

A Study of Comparative Performance: Franchised Versus Corporate-Owned Supermarket Stores in South Africa

Justin Beneke*

There appears to be a dearth of scholarly research, particularly in emerging markets such as South Africa, comparing the relative performance of franchised outlets to corporate owned stores and explaining this through a cause-effect analysis. This study aimed to ascertain insights into consumer perceptions of franchised and corporate owned stores within the South African supermarket sector, and probe the function of store image, trust and satisfaction in determining loyalty to a particular format of outlet. The results indicated that consumers held better perceptions of franchised stores, especially in terms of trust and customer satisfaction. By developing and testing a conceptual model, the study revealed that both store image and trust influence customer loyalty, indirectly, through satisfaction. The findings therefore echo those from a pioneering study into the American market by Orth and Green (2009).

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