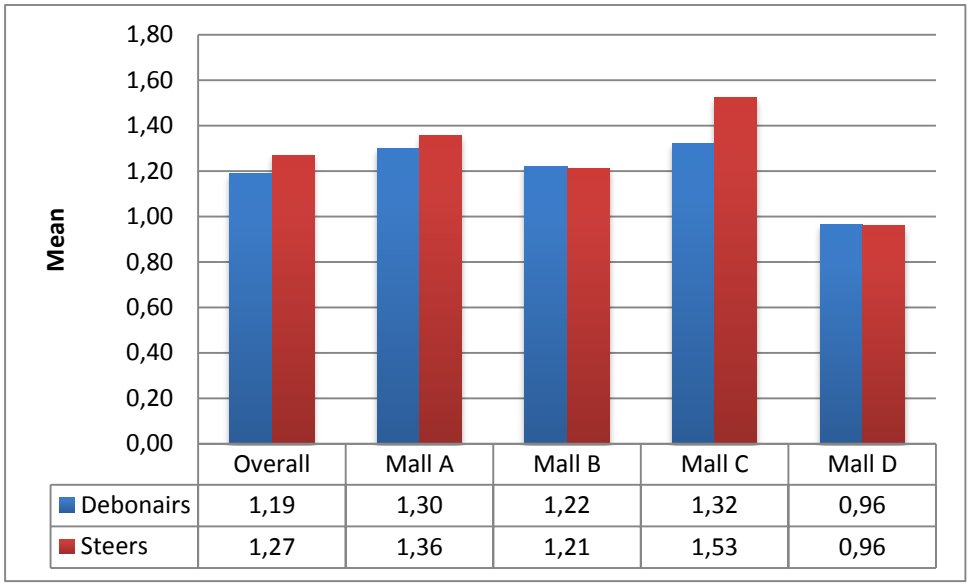


Figure 17: Overall brand awareness

Hypothesis 2b: There is a relationship between brand image and sustainable growth.

Brand image was defined by the following variables:

- The brand logo allows me to find my restaurant easily;
- I know what to expect when I see the logo;
- The menu is easy to read and understand; and
- TV advertising reminds me if the brand.

Post the reliability analysis of Brand Image across the retail sites, a final Cronbach Alpha of 0.890 was produced. As noted in the group statistics and independent t-tests there was no significance across the sample.

Figure 18 presents the overall mean scores across the retail sites in terms of brand image in comparison to the year-on-year revenue growth across both brands. Debonairs outlets show a mean score of 1.56 with 7.7 percent revenue growth, while Steers outlets show a mean score of 1.57 with a 1.6 percent growth.

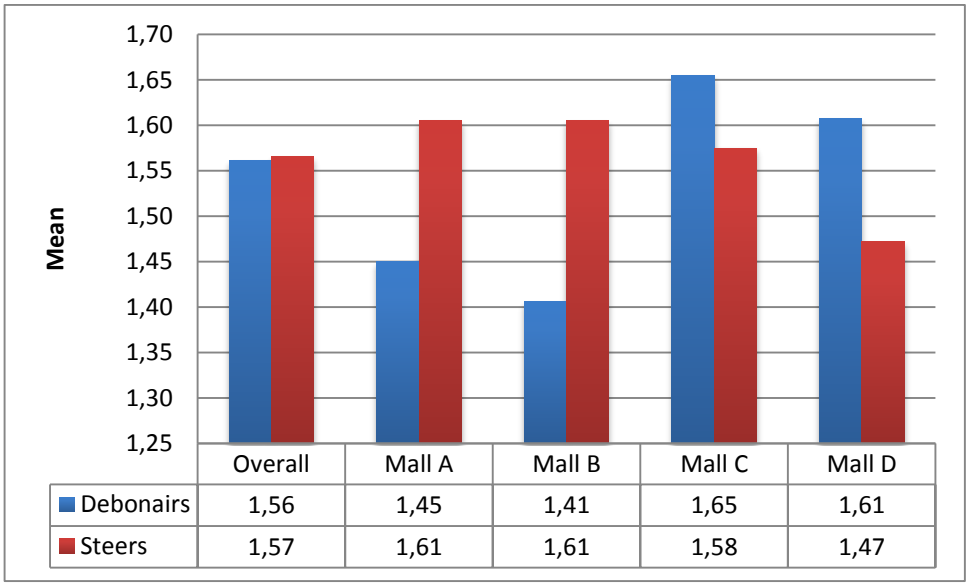


Figure 18: Overall brand image

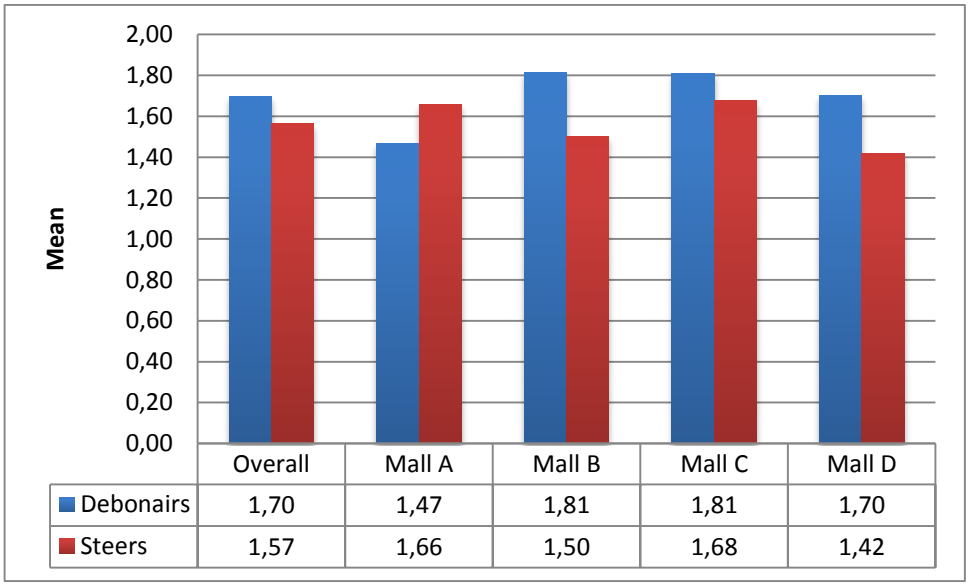
Hypothesis 2c: There is a relationship between brand attributes and sustainable growth.

Brand attributes was defined by the following variables:

- The food is served hot;
- The quality of the food is fresh;
- The food has a unique taste; and
- The food looks appealing.

Post the reliability analysis of brand attributes across the retail sites a final Cronbach Alpha of 0.903 was produced. Post the group statistics and the independent t-tests, brand attributes resemble a statistical significance across the sample between the Steers and Debonairs sites. The variables of brand attributes are represented on an individual basis across each retail location.

Figure 19 shows the overall mean scores across the retail sites in terms of brand attributes in comparison to the year-on-year revenue growth across both brands. Debonairs outlets present a mean score of 1.70 with 7,7 percent revenue growth while Steers outlets present a mean score of 1.57 with a 1,6 percent growth.



	Overall	Mall A	Mall B	Mall C	Mall D
Debonairs	1,70	1,47	1,81	1,81	1,70
Steers	1,57	1,66	1,50	1,68	1,42

Figure 19: Overall brand attributes

Hypothesis 2d: There is a relationship between price, promotion and sustainable growth.

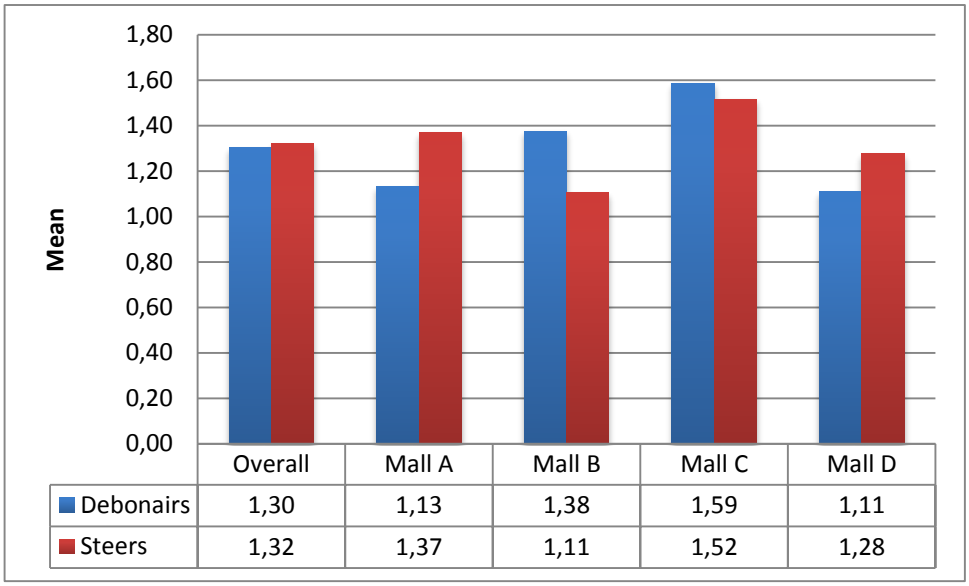
Price and promotion was defined by the following variables:

- The food is good value for money;
- Prices are competitive;
- Price influences my choice when I purchase from the brand; and
- I only buy from the brand because of the current promotion (removed post second run reliability test).

Post the reliability analysis of price and promotion across the retail sites a final Cronbach Alpha of 0.690 was produced. As noted in the group statistics and independent t-tests there was no significance across the sample yet the correlation analysis between price and promotion and revenue growth resembled a p-value of 0.06. This is consistent across the Steers and Debonairs revenue growth per brand and is discussed in Chapter 5.

Figure 20 presents the overall mean scores across the retail sites in terms of price and promotion in comparison with the year-on-year revenue growth across both

brands. Debonairs outlets show a mean score of 1.30 with 7.7 percent revenue growth while Steers outlets show a mean score of 1.32 with a 1.6 percent growth.



	Overall	Mall A	Mall B	Mall C	Mall D
Debonairs	1,30	1,13	1,38	1,59	1,11
Steers	1,32	1,37	1,11	1,52	1,28

Figure 20: Overall price and promotion

CHAPTER 5. DISCUSSION OF RESULTS

This chapter discusses the findings of the research, how they apply to the broader context of the franchising industry and to the business environment. The discussion draws reference to previous research within this field of study as well as that of insight into the retail and franchised industry operations. The discussion of results is presented in the following order:

- Demographic information discussion;
- Psychographic information discussion;
- Site selection discussion pertaining to Hypotheses 1 to 1d; and
- Brand knowledge discussion pertaining to Hypotheses 2a to 2d.

5.1 Demographic information discussion

The Steers and Debonairs brands have a select consumer profile that they target to attract through their respective offerings as communicated through advertising and brand building. The retail sites have a particular consumer that they look to attract to their retail locations, offerings and facilities, therefore the optimum collective retail and product offering mix is required to ensure the correct target market is drawn to the respective retail sites on a consistent basis. However, this is dependent on the level of competition of surrounding retail sites, service delivery, facilities available and strength of the brand

From the sample, it is shown that a younger consumer purchases across both brands throughout the four retail shopping centres. The results indicated that 48 percent of the consumers range between 18 and 25 years of age and 90.1 percent of the sample fall between 18 and 41 years of age. These results are consistent with previous research (North, 2004) within the South African context across three shopping centres where 80 percent of the consumer profile ranged between 18 and 35 years of age.

The majority of the consumers were female, accounting for 65 percent of the sample; this indicates that the main consumer across the four retail sites is a

younger, black female consumer who patronises a particular retail offering including a Steers or Debonairs franchised outlet. This is consistent with previous research in this field (Demacon, 2011) that shows that the female profile or mother profile is largely responsible for 47 percent of all retail purchases within the emerging market and subsequently will patronise the retail offerings available, including the fast food outlets.

As shown in previous research a major shift in the LSM 5 to 7 was identified by a 57 percent increase in this segment, as well as 45 percent increase in LSM 8 to 10 (SAARF, 2012). This is consistent with the shift in the consumer profile within the emerging market, and can be attributed to the changes in socio economic, increase in employment and access to basic living measures within the surrounding areas.

The Steers and Debonairs brands should be cognisant of the demographic information, as reported in this research, and the constantly evolving environment. Each brand has a particular consumer that they are trying to reach, within the retail and fast moving consumer goods industry; the consumer is king and an ever-changing target. Results from this study about the type of consumer profile indicated that from a franchised brand perspective not all consumers could be indiscriminately grouped at a national level.

From a brand management point of view, the demographic results provided insight into the four retail sites consumers and provided clarity on the type of consumer that is currently patronising the franchised brand outlets. This also indicated a gap in the marketplace where the male consumer, as well as family consumers, could be targeted by the Steers and Debonairs brands reducing reliance on the female or mother figure to make most purchase decisions.

5.2 Psychographic information discussion

The purchase information has indicated that 39 percent of the sample purchases fast food twice a week followed by 27 percent of consumers that purchase fast food at least once a month (Appendix C). This is consistent with Steyn, Labadarios

and Nel's (2011) research within the South African environment across three socio-economic levels where 28 percent of consumers stated that they ate fast food two to three times per month. In terms of the amount spent per transaction, the majority of the consumers, 36 percent, spent above R91 when purchasing fast food across the two brands. This is consistent with Van Zyl's et al. (2010) study, which revealed that from a sample size of 341 consumers, interviewed across three shopping centres, 42 percent, who earned less than R5 000 per month, spent on average R200 per month on fast food.

Within the emerging market place and growing middle class, longer working hours, increased travel time and reduced family time provides the key opportunity for franchised brands to fill the gap in the market place through the offerings of fast food and convenience. The Steers and Debonairs brands each have their own unique selling proposition that differentiates them from competitors; however, each brand needs to focus more on the delivery concept in this market space. Instead of relying solely on the consumer coming to the shopping centre, the product can be taken to the consumer.

The average ticket or spend analysis per consumer across the sample served within the month of November 2014 indicates that the Steers and Debonairs brands vary significantly and this requires some understanding. The Steers consumer spends on average R41.92 per transaction; this provides a meal for one and is not seen as a sharing meal option. The Debonairs consumers have an average spend of R72.63, which shows that the Debonairs brand consumer spend a higher amount per transaction and can infer that a pizza with the spend of around R72.63 will allow for a consumer to feed more than one person and can be seen as a sharing meal.

In order for consumers to access the retail sites and fast food outlets, transport in the emerging market is essential. The results indicate that the majority of the consumers, 44 percent, rely on public transport such as local taxis. This resonates with Strydom's (2014) study across in-shoppers and out-shoppers within Soweto, where 70.9 percent of the sample relied on public transport such as local taxis, which provided the means to access shopping centres. Therefore, advertising

within the local taxis or a joint community involvement or drive could keep the brand top of mind.

Interestingly, 39.7 percent of the sample have and make use of their own vehicle for transport, this allows these consumers to purchase across many retail malls and increases the number of items purchased as these can be transported within a vehicle. Of the sample 15.6 percent indicated that they live within walking distance of one kilometre of the Steers and Debonairs outlets, therefore an assumption was made that this consumer does not have a private vehicle and does not require public transport. These consumers should be targeted for loyalty programmes from the brands, as their association with the brand is much stronger because they have ignored other competitors and chosen a Steers or Debonairs brand as their choice of fast food.

5.3 Site selection discussion

5.3.1 *Regional mall*

Hypothesis 1: There is a relationship between fast food outlets located within a regional mall and sustainable growth.

The overall revenue growth across the two brands showed a significant disparity, the Steers brand overall achieved a 1.6 percent growth across the four retail sites for the trading period assessed, while Debonairs achieved an overall 7.7 percent growth across the retail sites within the same period. In terms of the overall sustainable growth rate required to remain profitable, this can be compared to the consumer price inflation index (Stats SA, 2014), which is currently around 4.4 percent in South Africa. Therefore, the minimum growth rate that the store outlets are required to grow by should meet the basic inflation rate of 4.4 percent to ensure that the businesses are generating sufficient cash flow to be used within the business itself to cover rising expenses.

In terms of the emerging market place within Soweto, there have been major developments and an increase in the number of retail outlets available to cater to

the trade area, at least six shopping centres have been developed within the Soweto trading area since 2005 (Strydom, 2014). Regional mall centre C was the first established regional mall within the Soweto market and caters across the full LSM 4 to 10 levels. Increased competition from the other five retail sites within a 10 kilometre trading area provided consumers with a choice of which shopping centre to patronise and brought in the factors of accessibility, level of competition, convenience and central facilities available as well as the strength of the franchised restaurant brand.

Interestingly regional mall centre C franchised outlets have not shown significant growth in comparison to the smaller malls A, B and D. Steers and Debonairs outlets located within the regional mall C achieved a combined -1 percent growth on previous year, while smaller regional and community malls A, B and D have achieved a combined 6.6 percent overall growth. Taking a closer look at the customer transaction count across the retail malls, regional mall centre C outlets showed an increase of only one percent in consumers between November 2013 and November 2014. Interestingly, smaller malls A, B and D showed an increase of 26 percent customer growth across the same period.

While regional mall centre C outlets has shown to be a leader in top line revenue, the revenue growth required to sustain the current expenses within a regional mall and operating environment are not being achieved. Increased expenses such as input costs; salaries and wages, electricity and rental expense escalate at a minimum of eight percent per year. While revenue growth from a lower base is easily achieved, in comparison to a higher base, revenue growth is still required for sustainable business in the future.

As shown in the demographics and psychographics many consumers rely heavily on public transport; therefore, the increased retail offering has allowed consumers to reduce their travelling distances to larger retail offerings and patronise outlets located closer to their households. This allows the previously allocated transport money to become additional disposable income at alternative retail sites. As shown in Figure 21, there are a number of new retail sites within this trade area, all competing for a piece of the market share. The number of retail offerings

available can therefore be an indicator in the decline in revenue growth at regional mall franchised outlets.

In summary Steers and Debonairs brands located within malls A, B and D outlets have achieved higher levels of growth in comparison to regional mall centre C, however the Steers brands located within regional mall centre C is showing negative growth and only a slight growth within the smaller malls. The Debonairs brand in the retail sites is achieving growth, with smaller malls outperforming regional malls. In order to comprehend this, there are many variables at play including pull factors attracting consumers to patronise the retail mall outlet itself as well as the addition of new small strip malls within the area. Therefore, Steers and Debonairs brands located within regional mall do not achieve higher levels of sustainable growth and should look to become a combined business model with a single owner in the future to share resources, expenses and grow market share with two brands as opposed to one.

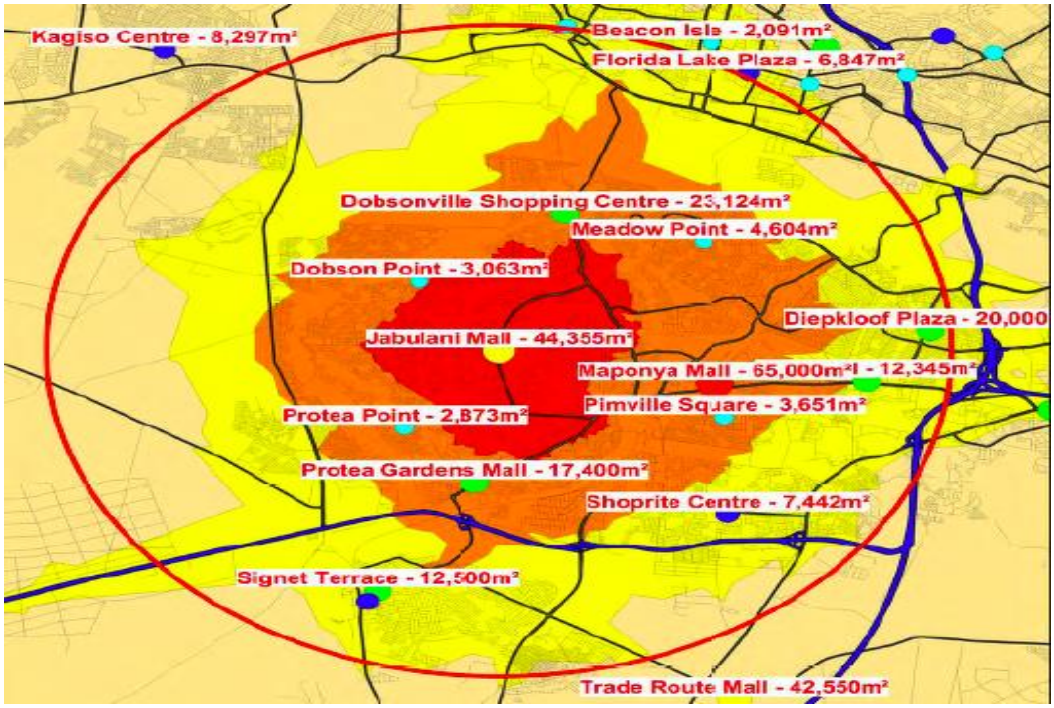


Figure 21: 10 kilometre trade area of Soweto

(Demacon, 2011)

5.3.2 *Accessibility*

Hypothesis 1a: There is a relationship between accessibility of the retail location and sustainable growth.

Across both the Steers and Debonairs brands there was no significant difference between retail sites in terms of accessibility as well as influence on revenue growth as shown in the group statistics, independent t-tests and correlation analyses across revenue growth. How accessibility was defined in this research shared similarity with previous research (Demacon, 2011), taking into account the parking availability and ease of access to the centre itself.

Shaw's (2009) study into the determinants of quick service restaurants provided a similar result, where accessibility across 71 fast food outlets did not resemble any impact on revenue. This is further supported in North and Kotze's (2004) study across three shopping centres within the South African market where accessibility did not show to be a major attribute for consumers when choosing a retail shopping centre location.

In terms of the rank order of the retail sites, from the sample size it was shown that retail outlets at site D have shown the highest levels of accessibility across the sample size with a combined revenue growth of 16.2 percent on previous year. In terms of accessibility, retail site D is located off a main transport route and is the youngest of the established malls within Soweto, since its launch in September 2012.

Conversely, previous research (Terblanche & Boshoff, 2010) had indicated that accessibility is one of the pull factors when consumers look to choose a fast food offering. The results showed that none of the variables impact accessibility of fast food outlets across the retail sites, yet from a revenue growth point of view, retail site D does show significant difference in the levels of accessibility in comparison to the other three retail sites. In summary, accessibility does not influence revenue growth and therefore does not influence sustainable growth of franchised restaurants brands across the four retail sites.

5.3.3 *Competition*

Hypothesis 1b: There is a relationship between competition of fast food outlets and sustainable growth.

Competition was shown to influence the revenue growth of the Debonairs brand, the consumers' profile, as shown in the demographic and psychographic findings, was consistent with previous research and the target market of the Debonairs brands.

When looking specifically at the correlation across the Steers and Debonairs brands, it was noted that the Debonairs brand showed a correlation between revenue growth and competition. This was used in the stepwise regression, which explained around 16.2 percent variance of the revenue growth. In summary as competition increased revenue growth declined, as shown in the negative correlation across the sample and more specifically in the Debonairs revenue growth.

In terms of the competition across the retail sites, the availability and number of fast food outlets to choose from showed descriptively a difference between the smaller regional and community malls in comparison to the regional mall centre locations as identified. From the sample, all retail sites A, B, C and D had a food court present within the mall and therefore provide for a greater offering and variety to the consumers.

Interestingly regional mall ecntre C was identified to have a full fast food offering across most of the major brands within this retail site, including favourable competitor brands such as McDonalds, KFC and Fish and Chip Company. Shaw's (2009) study identified direct and indirect competitors to quick service restaurants, where a McDonald's presence, within a three-kilometre radius of the Steers outlet, showed an increase in turnover, yet a KFC outlet within a three-kilometre radius, showed a decrease in turnover.

Regional mall centre C and mall D outlets have shown lower levels of competition across the fast food offering within these centres, as identified by the consumers

in the descriptive statistics, yet the three major competitors identified from the sample including McDonalds, KFC and Fish and Chip Company operate within these centres. The notion that a food court offering will increase the number of consumers and therefore increase revenue holds true, regional mall C has a full food court offering with over nine fast food brands available, which provides for variety and choice. However it was noted that the growth rate, as shown in regional mall centre C, is under significant pressure with a -1 percent year-on-year growth in comparison to the small malls that are achieving 6.6 percent growth and more specifically Debonairs located in smaller malls are achieving 9,3 percent growth whist the regional is only achieving 4,4 percent growth.

Interestingly, it is noted that the variable 'I choose the closest fast food offering' showed to reduce the reliability of the dimension across the entire sample and was removed from the reliability tests to improve the overall Cronbach Alpha. In terms of retail offerings and central placement theory of patronising the closest retail outlet as noted by Ghosh and Craig (1983), this did not resemble any similarity. This could be a limitation due to the comparison of a retail outlet offering, such as a supermarket or convenience store, in comparison to a fast food offering, where consumers needs and preferences differ.

Therefore, increased levels of competition allow for increased customer count, as noted by Goodchild (1984); competition is elastic with demand and therefore the increased demand will be met with increased competitors. The Steers and Debonairs brands located within the regional malls are not influenced by their location within the mall but rather by the number of competitors within the retail mall. While increased competition leads to increased customers and increased revenue it has also been shown to have a negative association as noted by Grewal's et al. (2003) study, where customer density, wait expectations and store ambience influenced customer choice of retail outlet.

As competition increases so does customer density and therefore wait expectation of the customer is now increased by the number of additional customers, which results in a lower level of customer service. This will lead to a negative association and overall experience with the brand even if the product is best in its category.

Capacity and service levels of larger regional malls and during peak periods need attention to ensure that outlets can provide best in class product and service, and reduce wait expectations to serve more consumers.

Competition influences revenue growth and can explain around 16.2 percent of the Debonairs revenue growth. While this remains low and can be viewed as insignificant in most research reports, the margins and growth rates within the fast food industry are paper thin and therefore 16,2 percent across the four retail sites A, B, C and D was accepted. It showed that competition had a relationship with the revenue growth of the Debonairs brand and therefore affects sustainable growth. In this case, the relationship is negative as shown in the correlation analysis, which inferred that as competition increases within the current retail sites so revenue will decline. Therefore the hypothesis is accepted.

5.3.4 *Convenience*

Hypothesis 1c: There is a relationship between the convenience of site selection and sustainable growth.

The correlation analysis between convenience and revenue growth of the Steers brand resembled a correlation and significant p-value. The stepwise regression completed on the Steers revenue growth showed that the convenience factor explains around 14 percent of the revenue growth from the sample. However the negative correlation between revenue growth and convenience suggests otherwise, this can be a limitation due to the way in which convenience was defined, but could also infer that the low levels of Steers revenue growth can be explained by around 14 percent of negative convenience, such as location, ease of access through location within one kilometre walking distance.

Strydom’s (2014) study across in-shoppers and out-shoppers shows that convenience viewed from trading hours of the shopping centre did not resemble any significance across the research sample. Regional mall centre C, presented the highest levels of convenience across the sample group, this could also be due to the fact that regional mall centre C provides for a larger customer base and is

seen as a ‘one stop shop’. Interestingly, previous research by Jaravaza and Chitando (2013) showed that convenience was a major factor when consumers chose a retail shopping centre, this could be due to the proximity of the shopping centre and can be noted as a limitation as to how convenience was defined.

It is noted that consumers that patronised both Steers and Debonairs brands within regional mall centre C, show increased levels of convenience, this can be explained by the possibility that regional mall centre C is located on the main transport route within Soweto and is supported by the fact that 44.7 percent of the sample rely on local taxis. The availability of store selection across the retail sites and the nearness to work and/or home can contribute to the increased convenience of the store selection. Therefore, the Steers brand is shown to have a relationship with convenience and revenue growth. The correlation was negative and the levels of revenue growth associated with the Steers brand low, it was inferred that convenience does have a relationship with the Steers brand but is not significant enough for the purpose of this research and business environment. Therefore the Hypothesis is rejected.

5.3.5 *Central facilities*

Hypothesis 1d: There is a relationship between central facilities of the retail location and sustainable growth.

“Location-allocation is the simultaneous location of central facilities and the allocation of dispersed demand to them, so as to optimise the objective function” (Goodchild, 1984, p. 84). The correlation analysis between central facilities and revenue growth of the Steers brand resembled a negative correlation and a significant p-value. However the negative correlation between revenue growth and central facilities not only suggested a limitation, due to the way in which central facilities was defined, but also inferred that the low levels of Steers revenue growth could be explained by around 10 percent. Therefore, from the Steers consumer point of view, central facilities have shown to influence revenue growth, however this influence is negative. The stepwise regression completed on the Steers revenue growth shows that the central facilities factor explains around 10 percent

of the revenue growth from the sample and when convenience factor was included this resembled around 14 percent of the model. It is noted that regional mall centre C was the highest ranked in terms of the central facilities available to the consumer. Central facilities in this research focused on the basic requirements offered to the surrounding households within the trade area and the ability to attract those consumers to patronise a particular shopping centre.

Previous research as noted by Shaw (2009) included anchor tenants such as a Spar, Pick'nPay and Shoprite, which are leading national supermarkets across South Africa. These anchor tenants and the facility provided did not resemble any significance to fast food outlet turnover. Interestingly, the strongest variable across the central facilities available was that of a bank that the consumer made use of. The increased demand for cash within the emerging market, not only locally but also globally, has shown that consumers require a banking facility and this has been noted to increase store outlet turnover as shown by Shaw (2009). From the sample, regional mall centre C ranked the highest with all four major banks available at this site; therefore there is a relationship between central facilities and Steers revenue growth, but from a business view this relationship is not significant enough with the negative correlation, therefore the Hypothesis is rejected.

5.4 Brand knowledge discussion

Brand knowledge in this research report is comprised of four variables as noted in Chapter 2 and 3, brand awareness, brand image, brand attributes and price and promotion. Post the correlation analysis only price and promotion show a slight correlation with revenue growth yet the group statistics and independent t-tests do not indicate a significant difference across the sample between the Steers and Debonair brands.

Brand knowledge plays a vital role in differentiating a specific brand from a competitor brand. Increased levels of brand awareness and a progressive brand image had a beneficial financial impact and allowed the brand to command a price premium through its offerings and drive customer loyalty, which reduced the long-term cost of acquiring new consumers (Keller, 1993). Each variable is discussed

on an individual basis, in terms of its impact on revenue growth from a descriptive point of view.

5.4.1 *Brand awareness*

Hypothesis 2a: There is a relationship between brand awareness and sustainable growth.

Across the four retail sites no statistical correlation was found between the Steers and Debonairs brands in terms of revenue growth and brand awareness; however, brand awareness, being an important variable within the fast food and retail industry, is essential as it enables consumers to differentiate between competitors.

Interestingly, regional mall centre C showed the greatest levels of brand awareness across the retail sites, this was consistent with the Steers and Debonairs brands. It is noted that mall D Steers and Debonairs brands had the lowest mean score across the retail sites, yet they presented the second highest revenue growth across the sample. However, brand awareness within the fast food industry has been shown to have a positive influence and significantly strengthen the brand relationships that customers' display towards their preferred fast food offering (Mackay et al., 2013).

Van Zyl's et al. (2010) study on factors influencing consumers' choice in fast food selection revealed that 49 percent of the consumers sampled indicated that advertising messages influenced them to purchase fast food and the majority of the consumers, 88 percent, indicated that television advertising was the most influential form of media. Therefore, brand awareness from a fast food point of view is an important variable but is dependent on the strength of the brand itself and if the franchised outlet produces and delivers on the quality of product as promised by the brand and communicated through advertising and brand building capabilities. The customer ultimately votes with their wallet and has a variety of brands to choose from, the power of the Debonairs brand compared to the Steers brand from a revenue and revenue growth point of view requires some more understanding and is explained within brand image, brand attributes and price and

promotion. In summary brand awareness does not influence sustainable growth and therefore the hypothesis is rejected.

5.4.2 *Brand image*

Hypothesis 2b: There is a relationship between brand image and sustainable growth.

As shown in the results, there was no statistical difference in brand image across the Steers and Debonairs outlets post the correlation analysis, group statistics, and independent t-tests. Brand image, according to Keller (1993), is the perception of the brand as reflected by associations, which are embedded in the consumer's memory. These associations are positive memorable experiences that the consumer has of the brand itself and in theory, a strong association that the consumer has with the brand will ultimately influence the purchase decision.

Interestingly, it was noted that across the four retail sites, Steers and Debonairs located in malls A and C are an older look of the brand image in terms of the signage, décor and aesthetic appeal and have not been revamped to the new look specification of the brands. However Steers and Debonairs located in malls B and D are the new look of the brand image in terms of signage, décor and aesthetic appeal. When taking a closer look at the revenue and revenue growth disparity across the retail sites, it is noted that outlets A and C present lower levels of growth in comparison to outlets located B and D. Store layout and ambience including lighting, colours, signs and graphics have shown to have a positive influence on consumer's intention to purchase (Grewal et al., 2003).

Brand associations are the additional information nodes connected to the brand node in the consumer's memory and encompass the meaning of the brand. Interestingly décor, design and aesthetic appeal of a retail outlet, as noted by Frasquet et al. (2001), has been shown to influence the consumers' preference of a retail outlet. This can be noted as a limitation to the study as this study focused specifically on food, which is a short-lived experience in comparison to a retail merchandise purchase.

A new look or revamped store compared with an older look store shows a revenue growth disparity, the franchisees and franchisor should actively ensure that the brand image is maintained and progresses with the ever-changing environment to ensure revenue growth and therefore sustainable growth can be achieved. Therefore, brand image as a whole resembles no significance between the two brands and no correlation with revenue growth and does not influence sustainable growth, therefore the hypothesis is rejected.

5.4.3 *Brand attributes*

Hypothesis 2c: There is a relationship between brand attributes and sustainable growth.

As shown in the results, there was no statistical difference made by brand attributes across the Steers and Debonairs outlets post the correlation analysis, group statistics, and independent t-tests. As this is a comparison across two brands within the fast food category, the product related category is slightly different, hamburger in comparison to pizza; therefore, in order to explain the results each variable is discussed in relation to the revenue growth, retail location and influence on sustainable growth.

Overall, all Debonairs sites showed a positive revenue growth across regional, smaller regional and community mall locations with an average year-on-year growth rate of 7.7 percent, in comparison to Steers outlets that had an average year-on-year growth rate of 1.6 percent. The correlation analysis as well as the regression analysis showed no statistical influence from brand attributes on revenue growth.

Product related attributes refer to the physical composition of the product such as the ingredients required to produce the product or service, where as non-product related attributes are just as important and refer to price information, packaging and/or the product's visual appearance. Direct and indirect factors, as shown by Dick et al. (1996), impacts the success of building the brand within an environment,

direct factors such as ingredients, taste and texture and indirect factors such as price and brand name will influence the long-term building of a brand.

Interestingly Steers and Debonairs outlets located in mall B showed the highest revenue growth year-on-year and resembled the highest difference in terms of a unique taste across the sample at Debonairs. The reasoning behind this remains unknown, but the customer is perceiving magic behind the scenes and possible additional care in the way the product is produced. The variable specific brand attributes are now discussed.

- *Variable 1. The food is served hot:* The Debonairs brand overall from the consumers' point of view produced higher levels of this variable in comparison to the Steers brand. The disparity between the two resembles a 0.18 percent difference across the two brands.
- *Variable 2. The quality of the food is fresh:* The Debonairs brand overall produced higher levels of this variable in comparison to the Steers brand. This indicates that the consumers associate the product of Debonairs to be of a higher quality and therefore would be inclined to purchase more often and spend more on the purchase itself.
- *Variable 3. The food has a unique taste:* The Debonairs brand overall produced a slightly higher level this variable in comparison to the Steers brand. Overall, from a product category point of view, the unique taste has been rated as the highest of the four brand attribute variables.
- *Variable 4. The food looks appealing:* The Debonairs brand overall produced higher levels of this variable and therefore the customers' perception of the food at Debonairs is higher in comparison to Steers.

User imagery refers to the type of person consuming the product and usage imagery refers to the location and situation of the product usage (Keller, 1993). Brand attributes within this research report focus primarily on the product related attributes, the two key variables that showed significance in reliability is 'the product is made with fresh ingredients' and 'the product has a unique taste'. In summary, brand attributes do not have a significant relationship with revenue

growth and do not influence on sustainable growth, therefore the hypothesis is rejected.

5.4.4 *Price and promotion*

Hypothesis 2d: There is a relationship between price and promotion, and sustainable growth.

Overall price and promotion factor across the retail sites did not indicate a statistically significant difference in the group statistics and independent t-tests between the Steers and Debonairs brands. The correlation analysis between price and promotion, and overall revenue growth with the Steers brand resembled a negative correlation and a significant p-value of 0.06, while the Debonairs brand resembled a negative correlation with revenue growth and a p-value of 0,37. The stepwise regression completed indicated that price and promotion was not significant enough with the influence on revenue growth to be chosen as the best predictor variable on revenue growth.

However, it was noted that a significant difference between the Steers and Debonairs average revenue, revenue growth and the number of consumers served across the brands exists. This was indicated from the dataset as well as the correlation analysis.

Interestingly the pricing strategies and customer loyalty across the sample showed that the Debonairs brand has a higher number of customers served per store, across all retail sites A, B, C and D. The spend analysis shows that the average customer count based on a year-on-year comparison had dropped across the entire sample with the exception of Debonairs at regional mall centre C. Overall Debonairs has seen a decline of 13 percent across the sample while Steers has seen a decline of 16 percent.

In terms of the asymmetric pricing strategy, as noted by Starr and Rubinson (1978), which showed that consumers that have strong and favourable attitudes will be willing to pay a premium for the brand and will not react negatively to price increases. Price is an important attribute as consumers have beliefs regarding

association between price and value of a brand, as shown by Blattberg and Wisniewski's (1989) discovery of asymmetric price competition.

Steers was perceived to be a more expensive brand, with regard to the purchase intention and the product offering, however Debonairs is perceived to be more value for money. Looking at the average transaction spend across the Steers brand ranged between R36 and R52 compared to a Debonairs retail site that showed an average spend of between R64.10 a R101.36, with Steers averaging R41.92 versus Debonairs R72.63,

Steers has fewer consumers making an individual purchase transaction compared to Debonairs that has increased numbers of customers purchasing for two to three people and therefore is seen more as a family or sharing meal. In summary, price and promotion do not have a significant relationship with revenue growth and sustainable growth, therefore the hypothesis is rejected.

5.5 Summary

In summary, the results have shown that the competition variable does influence revenue growth negatively with the Debonairs Brand, which was confirmed by the correlation and regression analyses. This was accounted for by the influence of direct and indirect competitors all competing for a piece of the market share. Debonairs revenue growth can be explained by around 16,2 percent of the sample and as competitors increase so revenue growth decreases. In terms of convenience and central facilities available, these have shown to have a relationship with the Steers brand revenue growth, as confirmed by the correlation and linear stepwise regression analyses. The negative correlation could infer that these two factors account for 14 percent of the revenue growth of the Steers brand, yet the correlation being negative indicates that the consumers are not influenced by these factors. Therefore, Debonairs business model is placed in quadrant one (top right), as per the matrix in Figure 22, where there is rapid market growth and the brand is in a strong competitive position. Conversely, Steers business model is positioned in quadrant two (bottom right), where the brand is in a strong competitive position but the market growth is slow and change is required. Going

forward, the business should look to cluster, with ownership by a single operator that would allow for economies of scale to be achieved, reduce overheads and ensure that combined revenue growth, from two national brands, can be achieved. This will hinder new entrants to the market and ensure that the increased demand of consumers is met with Famous Brands outlets as opposed to competitors.

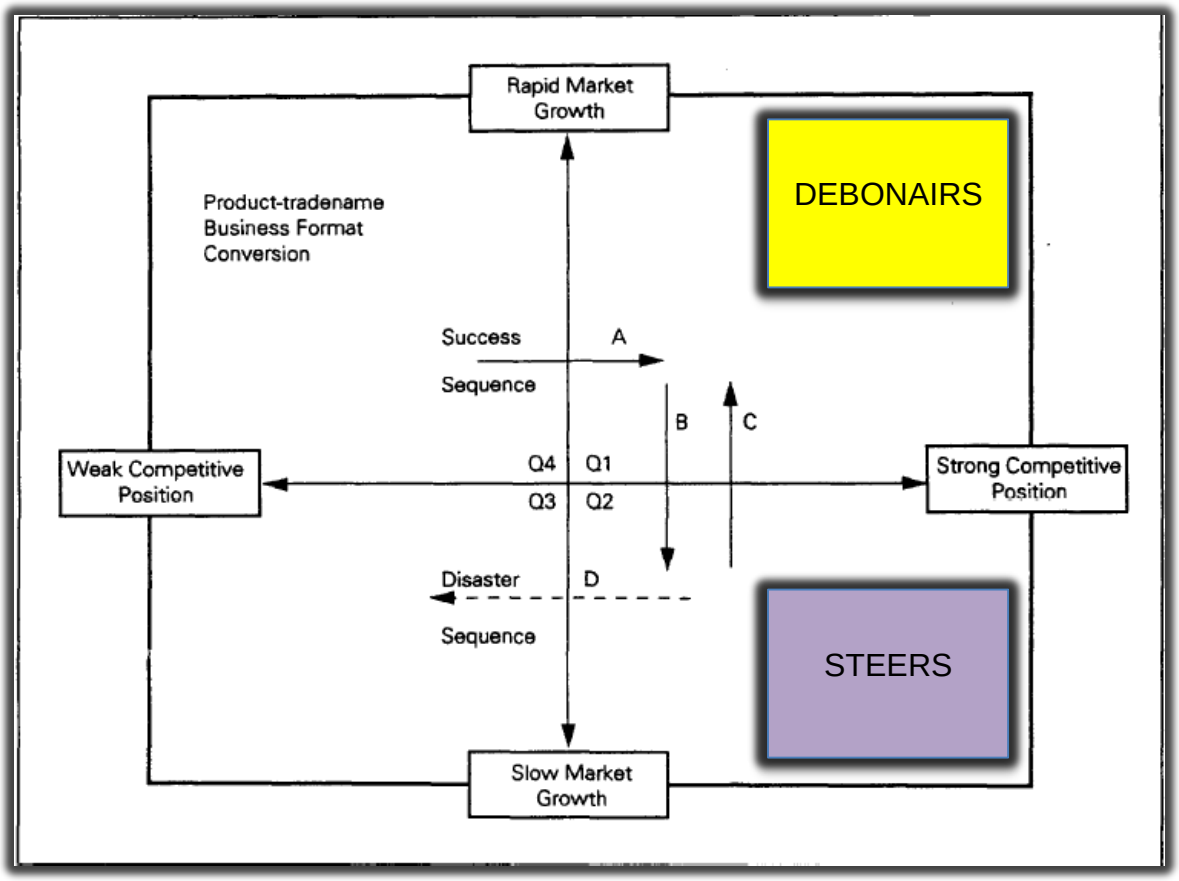


Figure 22: Steers and Debonairs brand strategic positioning

CHAPTER 6. CONCLUSIONS AND RECOMMENDATIONS

This chapter provides the recommendations and conclusions of the study; this is aimed at the business environment specifically for the franchisee and franchisor.

6.1 Conclusions of the study

6.1.1 *Site selection*

As presented in Chapter 4 and discussed in Chapter 5, the overall site selection factors resembled only one factor of competition that influences revenue growth of the Debonairs brand and therefore sustainable growth. Competition within the retail and fast and food environment can be viewed with both a positive and negative influence; previous studies within this field have shown similar results as indicated through direct and indirect competitors, as where is increased demand is met with increased competition. While the convenience and central facilities of a shopping centre showed a significant correlation with revenue growth on the Steers brand, this only explained around 14 percent of the total revenue growth and the negative correlation does not provide for a logical business answer. The inverse relationship with revenue growth indicated that consumers purchased less from Steers when convenience and central facilities related to Steers outlets were low and therefore was rejected.

The key to understanding the competitors in terms of their unique selling proposition, strategic positioning, look and feel, customer service, product and overall experience of the brand was what differentiates top performing brands from the lower tier brands.

Franchisees at a store level and Famous Brands at a group level should be actively involved in trying to understand the minds of the competitors and ensure that they are always one step ahead. The ever-changing environment and shift in the consumer profile due to socio-economic and governmental policies show that not

every market can be treated in the same manor. Changes are required to ensure that Steers and Debonairs outlets remain profitable and can endure the forces of the environment to ensure a sustainable growth rate can be achieved in the long-term, especially with new entrants such as, Burger King, Dominos and Pizza Hut.

6.1.2 *Brand knowledge*

As presented in Chapter 4 and discussed in Chapter 5 the overall brand knowledge factors have indicated that only price and promotion show a significant difference between the Steers and Debonairs brands in correlation to revenue growth. This has shown to have an influence on the number of customers patronising the brand itself and therefore the revenue growth of the Steers and Debonairs brands. The Steers and Debonairs brands operate within the same market and category of quick service restaurants and therefore provide three essentials that a customer requires in this category, a quality product, speed and convenience. As noted, many competitors operate within this market space and the margins are constantly under pressure, it is essential for a brand to differentiate themselves from both direct and indirect competitors.

Price and promotion, in its most simplistic form, comes down to the basics from a franchisor point of view in terms of supply versus demand. In terms of the hamburger category and especially aimed at the Steers revenue growth there are additional competitors in the market place all competing for market share of the hamburger category, and therefore the negative correlation between Steers revenue growth and price and promotion can infer that Steers has out priced themselves in this market space. In comparison, Debonairs from a direct competitors point of view within the emerging market and especially referring to retail sites A, B, C and D have limited competition including Romans Pizza and Scooters yet have increased indirect competitors such as KFC, McDonalds, Fish and Chip company and to some extent the Steers brand. Therefore, price and promotion can be associated with the lower levels of growth of the Steers revenue and have resulted in additional pressure on the business model itself. The trade-off within this industry is the valuation of the brand, how the consumer feels about

the price point and value for money offering. As shown in Chapter 5, the Steers brand caters more towards an individual purchase intention as opposed to a family offer and therefore this could infer as to why Steers has lower number of consumers purchasing from the brand as well as lower levels of growth.

6.1.3 *Revenue growth and sustainable growth*

Ultimately, the Debonairs brand has achieved higher levels of revenue growth, which not only is attributed to the lower levels of competitors, as shown in the site selection, but also influenced by the price and promotion where consumers rated the overall product higher than that of the Steers brand. In summary, the franchisor and franchisee need to be cognisant of the difference between the two brands and the influence this has on revenue growth and therefore sustainable growth.

6.1.4 *Summary of factors influencing sustainable growth*

The overall factors and variables were either accepted or rejected. The accepted variables are discussed in relation to their impact within the business environment in Tables 24, 25 and 26.

Table 24: Site selection factors

The first sub problem is to measure the impact of site selection on franchised restaurant brands revenue growth		
Hypotheses	**Variable**	**Outcome**
H1) There is a relationship between fast food outlets located within a regional mall and sustainable growth	Revenue Growth	Based on the data: the hypotheses is ***Rejected***
	Region Mall vs Strip Mall	Based on the data: the hypotheses is ***Rejected***
H1a) There is a relationship between accessibility of the retail location and sustainable growth.	Accessibility: 1. The shopping centre is easy to access	Based on the data: the hypotheses is ***Rejected***
	Accessibility: 2. The shopping centre has good parking	Based on the data: the hypotheses is ***Rejected***
	Accessibility: 3. The shopping centre has good security	Based on the data: the hypotheses is ***Rejected***
	Accessibility: 4. The shopping centre is located off a main road	Based on the data: the hypotheses is ***Rejected***
H1b) There is a relationship between competition of fast food outlets and sustainable growth.	Competition: 1. The shopping centre has a food court	Based on the Debonairs data: the hypotheses is ***Accepted***
	Competition: 2. The shopping centre has many fast food outlets to choose from	Based on the Debonairs data: the hypotheses is ***Accepted***
	Competition: 3. There are many fast food outlets located with 1 km	Based on the Debonairs data: the hypotheses is ***Accepted***
	Competition: 4. I choose the closest fast food offering	Based on the data: the hypotheses is ***Rejected***

The first sub problem is to measure the impact of site selection on franchised restaurant brands revenue growth		
Hypotheses	**Variable**	**Outcome**
H1c) There is a relationship between convenience of site selection and sustainable growth.	Convenience: 1. The shopping centre is located within 1km work / home	Based on the data: the hypotheses is ***Rejected***
	Convenience: 2. The shopping centre has many retail stores that I visit	Based on the data: the hypotheses is ***Rejected***
	Convenience: 3. I choose the closest shop when I enter the shopping centre	Based on the data: the hypotheses is ***Rejected***
	Convenience: 4. The shopping centre is well established	Based on the data: the hypotheses is ***Rejected***
H1d) There is a relationship between central facilities of the retail location and sustainable growth.	Central Facilities: 1. The shopping centre has a bank that I use	Based on the data: the hypotheses is ***Rejected***
	Central Facilities: 2. The shopping centre has many retail shops that I use	Based on the data: the hypotheses is ***Rejected***
	Central Facilities: 3. The shopping centre has a clothing retail shop that I require	Based on the data: the hypotheses is ***Rejected***
	Central Facilities: 4. The shopping centre has a chemist that I use	Based on the data: the hypotheses is ***Rejected***

Table 25: Brand knowledge factors:

The second sub problem is to measure the impact of brand knowledge on franchised restaurant brands revenue growth		
Hypotheses	**Variable**	**Outcome**
H2a: There is a relationship between brand awareness and sustainable growth.	Brand Awareness: 1. My restaurant brand is located within 1km from my work place	Based on the data: the hypotheses is ***Rejected***
	Brand Awareness: 2. My restaurant brand is easy to locate in the shopping Centre	Based on the data: the hypotheses is ***Rejected***
	Brand Awareness: 3. My restaurant brand has good visible signage	Based on the data: the hypotheses is ***Rejected***
	Brand Awareness: 4. My restaurant brand is my first choice when I get hungry	Based on the data: the hypotheses is ***Rejected***
H2b: There is a relationship between brand image and sustainable growth.	Brand Image: 1. The brand logo allows me to find my restaurant easily	Based on the data: the hypotheses is ***Rejected***
	Brand Image: 2. I know what to expect when I see the logo	Based on the data: the hypotheses is ***Rejected***
	Brand Image: 3. The menu is easy to read and understand	Based on the data: the hypotheses is ***Rejected***
	Brand Image: 4. TV advertising reminds me of the brand	Based on the data: the hypotheses is ***Rejected***
H2c: There is a relationship between brand attributes and sustainable growth.	Brand Attributes: 1. The food is served hot	Based on the data: the hypotheses is ***Rejected***
	Brand Attributes: 2. The quality of the food is fresh	Based on the data: the hypotheses is ***Rejected***
	Brand Attributes: 3. The food has a unique taste	Based on the data: the hypotheses is ***Rejected***
	Brand Attributes: 4. The food looks appealing	Based on the data: the hypotheses is ***Rejected***

The second sub problem is to measure the impact of brand knowledge on franchised restaurant brands revenue growth		
Hypotheses	**Variable**	**Outcome**
H2d: There is a relationship between price and promotion and sustainable growth.	Price & Promotion: 1. The food is good value for money	Based on the data: the hypotheses is ***Rejected***
	Price & Promotion: 2. Prices are competitive	Based on the data: the hypotheses is ***Rejected***
	Price & Promotion: 3. Price influences my choice when I purchase from the brand	Based on the data: the hypotheses is ***Rejected***
	Price & Promotion: 4. I only buy from the brand because of the current promotion	Based on the data: the hypotheses is ***Rejected***

Table 26: Impact of variables on the business environment:

Hypotheses	Variable	Outcome	Impact on the Debonairs business environment
H1b: There is a relationship between competition of fast food outlets and sustainable growth.	Competition 1: The shopping centre has a food court	Based on the data: the hypotheses is ***Accepted***	Steers and Debonairs brands are both impacted by direct and indirect competitors. Increased demand leads to increased competitors and turnover but reduced revenue growth. This requires focus from both brands to account for the revenue growth disparity.
	Competition 2: The shopping centre has many fast food outlets to choose from	Based on the data: the hypotheses is ***Accepted***	A food court provides for increased fast food offerings. It is essential that the brands differentiate themselves through service, speed and correct product offering within the market to be top of mind.
	Competition 3: There are many fast food outlets located with 1 km	Based on the data: the hypotheses is ***Accepted***	As demand increases, so does competition, competitors located within the retail mall increases customer intention to purchase. Therefore, it is essential to be ahead of the competitors in terms of product, value for money and service.

6.2 Recommendations for future research

The following recommendations are noted for future research within this field of study:

1. The study presented results across four retail sites within the emerging market; future research should be carried out across all provinces within South Africa and target major regional shopping centres and strip malls.
2. The study only allowed for research into two brands under the Famous Brands portfolio, future research should include additional brands such as Fishaways and Milky Lane.
3. The study only concentrated on the business environment pertaining to the quick service restaurants, future research should be carried out across casual dining and sit-down restaurant environments; this will provide insight into the disparity between the two.
4. Additional research should be carried out using similar measures and compared to the results of the revenue growth, therefore examining sustainable growth rates.
5. Future research should consider that profitability should be included as a measure within the research alongside revenue growth; the breakeven analysis and net present value of the business model are a good measure of this.

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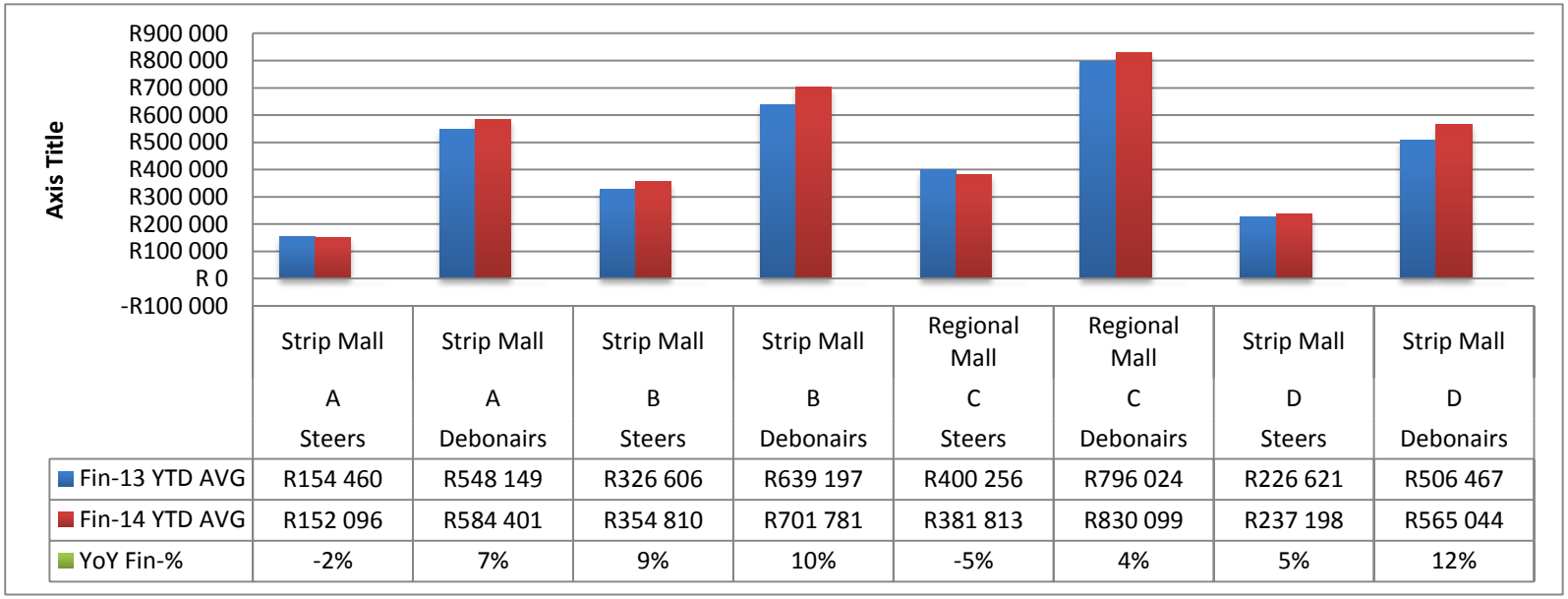
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APPENDIX A: RESEARCH INSTRUMENT

C	D	E	F	G	H	K	L	M	N	O	P
Good day my name is _____ and I am conducting a survey regarding customer retail site selection and how the choice of fast food brands are chosen. I would like to ask you a few questions regarding this restaurant outlet, it will take approximately 6-8 minutes of your time and I would greatly appreciate your input. I will provide you with a free cold drink of your choice with your meal should you be willing to participate ? Please sign to acknowledge that you are willing to participate of your own accord											
Customer Name:			Contact Details :			Restaurant Outlet: _____	Field Worker :		Invoice Number : _____		
PLEASE MARK THE APPROPRIATE BOX WITH AN X WHERE APPLICABLE											
Gender	Male	Female				Purchase Information	Sit-down	Take Away			
Ethnic Group	Black	White	Coloured	Indian	Other	Amount Spent	R 0 - R 30	R 31- R 60	R 61- R 90	> R 91-00	
Age Group	18 -25	26-33	34-41	42 -49	50 - 57	Mode of Transport to shopping center	Car	Bus	Taxi	Walk	
How often do you eat at Debonairs	Once a week	Twice a Week	Once a Month	Pay Day Only		Food outlets avliable in shopping centre	MC Donalds	KFC	Nandos	Spur	Fish & Chips
Statement	Strongly Agree	Agree	Neither Agree nor Disagree	Disagree	Strongly Disagree	Statement	Strongly Agree	Agree	Neither Agree nor Disagree	Disagree	Strongly Disagree
The shopping centre is easy to access						My restaurant Brand is located within 1 km from my work place					
The shopping center has good parking						My restaurant brand is easy to locate in the shopping center					
The shopping center has good security						My restaurant brand has good visible signage					
The shopping centre is located off the main road						My restaurant brand is my first choice when I get hungry					
	Strongly Agree	Agree	Neither Agree nor Disagree	Disagree	Strongly Disagree		Strongly Agree	Agree	Neither Agree nor Disagree	Disagree	Strongly Disagree
The shopping center has a food court						The brand logo allows me to find restaurant easily					
The shopping center has many fast food outlets to choose from.						I know what to expect when I see the logo					
There are many fast food restaurants located within 1 km						The menu is easy to read and understand					
I choose the closest fast food offering						TV advertising reminds me of the brand					
	Strongly Agree	Agree	Neither Agree nor Disagree	Disagree	Strongly Disagree		Strongly Agree	Agree	Neither Agree nor Disagree	Disagree	Strongly Disagree
The shopping center is located within 1 km of work / home						The food is served hot					
The shopping has many retail stores that I visit						The quality of the food is fresh					
I choose the closest shop when I enter the shopping center						The food has a unique taste					
The shopping center is well established						The food looks appealing					
	Strongly Agree	Agree	Neither Agree nor Disagree	Disagree	Strongly Disagree		Strongly Agree	Agree	Neither Agree nor Disagree	Disagree	Strongly Disagree
The shopping center has a bank that I use: (FNB/ Capitec/ ABSA/ Nedbank/Standard Bank)						The food is good value for money					
The shopping Centre has a retail shop that I use: (Spar/ Pick n Pay/ Shoprite)						Prices are competitive					
The shopping centre has a clothing retail shop that I require						Price influences my choice when I purchase from the brand					
The shopping center has a chemist that I use (Dischem or Clicks)						I only buy from the brand because of the current promotion					

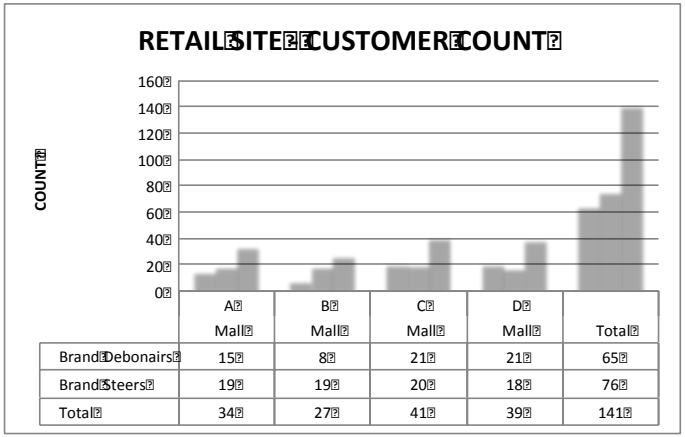
APPENDIX B: OUTLET DETAILS



	Strip Mall A Steers	Strip Mall A Debonairs	Strip Mall B Steers	Strip Mall B Debonairs	Regional Mall C Steers	Regional Mall C Debonairs	Strip Mall D Steers	Strip Mall D Debonairs
Fin-13 YTD AVG	R154 460	R548 149	R326 606	R639 197	R400 256	R796 024	R226 621	R506 467
Fin-14 YTD AVG	R152 096	R584 401	R354 810	R701 781	R381 813	R830 099	R237 198	R565 044
YoY Fin-%	-2%	7%	9%	10%	-5%	4%	5%	12%

			Mall A	Mall B	Mall C	Mall D
1	Size Shoping Centre Sq Metre's		165000	44500	65000	30000
		Mall Type	Community	Small Regional	Regional	Small Regional
2	Anchor Tenant	Pick n Pay	1	1	1	1
		Shoprite	0	1	0	1
		Woolworths	0	1	0	0
3	Fashion Shop / Shoes					
		Edgars	0	1	1	1
		Ackermans	0	1	1	1
		Mr Price	1	1	1	1
		Rage	1	1	1	1
4	Banking Facilities					
		FNB	0	1	1	1
		Capitec	1	0	1	1
		ABSA	0	1	1	0
		Nedbank	1	1	1	1
		Standard Bank	1	1	1	1
5	Cellular Shop					
		Cell C	0	1	1	0
		MTN	1	1	1	1
		Vodacom	1	1	1	1
6	Furniture / Appliances					
		Morkels	1	1	1	1
		Game	0	1	0	0
7	Pharmacy / Chemist					
		Dischem	0	0	0	0
		Clicks	0	0	1	1
		Unknown	0	1	1	1

Brand	Site Location	Mall Type	Fin-13 YTD AV	Fin-14 YTD AV	YoY Fin-%
Steers	A	Community	R154 460	R152 096	-2%
Debonairs	A	Community	R548 149	R584 401	7%
Steers	B	Small Regional	R326 606	R354 810	9%
Debonairs	B	Small Regional	R639 197	R701 781	10%
Steers	C	Regional	R400 256	R381 813	-5%
Debonairs	C	Regional	R796 024	R830 099	4%
Steers	D	Small Regional	R226 621	R237 198	5%
Debonairs	D	Small Regional	R506 467	R565 044	12%
Steers	E	Overall	R1 107 943	R1 125 917	2%
Debonairs	E	Overall	R2 489 838	R2 581 325	8%



APPENDIX C: DESCRIPTIVE STATISTICS

Background

Mall

		Frequency	Percent	Cumulative Percent
Valid	Jabulani	27	19.1	19.1
	Mopanya	41	29.1	48.2
	Pan Africa	34	24.1	72.3
	Protea Glen	39	27.7	100.0
	Total	141	100.0	

Site Location

		Frequency	Percent	Cumulative Percent
Valid	A	34	24.1	24.1
	B	27	19.1	43.3
	C	41	29.1	72.3
	D	39	27.7	100.0
	Total	141	100.0	

Mall Type

		Frequency	Percent	Cumulative Percent
Valid	Regional Mall	41	29.1	29.1
	Strip Mall	100	70.9	100.0
	Total	141	100.0	

Brand

		Frequency	Percent	Cumulative Percent
Valid	Debonairs	65	46.1	46.1
	Steers	76	53.9	100.0
	Total	141	100.0	

Brand Look

		Frequency	Percent	Cumulative Percent
Valid	New Look	66	46.8	46.8
	Old Look	75	53.2	100.0
	Total	141	100.0	

Gender

		Frequency	Percent	Cumulative Percent
Valid	Female	91	64.5	64.5
	Male	50	35.5	100.0
	Total	141	100.0	

Ethnic Group

		Frequency	Percent	Cumulative Percent
Valid	Black	138	97.9	97.9
	Coloured	3	2.1	100.0
	Total	141	100.0	

Age

		Frequency	Percent	Cumulative Percent
Valid	18 to 25	68	48.2	48.2
	26 to 33	29	20.6	68.8
	34 to 41	30	21.3	90.1
	42 to 49	8	5.7	95.7
	50 to 57	6	4.3	100.0
	Total	141	100.0	

Purchase

		Frequency	Percent	Cumulative Percent
Valid	Twice a week	56	39.7	100.0
	Once a week	35	24.8	52.5
	Once a month	39	27.7	27.7
	Pay day only	11	7.8	60.3
	Total	141	100.0	

Sit Down vs Take Away

		Frequency	Percent	Cumulative Percent
Valid	Sit Down	34	24.1	24.1
	Take-Away	107	75.9	100.0
	Total	141	100.0	

Spend Analysis				
	Spend	**Frequency**	**Percent**	**Cumulative Percent**
Valid	> 91	51	36.2	36.2
	0 to 30	18	12.8	48.9

	31 to 60	32	22.7	71.6
	31 to 61	1	.7	72.3
	61 to 90	39	27.7	100.0
	Total	141	100.0	

Mode of Transport

		Frequency	Percent	Cumulative Percent
Valid	Car	56	39.7	39.7
	Taxi	63	44.7	84.4
	Walk	22	15.6	100.0
	Total	141	100.0	

Competitor Outlets

		Unmarked	Marked	Total
Food Outlets: MC Donalds	Count	17	124	141
	Row N %	12.1%	87.9%	100.0%
Food Outlets: KFC	Count	19	122	141
	Row N %	13.5%	86.5%	100.0%
Food Outlets: Nandos	Count	78	63	141
	Row N %	55.3%	44.7%	100.0%
Food Outlets: Spur	Count	76	65	141
	Row N %	53.9%	46.1%	100.0%
Food Outlets: Fish & Chips	Count	29	112	141
	Row N %	20.6%	79.4%	100.0%

Statistics

	N		Mean	Median	Std. Deviation	Skewness	Kurtosis	Minimum	Maximum
	Valid	Missing							
Outlet Knowledge	141	0	4.38	5.00	1.193	-2.085	3.771	0	5
Outlet Knowledge Percentage	141	0	87.66	100.00	23.864	-2.085	3.771	0	100

Outlet Knowledge

		Frequency	Percent	Cumulative Percent
Valid	0	3	2.1	2.1
	1	4	2.8	5.0
	2	5	3.5	8.5
	3	14	9.9	18.4
	4	13	9.2	27.7
	5	102	72.3	100.0
	Total	141	100.0	

Main Section

		Strongly Disagree	Disagree	Neither Agree nor Disagree	Agree	Strongly Agree	Total
Accessibility: The Shopping centre is easy to acess	Count	0	2	3	53	83	141
	Row N %	0.0%	1.4%	2.1%	37.6%	58.9%	100.0%
Accessibility: The Shopping centre has good parking	Count	0	4	5	62	70	141
	Row N %	0.0%	2.8%	3.5%	44.0%	49.6%	100.0%
Accessibility: The shopping centre has good security	Count	2	3	16	67	53	141
	Row N %	1.4%	2.1%	11.3%	47.5%	37.6%	100.0%
Accessibility: The shopping centre is located off a main road	Count	6	8	11	52	64	141

	Row N %	4.3%	5.7%	7.8%	36.9%	45.4%	100.0%
Competition: The shopping centre has a food court	Count	2	6	9	56	68	141
	Row N %	1.4%	4.3%	6.4%	39.7%	48.2%	100.0%
Competition: The shopping centre has many fast food outlets to choose from	Count	2	1	8	62	68	141
	Row N %	1.4%	.7%	5.7%	44.0%	48.2%	100.0%
Competition: There are many fast food outlets located with 1 km	Count	4	8	13	59	57	141
	Row N %	2.8%	5.7%	9.2%	41.8%	40.4%	100.0%
Competition: I choose the closest fast food offering	Count	6	20	16	52	47	141
	Row N %	4.3%	14.2 %	11.3%	36.9%	33.3%	100.0%
Convenience: The shopping centre is located within 1km work / home	Count	10	22	16	50	43	141
	Row N %	7.1%	15.6 %	11.3%	35.5%	30.5%	100.0%
Convenience: The shopping centre has many retail stores that I visit	Count	0	8	6	71	56	141
	Row N %	0.0%	5.7%	4.3%	50.4%	39.7%	100.0%
Convenience: I choose the closest shop when I enter the shopping centre	Count	12	33	15	44	37	141
	Row N %	8.5%	23.4 %	10.6%	31.2%	26.2%	100.0%
Convenience: The shopping centre is well established	Count	0	2	13	69	57	141
	Row N %	0.0%	1.4%	9.2%	48.9%	40.4%	100.0%
Central Facilities: The shopping centre has a bank that I use	Count	0	4	1	51	85	141
	Row N %	0.0%	2.8%	.7%	36.2%	60.3%	100.0%
Central Facilities: The shopping centre has many retail shops that I use	Count	2	1	1	58	79	141
	Row N %	1.4%	.7%	.7%	41.1%	56.0%	100.0%
Central Facilities: The shopping centre has a clothing retail shop that I require	Count	1	1	12	53	74	141
	Row N %	.7%	.7%	8.5%	37.6%	52.5%	100.0%
Central Facilities: The shopping centre has a chemist that I use	Count	5	12	16	49	59	141

	Row N %	3.5%	8.5%	11.3%	34.8%	41.8%	100.0%
Brand Awareness: My restauarant brand is located within 1km from my work place	Count	10	18	22	38	53	141
	Row N %	7.1%	12.8 %	15.6%	27.0%	37.6%	100.0%
Brand Awareness: My restauarant brand is easy to locate in the shoppiing centre	Count	3	2	6	67	63	141
	Row N %	2.1%	1.4%	4.3%	47.5%	44.7%	100.0%
Brand Awareness: My restauarant brand has good visibile signage	Count	0	0	3	64	74	141
	Row N %	0.0%	0.0%	2.1%	45.4%	52.5%	100.0%
Brand Awareness: My restaurant brand is my first choice when I get hungry	Count	2	1	13	53	72	141
	Row N %	1.4%	.7%	9.2%	37.6%	51.1%	100.0%
Brand Image: The brand logo allows me to find my retsuarant easily	Count	0	0	2	54	85	141
	Row N %	0.0%	0.0%	1.4%	38.3%	60.3%	100.0%
Brand Image: I know what to expect when I see the logo	Count	0	0	3	56	82	141
	Row N %	0.0%	0.0%	2.1%	39.7%	58.2%	100.0%
Brand Image: The menu is easy to read and understand	Count	0	0	4	51	86	141
	Row N %	0.0%	0.0%	2.8%	36.2%	61.0%	100.0%
Brand Image: TV advertsising reminds me of the brand	Count	0	1	3	58	79	141
	Row N %	0.0%	.7%	2.1%	41.1%	56.0%	100.0%
Brand Attributes: The food is served hot	Count	0	1	2	46	92	141
	Row N %	0.0%	.7%	1.4%	32.6%	65.2%	100.0%
Brand Attributes: The quality of the food is fresh	Count	0	0	3	45	93	141
	Row N %	0.0%	0.0%	2.1%	31.9%	66.0%	100.0%
Brand Attributes: The food has a unique taste	Count	0	0	3	44	94	141
	Row N %	0.0%	0.0%	2.1%	31.2%	66.7%	100.0%
Brand Attributes: The food looks appealing	Count	0	0	4	49	88	141
	Row N %	0.0%	0.0%	2.8%	34.8%	62.4%	100.0%

Price & Promotion: The food is good value for money	Count	0	0	9	67	65	141
	Row N %	0.0%	0.0%	6.4%	47.5%	46.1%	100.0%
Price & Promotion: Prices are competitive	Count	1	4	8	73	55	141
	Row N %	.7%	2.8%	5.7%	51.8%	39.0%	100.0%
Price & Promotion: Price influences my choice when I purchase from the brand	Count	1	2	10	71	57	141
	Row N %	.7%	1.4%	7.1%	50.4%	40.4%	100.0%
Price & Promotion: I only buy from the brand because of the current promotion	Count	11	30	31	42	27	141
	Row N %	7.8%	21.3 %	22.0%	29.8%	19.1%	100.0%

Statistics

	N		Mean	Median	Std. Deviation	Skewness	Kurtosis	Minimum	Maximum
	Valid	Missing							
Accessibility: The Shopping centre is easy to acess	141	0	1.54	2.00	.615	-1.362	2.554	-1	2
Accessibility: The Shopping centre has good parking	141	0	1.40	1.00	.697	-1.258	2.110	-1	2
Accessibility: The shopping centre has good security	141	0	1.18	1.00	.822	-1.202	2.267	-2	2
Accessibility: The shopping centre is located off a main road	141	0	1.13	1.00	1.064	-1.429	1.590	-2	2
Competition: The shopping centre has a food court	141	0	1.29	1.00	.875	-1.515	2.573	-2	2
Competition: The shopping centre has many fast food outlets to choose from	141	0	1.37	1.00	.750	-1.651	4.675	-2	2
Competition: There are many fast food outlets located with 1 km	141	0	1.11	1.00	.986	-1.318	1.589	-2	2
Competition: I choose the closest fast food offering	141	0	.81	1.00	1.171	-.812	-.330	-2	2
Convenience: The shopping centre is located within 1km work / home	141	0	.67	1.00	1.257	-.701	-.634	-2	2
Convenience: The shopping centre has many retail stores that I visit	141	0	1.24	1.00	.783	-1.179	1.597	-1	2

Convenience: I choose the closest shop when I enter the shopping centre	141	0	.43	1.00	1.327	-.373	-1.173	-2	2
Convenience: The shopping centre is well established	141	0	1.28	1.00	.690	-.705	.393	-1	2
Central Facilities: The shopping centre has a bank that I use	141	0	1.54	2.00	.660	-1.731	3.995	-1	2
Central Facilities: The shopping centre has many retail shops that I use	141	0	1.50	2.00	.693	-2.207	8.288	-2	2
Central Facilities: The shopping centre has a clothing retail shop that I require	141	0	1.40	2.00	.737	-1.350	2.636	-2	2
Central Facilities: The shopping centre has a chemist that I use	141	0	1.03	1.00	1.095	-1.116	.533	-2	2
Brand Awareness: My restauarant brand is located within 1km from my work place	141	0	.75	1.00	1.277	-.733	-.602	-2	2
Brand Awareness: My restauarant brand is easy to locate in the shoppiing centre	141	0	1.31	1.00	.803	-1.802	5.017	-2	2
Brand Awareness: My restauarant brand has good visibile signage	141	0	1.50	2.00	.543	-.422	-1.009	0	2
Brand Awareness: My restaurant brand is my first choice when I get hungry	141	0	1.36	2.00	.795	-1.523	3.347	-2	2
Brand Image: The brand logo allows me to find my retsuarant easily	141	0	1.59	2.00	.522	-.668	-.890	0	2
Brand Image: I know what to expect when I see the logo	141	0	1.56	2.00	.539	-.659	-.744	0	2
Brand Image: The menu is easy to read and understand	141	0	1.58	2.00	.550	-.853	-.331	0	2
Brand Image: TV advertsising reminds me of the brand	141	0	1.52	2.00	.580	-.987	1.223	-1	2
Brand Attributes: The food is served hot	141	0	1.62	2.00	.555	-1.398	2.459	-1	2
Brand Attributes: The quality of the food is fresh	141	0	1.64	2.00	.525	-1.028	-.050	0	2
Brand Attributes: The food has a unique taste	141	0	1.65	2.00	.523	-1.065	.039	0	2
Brand Attributes: The food looks appealing	141	0	1.60	2.00	.547	-.919	-.205	0	2
Price & Promotion: The food is good value for money	141	0	1.40	1.00	.608	-.467	-.635	0	2
Price & Promotion: Prices are competitive	141	0	1.26	1.00	.750	-1.282	2.884	-2	2
Price & Promotion: Price influences my choice when I purchase from the brand	141	0	1.28	1.00	.720	-1.183	2.839	-2	2
Price & Promotion: I only buy from the brand because of the current promotion	141	0	.31	0.00	1.226	-.241	-.976	-2	2

APPENDIX D: RELIABILITY ANALYSIS (SECOND RUN)

Accessibility

Reliability Statistics

Cronbach's Alpha	N of Items
.685	3

Item-Total Statistics

	Corrected Item-Total Correlation	Cronbach's Alpha if Item Deleted
Accessibility: The Shopping centre is easy to acess	.481	.624
Accessibility: The Shopping centre has good parking	.620	.435
Accessibility: The shopping centre has good security	.431	.710

Competition

Reliability Statistics

Cronbach's Alpha	N of Items
.696	3

Item-Total Statistics

	Corrected Item-Total Correlation	Cronbach's Alpha if Item Deleted
Competition: The shopping centre has a food court	.543	.563
Competition: The shopping centre has many fast food outlets to choose from	.431	.699
Competition: There are many fast food outlets located with 1 km	.583	.511

Convenience

Reliability Statistics

Cronbach's Alpha	N of Items
.679	4

Item-Total Statistics

	Corrected Item-Total Correlation	Cronbach's Alpha if Item Deleted
Convenience: The shopping centre is located within 1km work / home	.513	.584
Convenience: The shopping centre has many retail stores that I visit	.455	.632
Convenience: I choose the closest shop when I enter the shopping centre	.558	.553
Convenience: The shopping centre is well established	.424	.654

Central Facilities

Reliability Statistics

Cronbach's Alpha	N of Items
.687	3

Item-Total Statistics

	Corrected Item-Total Correlation	Cronbach's Alpha if Item Deleted
Central Facilities: The shopping centre has a bank that I use	.452	.653
Central Facilities: The shopping centre has many retail shops that I use	.520	.570
Central Facilities: The shopping centre has a clothing retail shop that I require	.535	.549

Brand Awareness

Reliability Statistics

Cronbach's Alpha	N of Items
.737	4

Item-Total Statistics

	Corrected Item-Total Correlation	Cronbach's Alpha if Item Deleted
Brand Awareness: My restauarant brand is located within 1km from my work place	.549	.733
Brand Awareness: My restauarant brand is easy to locate in the shoppiing centre	.605	.641
Brand Awareness: My restauarant brand has good visibile signage	.608	.684
Brand Awareness: My restaurant brand is my first choice when I get hungry	.550	.670

Brand Image

Reliability Statistics

Cronbach's Alpha	N of Items
.890	4

Item-Total Statistics

	Corrected Item-Total Correlation	Cronbach's Alpha if Item Deleted
Brand Image: The brand logo allows me to find my retsuarant easily	.780	.852
Brand Image: I know what to expect when I see the logo	.811	.840
Brand Image: The menu is easy to read and understand	.794	.846
Brand Image: TV advertsising reminds me of the brand	.662	.898

Brand Attributes

Reliability Statistics

Cronbach's Alpha	N of Items
.903	4

Item-Total Statistics

	Corrected Item-Total Correlation	Cronbach's Alpha if Item Deleted
Brand Attributes: The food is served hot	.702	.904
Brand Attributes: The quality of the food is fresh	.864	.845
Brand Attributes: The food has a unique taste	.802	.868
Brand Attributes: The food looks appealing	.769	.879

Price & Promotion

Reliability Statistics

Cronbach's Alpha	N of Items
.690	3

Item-Total Statistics

	Corrected Item-Total Correlation	Cronbach's Alpha if Item Deleted
Price & Promotion: The food is good value for money	.532	.578
Price & Promotion: Prices are competitive	.547	.542
Price & Promotion: Price influences my choice when I purchase from the brand	.452	.667

APPENDIX E: GROUP COMPARISONS

Comparisons

Brand		N	Mean	Std. Deviation
Accessibility	Debonairs	65	1.3692	.56863
	Steers	76	1.3772	.55868
Competition	Debonairs	65	1.2615	.71320
	Steers	76	1.2544	.67521
Convenience	Debonairs	65	.9731	.72769
	Steers	76	.8487	.77145
Central Facilities	Debonairs	65	1.4718	.53649
	Steers	76	1.4868	.55894
Brand Awareness	Debonairs	65	1.1885	.66882
	Steers	76	1.2697	.67177
Brand Image	Debonairs	65	1.5615	.46358
	Steers	76	1.5658	.48882
Brand Attributes	Debonairs	65	1.6962	.44742
	Steers	76	1.5658	.48882
Price & Promotion	Debonairs	65	1.3026	.62562
	Steers	76	1.3202	.47279

Independent Samples Test

Equal variances assumed

	Levene's Test for Equality of Variances		t-test for Equality of Means					
	F	Sig.	t	df	Sig. (2-tailed)	Mean Difference	95% Confidence Interval of the Difference	
							Lower	Upper
Accessibility	.027	.870	-.084	139	.933	-.00796	-.19612	.18019
Competition	1.658	.200	.061	139	.951	.00715	-.22432	.23863
Convenience	.271	.604	.980	139	.329	.12439	-.12667	.37546
Central Facilities	.386	.536	-.162	139	.871	-.01505	-.19834	.16824
Brand Awareness	1.055	.306	-.718	139	.474	-.08128	-.30522	.14267
Brand Image	.189	.664	-.053	139	.958	-.00425	-.16371	.15521
Brand Attributes	2.755	.099	1.641	139	.103	.13036	-.02670	.28743
Price & Promotion	11.777	.001	-.190	139	.850	-.01761	-.20082	.16560

APPENDIX F: DESCRIPTIVE COMPARISONS

	Brand	
	Debonairs	Steers
Accessibility: The Shopping centre is easy to acess	1.51	1.57
Accessibility: The Shopping centre has good parking	1.38	1.42
Accessibility: The shopping centre has good security	1.22	1.14
Accessibility: The shopping centre is located off a main road	1.14	1.13
Competition: The shopping centre has a food court	1.25	1.33
Competition: The shopping centre has many fast food outlets to choose from	1.43	1.32
Competition: There are many fast food outlets located with 1 km	1.11	1.12
Competition: I choose the closest fast food offering	.72	.88
Convenience: The shopping centre is located within 1km work / home	.72	.62
Convenience: The shopping centre has many retail stores that I visit	1.34	1.16
Convenience: I choose the closest shop when I enter the shopping centre	.43	.43
Convenience: The shopping centre is well established	1.40	1.18
Central Facilities: The shopping centre has a bank that I use	1.55	1.53
Central Facilities: The shopping centre has many retail shops that I use	1.46	1.53
Central Facilities: The shopping centre has a clothing retail shop that I require	1.40	1.41
Central Facilities: The shopping centre has a chemist that I use	1.15	.92
Brand Awareness: My restauarant brand is located within 1km from my work place	.71	.79
Brand Awareness: My restauarant brand is easy to locate in the shoppiing centre	1.23	1.38
Brand Awareness: My restauarant brand has good visibile signage	1.48	1.53
Brand Awareness: My restaurant brand is my first choice when I get hungry	1.34	1.38
Brand Image: The brand logo allows me to find my retsuarant easily	1.60	1.58
Brand Image: I know what to expect when I see the logo	1.54	1.58
Brand Image: The menu is easy to read and understand	1.54	1.62
Brand Image: TV advertsising reminds me of the brand	1.57	1.49
Brand Attributes: The food is served hot	1.72	1.54
Brand Attributes: The quality of the food is fresh	1.71	1.58
Brand Attributes: The food has a unique taste	1.69	1.61
Brand Attributes: The food looks appealing	1.66	1.54
Price & Promotion: The food is good value for money	1.43	1.37
Price & Promotion: Prices are competitive	1.22	1.29
Price & Promotion: Price influences my choice when I purchase from the brand	1.26	1.30
Price & Promotion: I only buy from the brand because of the current promotion	.22	.39

APPENDIX G: FULL CORRELATION ANALYSIS (PARAMETRIC AND NON-PARAMETRIC TESTS)

Debonairs

Correlations

	Financial Revenue %							
	Accessibility	Competition	Convenience	Central Facilities	Brand Awareness	Brand Image	Brand Attributes	Price & Promotion
Pearson Correlation	.152	-.403	-.223	.040	-.220	-.041	-.022	-.259
Sig. (2-tailed)	.226	.001	.075	.749	.079	.745	.862	.037
N	65	65	65	65	65	65	65	65

Correlations

		Financial Revenue %							
		Accessibility	Competition	Convenience	Central Facilities	Brand Awareness	Brand Image	Brand Attributes	Price & Promotion
Kendall's tau_b	Correlation Coefficient	.135	-.317	-.167	.031	-.192	-.041	-.083	-.236
	Sig. (2-tailed)	.188	.002	.092	.765	.058	.698	.443	.023
	N	65	65	65	65	65	65	65	65
Spearman's rho	Correlation Coefficient	.169	-.390	-.208	.030	-.227	-.051	-.099	-.285
	Sig. (2-tailed)	.178	.001	.097	.812	.069	.689	.434	.021
	N	65	65	65	65	65	65	65	65

Steers

Correlations

	Financial Revenue %							
	Accessibility	Competition	Convenience	Central Facilities	Brand Awareness	Brand Image	Brand Attributes	Price & Promotion
Pearson Correlation	-.167	-.315	-.303	-.340	-.234	-.018	-.187	-.313
Sig. (2-tailed)	.150	.006	.008	.003	.042	.880	.105	.006
N	76	76	76	76	76	76	76	76

Correlations

		Financial Revenue %							
		Accessibility	Competition	Convenience	Central Facilities	Brand Awareness	Brand Image	Brand Attributes	Price & Promotion
Kendall's tau_b	Correlation Coefficient	-.204	-.279	-.217	-.283	-.163	-.064	-.147	-.259
	Sig. (2-tailed)	.032	.003	.018	.004	.080	.509	.127	.007
	N	76	76	76	76	76	76	76	76
Spearman's rho	Correlation Coefficient	-.236	-.353	-.291	-.336	-.193	-.077	-.170	-.310
	Sig. (2-tailed)	.040	.002	.011	.003	.095	.510	.143	.006
	N	76	76	76	76	76	76	76	76

APPENDIX H: CONSISTENCY MATRIX

Research Problem: **The research problem is to identify external factors that influence sustainable growth of franchised restaurant brands.**					
Sub-problems	**Literature review and Keywords**	**Hypotheses**	**Data to be collected, research instrument**	**Methodology and data collection**	**Data analysis method**
Sub-problem 1: Identify and measure the impact of site location on the franchised restaurant revenue growth	Goodchild, 1984 Tayman & Pol, 2011 Wong et al., 2001 North & Kotze, 2004 Strydom, 2014 Jaravaza & Chitando, 2013 **Key words:** Location analysis Convenience analysis Retail facilities Banking facilities LSM/spend Competitors	Hypothesis 1: There is a relationship between fast food outlets located within a regional mall and sustainable growth. H1a: There is a relationship between accessibility of the retail location and sustainable growth. H1b: There is a relationship between competition of fast food outlets and sustainable growth. H1c: There is a relationship between the convenience of site selection and sustainable growth. H1d: There is a relationship between central facilities of the retail location and sustainable growth.	Based on SCATTR instrument and adjustment to suite the local market Use of primary and secondary data Questionnaire to be designed to gather relevant information per site Questionnaire and checklist	In store questionnaire spread across 10 stores within Gauteng with 30 questionnaires per outlet allows for varied LSM, location and competition Total sample of 300 In house assessment utilising relevant information available and use of business consultants within Famous Brands Annual store declared turnover to be utilised as per the signed royalty declaration report	Confirmatory Factor Analysis Develop underlying constructs. Pearson Correlation Analysis Compare the influence of the independent variable on dependant variables

Research Problem: **The research problem is to identify external factors that influence sustainable growth of franchised restaurant brands.**					
Sub-problems	**Literature review and Keywords**	**Hypotheses**	**Data to be collected, research instrument**	**Methodology and data collection**	**Data analysis method**
Sub-problem 2: To measure the impact of brand knowledge on revenue growth	Keller, 1993 Van Zyl, 2010 Steyn et al., 2011 Mackay et al., 2013 Roberts-Lombard, 2009 Terblanche & Boshoff, 2010 **Key Words:** Brand name Brand image Brand attributes Price sensitivity Product and promotional offering	H2a: There is a relationship between brand awareness and sustainable growth. H2b: There is a relationship between brand image and sustainable growth. H2c: There is a relationship between brand attributes and sustainable growth. H2d: There is a relationship between price and promotion, and sustainable growth.	Based on SCATTR instrument and adjustment to suite the local market Use of primary and secondary data Questionnaire designed to gather relevant information per site relating to brand knowledge information Questionnaire and checklist	In store questionnaire spread across 10 stores within Gauteng with 30 questionnaire per outlet allows for varied LSM, Location and competition Sample of 300 In house assessment utilising relevant information available and use of business consultants within Famous Brands Annual store declared turnover to be utilised as per the signed royalty declaration report	Confirmatory Factor Analysis Develop underlying constructs Pearson Correlation Analysis Compare the influence of the independent variable on dependant variables