

## **Training as an Internal Marketing Tool within the Franchise System**

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## **Abstract**

**Purpose.** The purpose of this paper is to analyse the important role of training (specifically, training relevance and training transfer) in enhancing franchisor-franchisee relationship satisfaction, and its influence upon customer performance (e.g., customer satisfaction, quality service), all driven by an Internal Marketing (IM) culture.

**Design/methodology/approach.** An empirical study consisting of a questionnaire was conducted on a final sample of 157 individuals who are members of the franchise system. Structural equation modelling (SEM) was used to test the research hypotheses.

**Findings.** The results reveal that IM culture has a direct influence on training relevance; likewise, training relevance provides a positive and significant effect on training transfer, which does directly affect franchisor-franchisee relationship satisfaction, and at least also impacts indirectly on customer performance.

**Practical implications.** In order to assure the success of the franchise system and customer satisfaction, all franchise parties should take a proactive role in the configuration of the training programs. This proactive role should be conformed based on an IM culture developed properly by the franchise to strengthen a successful long-term relationship.

**Originality/value.** This paper provides an innovative approach to strengthen the franchisor-franchisee relationship through training based on the IM culture. This exploratory study integrates different theoretical frameworks that, to our knowledge, have not been linked, such as IM culture and franchise literature, considering the franchisee as an internal customer who has an influence on external customer satisfaction, with training and training transfer as essential key factors.

**Key words:** Internal Marketing, training relevance, training transfer, relationship satisfaction, customer performance, franchise.

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## Introduction

Franchising is “the wave of the future”. This quote by Ioanna and Maria (2013, p. 629) confirms the great interest that the franchise has and will continue to have as a proven business format. The key to its success is based on the development of quality relationships between franchisor and franchisees, which is why the literature continues to emphasize the need for further study (e.g., Altinay, Brookes, Yeung, *et al.*, 2014). In fact, there is a recent research trend that reinforces the idea that beyond the mere contractual exchange between the parties, the franchise has an important relational dimension (Fernández-Monroy and Melián-Alzola, 2005; King, Grace and Weaven, 2013; Lee *et al.*, 2015; Rosado-Serrano and Paul, 2018; Perrigot, Terry and Lerna, 2019; Kim, Pennington-Gray and Kim, 2020). Based on the above, the development of satisfactory relationships between franchisor and franchisee leads to better quality customer service and greater benefits (Bordonaba-Juste and Polo-Redondo, 2008; Davies *et al.*, 2011; Nyadzayo, Matanda and Ewing, 2011; Lee *et al.*, 2015; Ghantous and Das, 2018). In this regard, training has been fundamental in facing the complex and difficult environment in which franchisor-franchisee relationships are developed (Ioanna and Maria, 2013). Training has been broadly studied as a key aspect in franchise systems (Frazer, Merrilees and Wright, 2007; Ioanna and Maria, 2013; Altinay, Brookes, Madanoglu, *et al.*, 2014; Altinay, Brookes, Yeung, *et al.*, 2014; Perrigot, Hussain and Windsperger, 2015). However, according to Choo and Bowley (2007), research has mainly focused on considering training only as one of the elements of the overall franchisee package.

To overcome this partial view, this study involves analysing training in terms of two key aspects indicated in the literature: (a) the degree to which training is perceived to be useful and relevant to the job, since it is designed to meet franchisee needs (training relevance), and (b) the degree to which training is finally transferred to the job itself (training transfer). The training provided could affect franchisor-franchisee relationship satisfaction (Harmon and Griffiths, 2008; Grace and Weaven, 2011), increasing cooperation (Gassenheimer, Baucus and Baucus, 1996; Frazer *et al.*, 2012), encouraging them to work harder (Brown and Dev, 1997; Croonen and Brand, 2015), and improving customer performance (Yu, Kim and Kim, 2012).

To promote training as a key aspect in the franchisor-franchisee relationship satisfaction, this study follows a more innovative approach by introducing a philosophy of internal customer orientation, i.e. an Internal Marketing (IM) approach. IM represents the managerial philosophy that commits to produce fair value for its employees, through which relationships between

employees and managers are effectively managed, with the ultimate goal of creating superior customer value (Gounaris, 2006; Panigyrakis and Theodoridis, 2009; Tortosa-Edo *et al.*, 2015). In this line, in the franchise literature several studies have identified the franchisee as a key employee or internal customer of the system (King, Grace and Weaven, 2013; Kim, Pennington-Gray and Kim, 2020). In this regard, the franchisees perform the service on behalf of the franchisor, who delegates decision making to them (King, Grace and Weaven, 2013). Moreover, franchisees are responsible for implementing the strategies as designed by the franchisor and for managing direct contact with external customers (Brown and Dev, 1997). With the aim that the franchisees contribute to the franchise success, the franchisor must establish and manage a mutual, solid and lasting relationship (Kim, Pennington-Gray and Kim, 2020), assisting them through actions that respond to their needs (Lee *et al.*, 2015), and all this based on a focus on the franchisee as a key resource. This approach is built on IM philosophy, which suggests satisfying internal customer needs favours providing more value to external customers (Ahmed and Rafiq, 2003; Mukherjee and Malhotra, 2006; Bermúdez-González, Sasaki and Tous-Zamora, 2016).

Despite all the above, only a few works have addressed the IM in the franchise system (King, Grace and Weaven, 2013; Merrilees and Frazer, 2013; Rashid and Ghose, 2015; Yang, 2015). Although the literature has recognized the relevant role of training in franchise success (Choo and Bowley, 2007; Ioanna and Maria, 2013), its research as a key practice of IM programs has focused on service contexts other than franchising (Lings and Greenley, 2005; Gounaris, 2008; Kaur, Sharma and Seli, 2009; Bermúdez-González, Sasaki and Tous-Zamora, 2016). In addition, while most studies address IM from a behavioural perspective, authors such as Gounaris (2006) and Lings and Greenley (2005) have pointed to the need to explore the cultural perspective as well. Therefore, this study contributes to the franchise literature by increasing the scarce research on IM in the franchise system, and also by integrating a cultural perspective of IM, which has not been addressed, as far as the authors know, in this context.

Considering these arguments, the main objective of this paper is to analyse the role of training in enhancing franchisor-franchisee relationship satisfaction, and its influence upon customer performance, all driven by an IM culture. The remainder of this paper is structured as follows. The theoretical framework is developed, and the hypotheses of the proposed model are stated, after which a detailed, methodological approach is presented. The data is then analysed, and the results are reported. Finally, the conclusions, theoretical and practical implications for franchise system and future research are presented in the last section of this paper.

## **Theoretical background**

The Social Exchange Theory (SET) is adopted as the theoretical basis in this study. This theory has been widely used by researchers to analyse business-to-business relational exchange (Lambe, Wittmann and Spekman, 2001; Yu, Barnes and Ye, 2020) and, in particular, in the franchise literature to explain the franchisor-franchisee relationship in a complex context such as the franchise system (for a review, see Jang and Park, 2019). The presentation of this conceptual framework serves as a basis for the development of the hypotheses.

Traditionally, the SET has focused on the social relationships between employees and the employer organization (Cropanzano and Mitchell, 2005). As stated by Blau (1964), advantageous and fair transactions generate solid relationships which produce effective work behaviours and positive employee attitudes resulting in the formation of long-term social patterns. This theory proposes that actions made to promote a successful exchange depend on the perception of reward in the reactions of the partners, which in turn supports and nurtures mutually gratifying transactions and relationships (Cropanzano *et al.*, 2017). Hence, in the context of franchise systems, both parties aim to obtain economic and social results from each transaction developing a relationship based on mutual trust and collaboration (Altinay, Brookes, Yeung, *et al.*, 2014).

The literature also indicates that SET could be used as a theoretical foundation to explain the development of IM in organizations, especially in the service sector, in order to attract, motivate and retain the most qualified employees (Berry and Parasunaman, 1991). Based on this theory, Yu, Barnes and Ye (2020) point out how IM highlights the value that employees have for the company, thus meeting their needs becomes key for the organization. Therefore, if the company adequately satisfies employees' needs, they will respond by developing favourable behaviours to match it (Boukis, Kostopoulos and Katsaridou, 2014), which can lead to improved organizational performance (Yu, Barnes and Ye, 2020). On the basis of the SET framework, this study proposes a set of hypotheses to analyse the key role of the IM in improving the franchisor-franchisee relationship and its effects on organizational performance within the complex context of franchising.

### *The relationship between IM culture and training relevance*

Various authors in the IM literature point out the need for a value system to guide the company in developing behaviours that meet the needs of its employees, and ultimately lead to greater

value to the customer (Lings, 2004; Lings and Greenley, 2005; Gounaris, 2006; Gounaris, Vassilikopoulou and Chatzipanagiotou, 2010). This value system represents the cultural aspect of IM by considering people to be the organization's most valuable asset, which can influence satisfaction and loyalty of this key resource (Lings and Greenley, 2005; Peltier, Schibrowsky and Nill, 2013). This idea is supported by Boukis (2019) when stating that the organization must be strategically oriented towards satisfying the needs of its internal customers by offering them greater value. This strategic orientation will nourish the organization, bearing the fruit of favourable behaviours by its workers in response to the higher perceived value (Berry, 2016). Thus, the development of this IM philosophy arises from the management's commitment to the implementation and dissemination of these values and beliefs, in which employee satisfaction becomes a key aspect for the progress of the organization (Lings and Greenley, 2005; Gounaris, 2006; Panigyrakis and Theodoridis, 2009; Gounaris, Vassilikopoulou and Chatzipanagiotou, 2010). In order this philosophy to be effectively demonstrated to all members of the company, it must be transformed into observable behaviour that is oriented towards satisfying the employee, which can be achieved through human resource practices (Domínguez-Falcón, Martín-Santana and De Saá-Pérez, 2017). Among such human resource practices, Varey (1995) and Grönroos (2000) points to training as the key component of an IM programme. In this line, this practice has been recognized as one of the most important IM tools to satisfy the employees of service companies (Mosahab, Mahamad and Ramayah, 2011) and as a key element in the success of the innovative services offer (Avlonitis and Papastathopoulou, 2001). Through training, companies get employees to have a clear vision of their value to the organization (Bansal, Mendelson and Sharma, 2001), transmitting them the relevance of performing an excellent service and the necessary knowledge to provide quality customer service (Malhotra and Mukherjee, 2004; Tsai and Tang, 2008). According to Tsai and Tang (2008), employees will be able to meet customer needs if they have the knowledge and capabilities to deal more effectively with customers. Thus, within the framework of the IM philosophy, it is critical that employees perceive that the training received is tailored to their specific needs (Hogg, Carter and Dunne, 1998; Tsai and Tang, 2008; Vance *et al.*, 2013) and that it is especially important for them to be able to do their work. Training relevance is related to trainee motivation and consists of certain perceptions that the trainee has about training and its usefulness, which most likely may have been formed even before participating in it (Facteau *et al.*, 1995; Sahoo and Mishra, 2019). Therefore, to promote participants' perception of the relevance of training courses for their work, trainers should clearly

communicate in advance the potential benefits, content and expected outcomes of the training courses (Renta-Davids *et al.*, 2014). This would improve the transfer of learning and the impact of training.

Based on the above arguments and within the franchise context, it can be assumed that when franchisors develop an IM culture, they consider all their members, and especially the franchisees, to be a valuable asset to the system. Berry (2016) point out that when internal customers perceive this value, they become more sensitive to the organization's efforts. Based on this idea, the franchisees, as internal customers, can perceive that the franchisors, putting into practice the IM philosophy, have designed the training programs according to their specific needs, and therefore they consider them relevant. Training provided by franchisors allows franchisees an opportunity to achieve the knowledge and skills related to operational aspects such as routines, procedures and tasks necessary to manage a new business (Michael, 2000; Chien, 2014; Gillis, Combs and Ketchen, 2014). The franchisor must persuade franchisees of the benefits of attending trainings from time to time so that they can implement newly-designed, user-friendly business practices (Barthélemy, 2008). According to these arguments, H1 is formulated as follows:

H1: The IM culture has a positive effect on training relevance.

#### *Training relevance and training transfer behaviour*

As mentioned above, one of the major concerns within the field of training research is the extent to which trainees' behaviour actually changes once they return to their work context (Blume *et al.*, 2010). In this regard, Blume *et al.* (2010, p. 1066) point out that “in organizational contexts, original learning in a training experience is rarely adequate to render that training effective”. In their seminal work, Baldwin and Ford (1988) echo other authors who had a contrasting point of view, namely, that when managers believed in the value of training, there was a greater chance that attendees would eventually apply the skills learned in their daily work. This training relevance perception derives from the trainee's internal recognition that there is an existing need to improve performance and that the knowledge and skills presenting in training will enable the achievement of this improvement (Burke and Hutchins, 2007).

Training relevance is among many antecedents of training transfer that Baldwin and Ford (1988) have included in their model (for a review, see Burke and Hutchins, 2007). Training relevance has been addressed by several authors who believe that the reputation of the training

program and the training department directly and indirectly influences training transfer behaviours (Facteau *et al.*, 1995; Tsai and Tai, 2003). Similarly, Sahoo and Mishra (2019) find that the perceptions of the trainees, among which include the reputation of the training, are positively related to the self-motivation required to actually transfer what has been learned. If the trainees think that the organization's training programs are of high quality and are capable of developing the necessary skills for their success at work, this positively influences their levels of motivation towards training, which affects the level of training transfer (Facteau *et al.*, 1995; Burke and Hutchins, 2007). More specifically, the transfer of learning is positively influenced by the trainees' perceptions regarding content relevance for effective job performance (Gegenfurtner *et al.*, 2009; Renta-Davids *et al.*, 2014). When the trainees trust that the program will convey useful, proven and appropriate ideas to them, they are more likely to try to use those ideas on the job (Yelon, Ford and Golden, 2013). Conversely, if the trainee does not perceive the training as relevant, once the training has been completed, it is unlikely that he/she will use the knowledge and skills presented which were intended to be transmitted into his/her daily work experience (Axtell, Maitlis and Yearta, 1997). For the authors, training relevance has been shown to positively affect skill transfer in the short term and indirectly affect skill transfer in the long term. Finally, Renta-Davids *et al.* (2014) suggest that it is imperative to design training programs based upon the trainee's needs and provide them with concrete benefits, and clearly inform the trainee about these benefits, to influence their commitment to and level of transfer.

Thus, trainees should perceive that training programs are valuable, necessary and beneficial, because this increases their motivational levels to participate in training activities (Tsai and Tai, 2003) as well as impacting their attitudes toward training transfer (Turab and Casimir, 2015). In light of these considerations, the following hypothesis is formulated:

H2: Training relevance has a positive effect on training transfer behaviour.

### *Training transfer behaviour and franchisor-franchisee relationship satisfaction*

The role of knowledge transfer within the context of the franchisor-franchisee relationship is recognized in the literature (Brookes and Altinay, 2017). In this sense, Wickert and Herschel (2001) consider training programs as a successful way to achieve the internal transfer of knowledge. In fact, the authors state that “in order to transfer tacit knowledge, training seems to be the only successful approach” (Wickert and Herschel, 2001, p. 330). Barthélemy (2008) has also addressed this issue within the context of the franchisor-franchisee relationship, underlining



that training is the ideal way by which tacit knowledge may be transferred, while operational manuals transmit explicit franchise knowledge. In fact, franchisees rated a knowledge transmitted during training to be of a higher value than that received through operating manuals (Minguela-Rata, López-Sánchez and Rodríguez-Benavides, 2010). Thus, it is clear to see how important a role the transfer of knowledge plays between the partners of the franchise relationship. Franchisors provide specialized knowledge of a proven business system, while franchisees provide knowledge of the local market which fosters network growth (Altinay, Brookes, Yeung, *et al.*, 2014; Weaven, Grace, Dant, *et al.*, 2014). Therefore, the success of the franchisee's activity depends on the support of the franchisor (e.g., training assistance), whose success also depends on the good results of the former which acts in the operational management of the business (Jang and Park, 2019). As these authors have pointed out, the franchisor's performance depends on the performance of the franchisees and on the quality of the intrinsic relationship between both parties, so that both can attain a win-win situation.

However, although the transfer of knowledge in both directions is important, the flow of knowledge from the franchisor to the franchisee, which involves investing in training to ensure the efficient operation of a franchise unit, is the key to ensuring the concept of proven business (Paswan, D'Souza and Rajamma, 2014). In this respect, Gillis, Combs and Yin (2020) identify franchise management capabilities, such as knowledge-sharing routines and operational procedures, promote successful franchise relationships and enhance overall franchisee performance. Based on the SET, Brookes, Altinay and Aktas (2015) state that by providing training on a regular basis, the franchisor leads the franchisee to perceive that the relationship maintained between them is both valuable and positive.

The effects of training as supplied by the franchisor on the franchisee show a positive correlation to affective response, that is, suggest a heightened level of relationship satisfaction (Frazer *et al.*, 2012). This concept refers to the degree by which franchisees perceive that franchisors meet or exceed their economic and psychological expectations regarding their shared relationship (Davies *et al.*, 2011). In this sense, several studies have shown how the franchisor's support is directly linked to satisfaction within the franchise relationship (Gassenheimer, Baucus and Baucus, 1996; Weaven, Grace, Frazer, *et al.*, 2014). Through internal training, franchisors can vastly minimize unproductive work behaviours within the franchised units, improving the quality of the franchise relationship (Dant, Weaven and Baker, 2013). Training promotes higher levels of engagement by the franchisee with the franchisor organization, and fosters greater

adherence to the system as designed by the franchisor (Michael, 2000). However, the author also warns of the “risk of opportunism through free riding by the franchisee” (Michael, 2000, p. 498). In this sense, the mere fact that training is being provided by the franchisor does not guarantee that franchisee behaviour is in line with franchisor guidelines, even if some learning has taken place. In this regard, Gegenfurtner *et al.* (2009, p. 125) have highlighted how “the transfer of learning from training programs to applications in the workplace determines the effectiveness of human resource development interventions”. The franchisee’s training transfer behaviour indicates franchisee's actual compliance with the franchisor’s business model, designed and transmitted through training, and ensures that operations are carried out as intended (Castrogiovanni and Kidwell, 2010) resulting in a positive impact on the bottom line (Choo and Bowley, 2007). From the franchisor's perspective, the achievement of this goal, in alignment with franchisee cooperation, will positively affect the perception of the shared relationship. On the other hand, when joining a franchise, franchisees do look for some advantages, such as training, in pursuit of the acquisition of knowledge, skills and technical expertise (Choo and Bowley, 2007). When franchisees apply what they have learned to their work environments, this advantage becomes real and helps them achieve their business objectives, which, in turn, influences their level of satisfaction with the franchisor-franchisee relationship. According to these arguments, the following hypothesis is proposed:

H3: Training transfer behaviour positively affects franchisor-franchisee relationship satisfaction.

#### *Training transfer behaviour and customer performance*

Examination of franchise-focused literature has provided evidence of the importance of training programs on franchise system performance (Larson, 2003). For this reason, training transfer should be addressed to all levels of the franchisee organization (i.e. managers, assistant managers, and employees) (Justis and Chan, 1991). Specifically, the success of the franchise depends on the franchisor's ability to transfer knowledge through training, among other means, as well as the franchisee's ability to assimilate and apply it correctly (Minguela-Rata, López-Sánchez and Rodríguez-Benavides, 2010). In this sense, franchise performance depends largely on the cooperation between the franchisor and its franchisees, to maximize the value of the brand, and to ensure consistency in the production of products and services (Pitt, Napoli and Van der Merwe, 2003).

Based on the training transfer literature perspective, training transfer remains the fundamental challenge of organizational training, since it holds the key to significant changes in work performance (Blume *et al.*, 2010). The work of Rouiller and Goldstein (1993) confirms that the training transfer leads to better performance, in terms of quality and service, by the employees within the units of a franchised chain. According to Yelon, Ford and Golden (2013), while observing transfer of training from a broader perspective which includes the different applications of what has been learned, training transfer can lead trainees to use the adopted knowledge and skills to improve their decision-making processes. Along these lines, Chien (2014) has verified that training provided by the franchisor enables the franchisee to make effective decisions which stimulate the improvement of unit performance.

Traditionally, franchises have opted to train, develop and transfer knowledge through operating manuals, marketing plans and standard procedures to franchisees which serve as operational guides to improve the business (Ioanna and Maria, 2013). Through these knowledge-based investments, franchisors have improved brand image, encouraging franchisees to comply with the business concept (Paswan, D'Souza and Rajamma, 2014; Badrinarayanan, Suh and Kim, 2016). In addition, franchisors must develop trust with the franchisees to ensure that policies and system standards are met (Croonen and Brand, 2015), to avoid reducing the performance of individual franchisees as well as the entire franchise system (Davies *et al.*, 2011). In fact, the need for continual training has been established, extending beyond the initial stage of the franchisor-franchisee relationship, in order to improve franchisee capabilities, favouring an ongoing basis whereby high quality of the relationship and financial performance can be maintained (Chiou, Hsieh and Yang, 2004; Altinay, Brookes, Yeung, *et al.*, 2014; Varotto and Parente, 2016). In summary, by utilising the franchisor's training programs, franchisees can acquire valuable know-how and management skills to operate their businesses successfully, and thus improve customer satisfaction (Choo and Bowley, 2007; Chien, 2014). Based upon these arguments, the following hypothesis is formulated:

H4: Training transfer behaviour positively affects customer performance.

#### *Franchisor-franchisee relationship satisfaction and customer performance*

The internal exchange between franchisor and franchisee has been characterised as complex, difficult to manage, continuous and long-lasting, which must be cared for as it is crucial to the success of the franchise system (Watson and Johnson, 2010; Varotto and Parente, 2016;

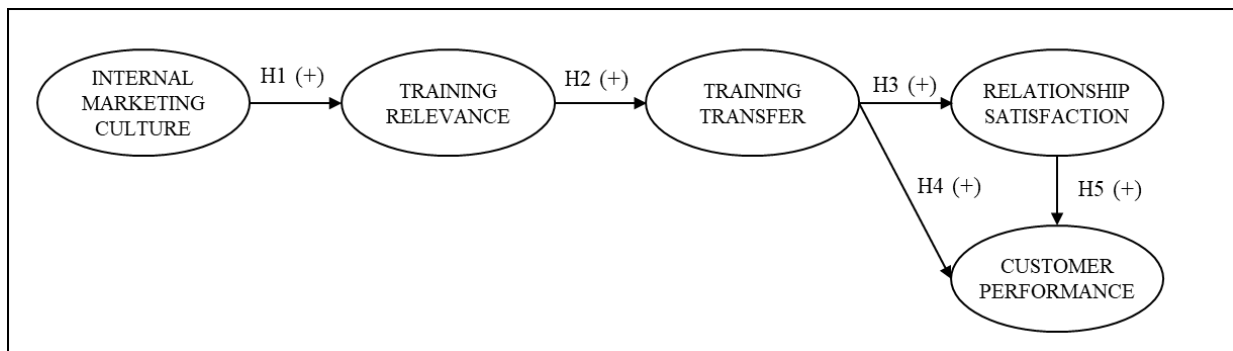
Kalargyrou, Aliouche and Schlenrich, 2018). When franchisees are not happy with the relationship, the results of the system worsen, increasing their tendency to display opportunistic behaviour (Roh and Yoon, 2009; Watson and Johnson, 2010). In this situation, franchisees are less likely to implement franchisor-designed strategies (Jang and Park, 2019) and more likely to make harmful decisions regarding their customer (lower quality of customer service, overpricing, etc.), which normally results in poor brand quality perception and worsened organizational performance (Kidwell, Nygaard and Silkoset, 2007). On the contrary, relationship satisfaction significantly reduces the franchisee's opportunistic behaviour, and even inspires the desire for further growth and success in his/her franchisee unit (Brookes, Altinay and Aktas, 2015). A higher level of satisfaction improves franchise performance, leading to a successful business relationship (Fernández-Monroy, Martín-Santana and Galván-Sánchez, 2018). Many authors (Roh and Yoon, 2009; Nijmeijer, Fabbriotti and Huijsman, 2014; Kalargyrou, Aliouche and Schlenrich, 2018) point out that the more satisfactory the relationship, the greater degree of franchisee willingness to remain in the franchise system.

According to the SET, franchisees who subjectively consider their relationship with the franchisor valuable show a higher degree of compliant behaviour (Brookes, Altinay and Aktas, 2015). Thus, building sustainable franchisor-franchisee relationships is crucial, with relational satisfaction being an essential ingredient for franchise success (Jang and Park, 2019). Franchisee satisfaction generates a great impact on the brand, enhancing the opening of new units, and increasing the overall performance of the franchise chain (Dickey, McKnight and George, 2007; Davies *et al.*, 2011). Likewise, Evanschitzky *et al.* (2011) have shown that franchisee satisfaction influences customer satisfaction indirectly, through the satisfaction of the unit's employees, which favours customer loyalty. Therefore, healthy franchisor-franchisee relationships encourages the franchisee to make greater strides in consolidating the brand, enhancing market position (Nyadzayo, Matanda and Ewing, 2011; Ghantous and Das, 2018). On this basis, the following hypothesis is established:

H5: Satisfaction with the franchisor-franchisee relationship positively affects customer performance.

Figure 1 shows the proposed model that collects the hypotheses of this study.

**Figure 1. Proposed model**



## Methodology

### *Context, sample and franchise profile*

This research has been carried out in Spain based on the franchise system, whose business model has shown to have a major impact on employment. The relevance of the franchise system could be seen in 2019 employment data which shows that franchises effectively employed 294,231 people. According to the Annual Report “Franchising in Spain. Report 2020” edited by the Spanish Franchise Association (AEF, Spanish acronym) during 2019, the franchise system slightly increased in terms of the number of networks, branches, and new jobs generated (Spanish Franchise Association, 2020).

Data for the study was collected through primary sources. The population of the study was composed of franchise systems operating in Spain, identified through the information provided by the 2019 report of the AEF, as well as by the 2018 Franchise Guide published by the business magazine *Emprendedores*. Finally, the total population was 626 franchises. The online questionnaire was generated after an extended literature review. Several trials were conducted, resulting in minor adjustments in the wording of some items. The invitations to participate in the study were sent by email to the franchisors, whose collaboration was also encouraged by the AEF. After two weeks, the franchisors were contacted by phone to explain the study in more detail and to encourage them to participate. Accordingly, they were then sent the link to the online questionnaire. After three rounds of calls, 1,110 additional emails were dispatched to get more franchises involved in the research. In addition, the franchisors were also asked to send the franchisees a link to the questionnaire. Only the researchers would be able to access the information collected in the questionnaires, which would be analysed in a confidential and

aggregated manner. After this follow-up period, 162 responses were received, resulting in a final sample of 157, once the responses with missing values were eliminated. The response rate was 25%, which is not unusual in studies developed at organisational level (Baruch and Holtom, 2008) and research in the franchise field (Dickey, McKnight and George, 2007; Chien, 2014; Lee *et al.*, 2015; Fernández-Monroy, Martín-Santana and Galván-Sánchez, 2018).

The franchises participating in the study operate in various sectors of activity, and especially in the area of services. In particular, the participants are distributed by sector as follows: 26.75% operate in “Hotel/restaurant”, 17.20% in “Health and beauty”, 8.92% in “Education”, 7.01% in “Real estate agencies”, 7.01% in “Food/supermarkets”, 5.10% in “Fashion”, 3.18% in “Telecommunications and new technologies”, and 1.91% in “Travel agencies”, as well as 10.83% in other service franchises and 12.10% in other retail branches. Regarding the profile of key informants, 66.9% were male and 33.1% female; 62.2% were between 31 and 50 years old (30.1% between 31 and 40, and 32.1% between 41 and 50), and 74.4% had attained higher education levels (46.8% had an undergraduate degree and 27.6% had either a master's degree or completed doctoral studies).

### *Variables*

The questionnaire was designed to allow for the construction of seven-point Likert-type scales ranging from 1 (strongly disagree) to 7 (strongly agree), in order to measure the variables included in the theoretical model. The IM culture variable is measured using a six-item scale based on that of Domínguez-Falcón, Martín-Santana and De Saá-Pérez (2017). The training relevance scale is composed of three items adapted from Tannenbaum (1997) and Xiao (1996). Training transfer behaviour is measured through three items extracted and adapted from the scale developed by Xiao (1996). Relationship satisfaction is measured through four items extracted from the scale developed by Boyle and Dwyer (1995) and Fernández-Monroy, Martín-Santana and Galván-Sánchez (2018). Customer performance is measured through four items adapted from the scale developed by Sanzo *et al.* (2012).

### *Research method*

The scales used in this study contain a certain exploratory character. As far as the authors know, scales relative to IM culture have not been used within the framework of the franchisor-franchisee relationship. Similarly, aspects relating to training transfer and its antecedents have

not been applied in this franchise context. For this reason, an exploratory analysis of these variables was made using IBM SPSS Statistics 26 software, followed by a confirmatory factorial analysis using EQS 6.3 software (Lloret-Segura *et al.*, 2014). Cronbach's alphas have been used to determine the reliability of the scales (Hair *et al.*, 1999).

Structural equation modelling (SEM) was used to test the hypotheses because the model where they are included represents relationships among multiple prediction and criterion variables, with mediating variables, and in these cases SEM is an adequate tool for analysing these relationships (Chin, 1998). The model is estimated by using maximum-likelihood with robust statistics based on the covariance matrix of the variables included. Research hypotheses are checked based on the significance and weights of the estimated causal pathways. This methodology involves studying two distinct scenarios: the measurement model and the structural model (Anderson and Gerbing, 1988; Hair *et al.*, 1999). Lastly, following the recommendation of Chin (1998), Appendix 1 shows both the means and the deviations of the variables, as well as its correlation matrix.

## **Data analysis and results**

### *Measurement model*

#### *Exploratory factor analysis (EFA)*

In order to carry out a primary evaluation of the factor structure, three exploratory analyses were carried out: the first was dedicated to IM culture, the second on variables related to training, and the third was based on variables associated with performance. In this way, variables that could present greater correlations *a priori* have been analysed in the same EFA, in order to check their dimensionality. As shown in Table I, the EFA for IM culture showed a single factor (Cronbach's alpha = 0.881).

**Table I. Exploratory factor analysis for IM culture**

<b>Variables</b>	<b>Com.</b>	<b>Factor 1 load</b>
IMC1. In our company, the well-being of all franchisees is a concern.	0.701	0.837
IMC2. In our company there is a belief that it is important to look for the happiness of the franchisees in their work.	0.701	0.837
IMC3. In our company one of the main objectives is to keep the franchisees satisfied.	0.669	0.818
IMC4. In our company we try to adapt to the personal needs of each franchisee.	0.665	0.815
IMC5. In our company, it is important to understand the factors that affect franchisee satisfaction.	0.617	0.785
IMC6. In our company there is a belief that people are the most important resource.	0.494	0.703
Eigenvalue	3.847	
Total percentage of explained variance	64.109	
Kaiser-Meyer-Olkin measure	0.875	
Barlett's test of sphericity:	478.767 (0.000)	
Cronbach's alpha	0.881	
Factor 1: IM Culture		

The EFA for the training-related variables revealed the existence of two factors: one, termed “Training Relevance”, is comprised of three items (Cronbach’s alpha = 0.853); another, termed “Training Transfer”, is also comprised of three items (Cronbach’s alpha = 0.891). Cronbach’s  $\alpha$  of the entire scale is 0.899 (Table II).



**Table II. Exploratory factor analysis for Training related variables**

<b>Variables</b>	<b>Com.</b>	<b>Factor 1 load</b>	<b>Factor 2 load</b>
TF1. In our company, franchisees have incorporated skills learned during training into daily work activities.	0.821	0.875	0.235
TF2. In our company, training has helped to improve the work performance of the franchisees.	0.865	0.860	0.354
TF3. In our company, the franchisees have used the skills acquired in the training courses to improve business results.	0.791	0.784	0.421
TR1. In our company, training is offered on a regular basis, so that franchisees can develop their skills or abilities.	0.858	0.232	0.897
TR2. In our company, training programmes are planned in advance and according to future needs.	0.832	0.387	0.826
TR3. Training is adapted to the individual needs of each franchisee.	0.649	0.347	0.727
Eigenvalue	4.027		0.788
Partial percentage of variance explained	67.125		13.135
Total percentage of explained variance			80.260
Kaiser-Meyer-Olkin measure:			0.853
Barlett's test of sphericity:			608.679 (0.000)
Cronbach's alpha			0.899
Factor 1: Training Transfer			
Factor 2: Training Relevance			

Finally, the EFA of the variables related to performance showed the existence of two factors: the first, termed "Relationship Satisfaction", is comprised of four items (Cronbach's alpha = 0.919). The second, termed "Customer Performance", is also comprised of four items (Cronbach's alpha = 0.836). Cronbach's  $\alpha$  value of the entire scale is 0.853 (Table III).

**Table III. Exploratory factor analysis for Performance related variables**

<b>Variables</b>	<b>Com.</b>	<b>Factor 1 load</b>	<b>Factor 2 load</b>
RS1. This relationship can be described as successful.	0.859	0.918	0.129
RS2. Overall, we are very satisfied with the relationship we have.	0.859	0.913	0.158
RS3. We are both completely happy with each other.	0.839	0.900	0.171
RS4. If we had to create a new relationship of these characteristics, we would do business again with the same participating companies.	0.702	0.828	0.129
CP1. Compared to our competitors, in recent years, the quality of the service offered has greatly improved.	0.763	0.139	0.863
CP2. Compared to our competitors, in recent years, the adaptation of customer service has greatly improved.	0.702	0.078	0.834
CP3. Compared to our competitors, in recent years, the company's image has improved a lot.	0.627	0.090	0.786
CP4. Compared to our competitors, in recent years, the satisfaction of our customers has greatly improved.	0.627	0.254	0.750
Eigenvalue	3.998		1.980
Partial percentage of variance explained	49.979		24.753
Total percentage of explained variance			74.732
Kaiser-Meyer-Olkin measure:			0.836
Barlett's test of sphericity:			778.143 (0.000)
Cronbach's alpha			0.853
Factor 1: Relationship Satisfaction			
Factor 2: Customer Performance			

The potential downside of common method variance bias can be analysed by jointly including the items on the different scales to detect the existence of a single factor, which would explain most of the total variances. This single factor explains only 41.19% of the variance. Additionally, common-method bias testing was also evaluated by the statistical comparison of the five-factor measurement model ( $SB\chi^2= 189.617$   $df= 160$ ) to a one-factor measurement model ( $SB\chi^2= 822.897$ ,  $df=170$ ), as recommended by Podsakoff *et al.* (2003). Results of this comparison show no evidence of common-method bias in the data as the one-factor model exhibited significant deterioration in  $SB\chi^2$  by 633.280,  $df=10$  ( $p<0.01$ ), showing the superiority of the five-factor model. Therefore, based on these two analyses, it can be considered that common method variance does not seem to be an issue in this particular study.

*Confirmatory factor analysis (CFA)*

In order to confirm the robustness of the scales, three confirmatory factor analyses (CFA) were conducted. First, as Anderson and Gerbing (1988) have suggested, data was analysed to verify the fulfilment of the assumptions which recommend the use of SEM methodology. This analysis only showed the absence of multivariate normality, so maximum-likelihood estimation with robust statistics was used to address this question (Mueller, 1997). The CFA followed the same grouping of variables as did the EFA.

The first CFA analyses the IM culture variable, showing that the estimates are significant and in the expected direction (see Table IV). The model shows satisfactory goodness-of-fit indicators, with a p-value of 0.066 for a Satorra-Bentler Chi-square of 16.020, a robust RMSEA of 0.071 which is below the level of 0.08, and a robust CFI index of 0.973 which is above the recommended level of 0.9 (Schumaker and Lomax, 2010). In relation to this scale, content validity is assumed in light of reviewing source literature. Convergent validity is assumed because standardized estimates were all higher than 0.5, significant at 1%, and in the right direction (Hair *et al.*, 1999), with an average variance extraction (AVE) of 0.571 which exceeds 0.50 (Fornell and Larcker, 1981). Internal consistency of the scales has been proven since the composite reliability is above the minimum level of 0.6 and all indicators provide individual reliability greater than 0.3 (Bagozzi and Yi, 1988).

**Table IV. IM culture CFA results**

<b>Dimensions</b>	<b>Standardised estimator</b>	<b>Z</b>	<b>R<sup>2</sup></b>	<b>Composite reliability</b>	<b>Average variance extracted</b>
IMC6 ← IM Culture	0.615	----	0.379		
IMC5 ← IM Culture	0.712	7.01	0.506		
IMC2 ← IM Culture	0.809	6.53	0.655	0.888	0.571
IMC3 ← IM Culture	0.792	5.55	0.627		
IMC4 ← IM Culture	0.778	5.92	0.605		
IMC1 ← IM Culture	0.810	6.21	0.656		
MEASURES OF GOODNESS OF FIT ML			MEASURES OF GOODNESS OF FIT ML ROBUST		
$\chi^2= 25.961$ DF=9 p=0.002 CFI=0.964 RMSEA=0.110			SB $\chi^2 = 16.020$ DF=9 p=0.066 CFI=0.973 RMSEA=0.071		

The variables Training Relevance and Training Transfer are studied together in the second CFA. The model shows that all estimates are significant at 1%, and in the expected direction (see Table V). Goodness-of-fit indicators show to be satisfactory, with a p-value of 0.1440 for Satorra–Bentler Chi-square of 12.1630, a robust RMSEA of 0.058 and a robust CFI index of 0.987. Content validity of this scale is assumed based on the review of source literature in regard to its design. In regard to convergent validity, all standardized estimates are higher than 0.5, significant at 1%, and in the right direction with AVE values for both variables greater than 0.5 (see Table VI). The composite reliability of both scales is above 0.6 and all indicators have an individual reliability greater than 0.3. Finally, to analyse discriminant validity of the scales, the square root of the AVE for each of the scales were calculated, then compared with the corresponding correlations of the latent variables (Fornell and Larcker, 1981). As Table VI indicates, the square root of every AVE is greater than the corresponding correlation.

**Table V. Training related variables CFA results**

<b>DIMENSIONS</b>	<b>Standardised estimator</b>	<b>Z</b>	<b>R<sup>2</sup></b>	<b>Composite reliability</b>
TR3 ← Training Relevance	0.688	----	0.474	
TR1 ← Training Relevance	0.847	11.37	0.718	0.862
TR2 ← Training Relevance	0.918	11.19	0.843	
TF3 ← Training Transfer	0.859	----	0.738	
TF2 ← Training Transfer	0.913	14.42	0.833	0.893
TF1 ← Training Transfer	0.798	10.40	0.637	
MEASURES OF GOODNESS OF FIT ML	MEASURES OF GOODNESS OF FIT ML ROBUST			
$\chi^2= 14.673$ DF=8 p=0.0066 CFI=0.989 RMSEA=0.073	SB $\chi^2 = 12.163$ DF=8 p=0.1440 CFI=0.987 RMSEA=0.058			

**Table VI. Discriminant validity Training related scales**

<b>DIMENSIONS</b>	<b>TR</b>	<b>TF</b>
TR: TRAINING RELEVANCE	<b>0.823</b>	
TF: TRAINING TRANSFER	0.753	<b>0.857</b>

**Note(s):** Square root of AVE is represented in the principal diagonal

The last CFA analyses variables related to performance: Relationship Satisfaction and Customer Performance. The resulting model shows a satisfactory overall fit, with a p-value of

0.6358 for Satorra–Bentler Chi-square of 16.3197, a robust RMSEA of 0.000 and a robust CFI index of 1.000 (see Table VII). Regarding these variables, the review of previously described literature guarantees content validity. Convergent validity is assumed since standardized estimates were all greater than 0.6, significant at 1% and in the right direction, with AVE values for both scales greater than 0.5. Discriminant validity of the scales is shown because the square root of every AVE is greater than the corresponding correlation (see Table VIII).

**Table VII. Performance-related variables CFA results**

<b>DIMENSIONS</b>	<b>Standardised estimator</b>	<b>Z</b>	<b>R<sup>2</sup></b>	<b>Composite reliability</b>
RS4 ← Relationship Satisfaction	0.746	----	0.556	
RS3 ← Relationship Satisfaction	0.879	11.29	0.772	0.926
RS1 ← Relationship Satisfaction	0.924	10.80	0.853	
RS2 ← Relationship Satisfaction	0.922	11.01	0.850	
CP4 ← Customer Performance	0.700	----	0.490	
CP3 ← Customer Performance	0.689	7.94	0.475	0.841
CP1 ← Customer Performance	0.853	10.26	0.727	
CP2 ← Customer Performance	0.769	8.64	0.592	
MEASURES OF GOODNESS OF FIT ML		MEASURES OF GOODNESS OF FIT ML ROBUST		
$\chi^2= 25.305$ DF=19 p=0.1507 CFI=0.992 RMSEA=0.046		$SB\chi^2 = 16.319$ DF=19 p=0.6358 CFI=1.000 RMSEA=0.000		

**Table VIII. Discriminant validity of Performance related scales**

<b>DIMENSIONS</b>	<b>RS</b>	<b>CP</b>
RS: RELATIONSHIP SATISFACTION	<b>0.823</b>	
CP: CUSTOMER PERFORMANCE	0.351	<b>0.755</b>

**Note(s):** Square root of AVE is represented in the principal diagonal

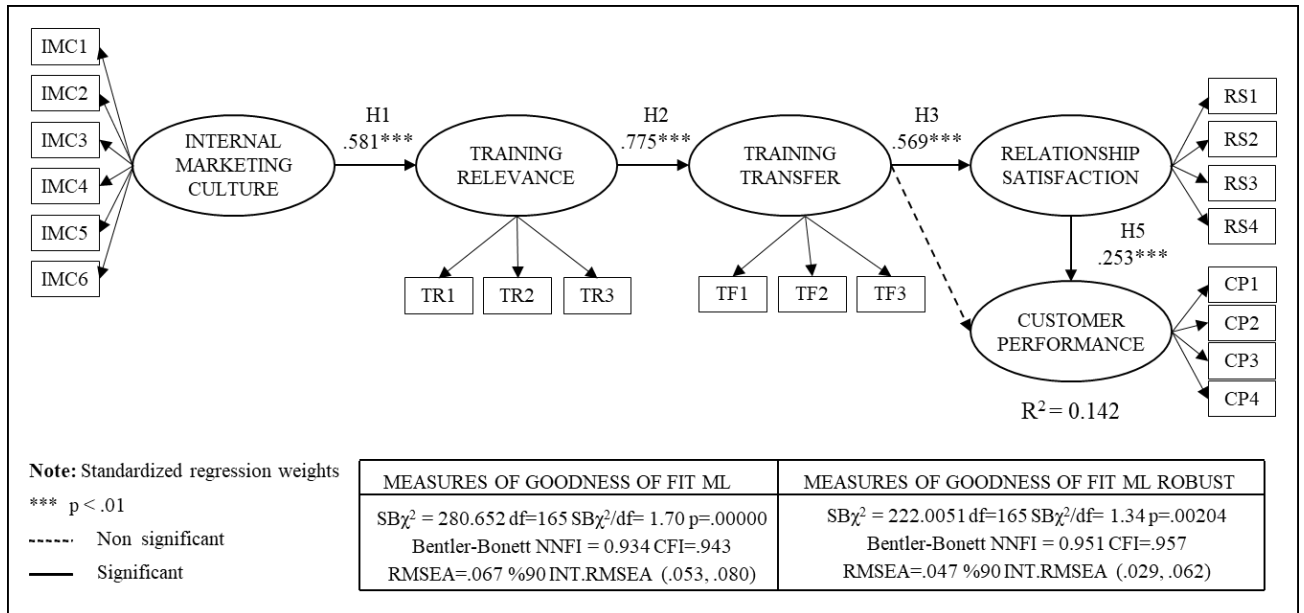
### *Structural model*

Hypotheses were tested by means of the structural model shown in Figure 2. The necessary calculation was made regarding its statistical power based on sample size (N = 157), number of degrees of freedom (df = 165) and alternative RMSEA (Alt. RMSEA = 0.08), using Preacher and Coffman (2006) software. The results of this analysis show that this SEM model exceeds the recommended lower limit of 80% for research in the behavioural sciences (Cohen, 1988).

The model goodness-of-fit indices fall within accepted thresholds. Satorra-Bentler chi-square normalized by degrees of freedom is 1.34, which is less than the upper limit of 3 as recommended by Bagozzi and Yi (1988). Nevertheless, the p-value for the  $\chi^2_{SB}$  is 0.002 is below the minimum level of 0.05 (Schumaker and Lomax, 2010). The model also shows positive figures regarding other fit indices, as the robust RMSEA is 0.047 which is below the most rigorous thresholds (Byrne, 2006). In addition, following MacCallum, Browne and Sugawara (1996) who advocate the use of confidence intervals to measure the model fit, the 90% RMSEA confidence interval was checked to verify that its upper limit (0.062) falls below the 0.08 threshold. The values of the Robust CFI index (0.957) and Bentler-Bonett Non-Normed Fit Index (0.951) indicate a superior fit (Byrne, 2006). Finally, the squared multiple correlation reflects that the proposed model explains a substantial proportion of Customer Performance ( $R^2 = 0.142$ ) (see Figure 2).

Review of the standardized estimators and the critical ratios shows that IM culture has a positive and significant relationship with Training Relevance (0.581,  $p < 0.01$ ), supporting hypothesis 1. Hypothesis 2 was also validated, due to the existence of a positive and significant relationship between Training Relevance and Training Transfer (0.775,  $p < 0.01$ ) as evidenced. The results allow for the validation of Hypothesis 3, which postulated the positive relationship between Training Transfer and Relationship Satisfaction (0.569,  $p < 0.01$ ). However, Training Transfer does not seem to have a direct relationship with Customer Performance, so Hypothesis 4 cannot be validated. Finally, Relationship Satisfaction has a positive and significant relationship with Customer Performance (0.253,  $p < 0.01$ ), allowing for the validation of Hypothesis 5.

**Figure 2. Structural model analysis: results**



Since the model tested presents several mediating relationships, it is appropriate to analyse the direct and indirect effects between the included variables (see Table IX). Thus, IM Culture has a strong direct effect (0.581) on Training Relevance (0.581), and indirect effects on Training Transfer (0.451), Relationship Satisfaction (0.257) and Customer Performance (0.142). Results also show a strong direct effect (0.775) of Training Relevance on Training Transfer, and showing indirect effects on Relationship Satisfaction (0.441) and Customer Performance (0.243). Regarding Training Transfer, it has a significant direct effect on Relationship Satisfaction (0.569), but it has not a significant direct effect on Customer Performance, although it has a significant indirect effect on this last variable (0.144). Finally, Relationship Satisfaction presents a direct effect on Customer Performance (0.253).

**Table IX. Direct, indirect and total effects**

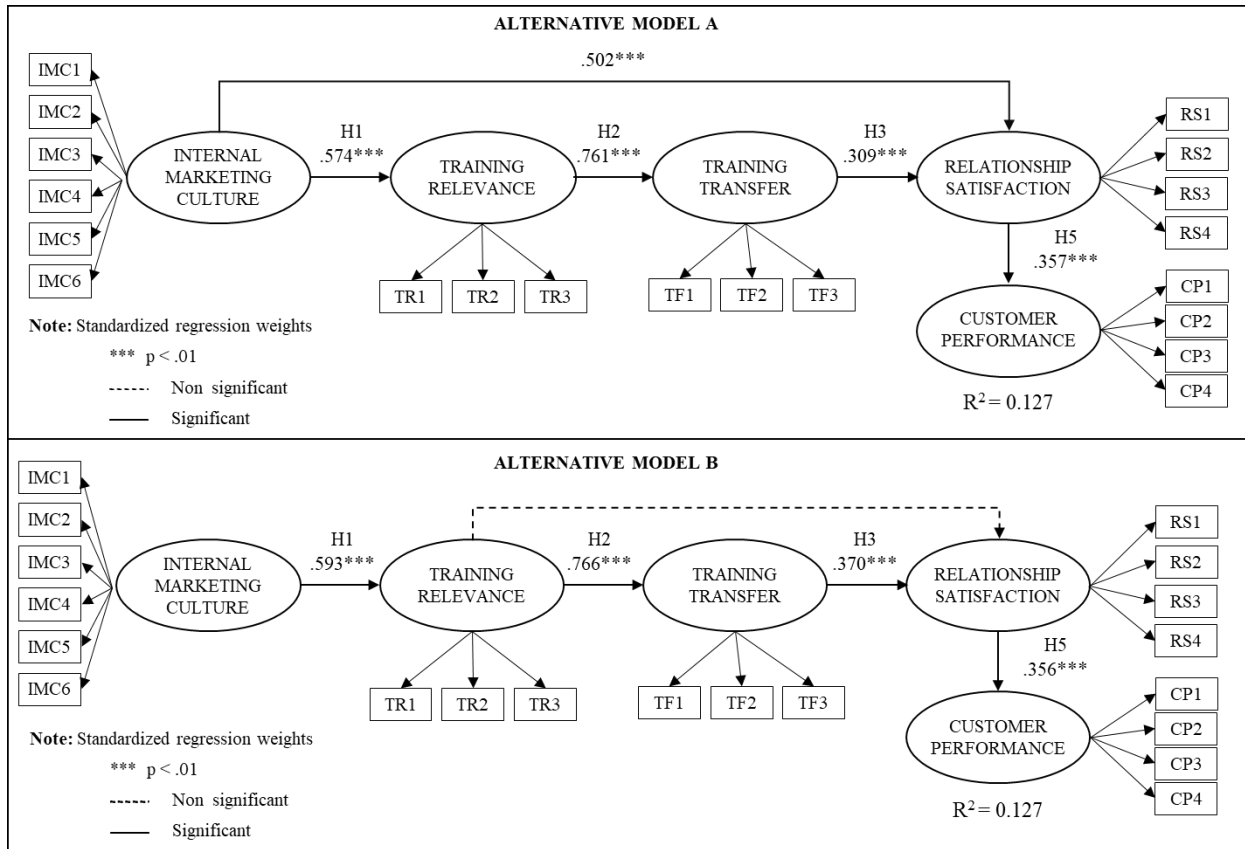
<b>Dimensions</b>	<b>Direct effect</b>	<b>Indirect effect</b>	<b>Total Effect</b>
Internal Marketing Culture → Training Relevance	0.581	0.000	0.581
Internal Marketing Culture → Training Transfer	0.000	0.451	0.451
Internal Marketing Culture → Relationship Satisfaction	0.000	0.257	0.257
Internal Marketing Culture → Customer Performance	0.000	0.142	0.142
Training Relevance → Training Transfer	0.775	0.000	0.775
Training Relevance → Relationship Satisfaction	0.000	0.441	0.441
Training Relevance → Customer Performance	0.000	0.243	0.243
Training Transfer → Relationship Satisfaction	0.569	0.000	0.569
Training Transfer → Customer Performance	0.170	0.144	0.314
Relationship Satisfaction → Customer Performance	0.253	0.000	0.253

Total and Indirect Effects were all significant. Directs effects were all significant except the effect of Training Transfer on Customer Performance

This study has taken on a certain exploratory character in regard to inter-dependent relationships as it integrates different theoretical frameworks which, to date, have not been linked nor examined. For this reason, with the intention of presenting alternative models that might fit more closely together, a model is estimated in which only the significant relationships of those initially proposed are retained, in order to be subsequently compared with two nested models (see Figure 3). In Model A, an interdependent relationship between IM Culture and Relationship Satisfaction has been added to the proposed model. In Model B, a relationship between Training Relevance and Relationship Satisfaction was incorporated. The fit indices of these models and the tests of the differences between these alternative models as well as that of the proposed model are shown in Table X.



**Figure 3. Alternative models**



**Table X. Model comparison**

MODEL	MEASURES OF GOODNESS OF FIT ML ROBUST					$\Delta SB\chi^2$ (d.f. difference)
	$SB\chi^2$ (d.f.)	$p$	RMSEA	Bentler-Bonett NNFI	CFI	
Theoretical Model (with significant relationships only)	223.7418 (166)	0.0018	0.047	0.950	0.957	--
Alternative Model A IM Culture – Relationship Satisfaction	195.0895 (165)	0.0546	0.034	0.974	0.977	26.56* (1)
Alternative Model B Training Relevance – Relationship Satisfaction	220.7857 (165)	0.0024	0.047	0.952	0.958	3.49 n.s. (1)

**Note(s):** \*  $p > 0.05$ ; each model compared to the proposed model

Alternative Model A, which proposes a relationship between the IM culture and Relationship Satisfaction, generates a scaled difference of the Satorra Bentler Chi-square of 26.56, which makes it a significant finding (greater than 3.84,  $p > 0.05$ ) (Satorra and Bentler,

2001). Therefore, this relationship slightly improves the model fit. In fact, it can also be observed that for this model the Satorra-Bentler Chi-square has a probability greater than 0.05. However, by adding the relationship of Training Relevance and Relationship Satisfaction on alternative Model B, it is not significant.

### **Conclusions and implications**

In conclusion, it can be said that, although the strengthening of franchisor-franchisee relationship has been of great research interest in recent years, it has become necessary to advance this analysis, based on the perspective of IM culture. In this study, scientific knowledge has been generated indicating how IM culture responds to the needs of franchisees through training, which enhances franchisor-franchisee relationship satisfaction and leads to better customer performance within the franchise.

The added value of this paper is to focus on the role of training, in terms of “training relevance” and “training transfer”, for the consolidation of franchisor-franchisee relationship and customer performance, promoted by an IM culture. From this innovative integration of different literature related to IM, training and franchising, this study has made several theoretical and practical contributions to franchise-based literature.

#### *Theoretical implications*

First, it is important to present the novelty of the proposed theoretical model that integrates issues related to IM, training and franchise literature. On the basis of this exploratory model, this research examines the role of IM as a managerial philosophy within the franchise context. This philosophy enables the franchisee to become a critical asset that must be satisfied in order to contribute to the franchise system success. Thus, one of the theoretical contributions of the paper is based on the idea that developing an IM culture could constructively strengthen the franchise system, beyond purely contractual obligations, which literature has shown to be sometimes insufficient to establish satisfactory relationships between the parties. Considering the IM as culture, the present study deeply analyses the franchise system by treating the franchisee as an internal customer. This innovative approach represents an interesting alternative analysis of this organizational environment’s complex relationship. Previous attempts (e.g., Nyadzayo, Matanda and Ewing, 2011) have been made to explain how a healthy franchisor-franchisee relationship could help generate better performance beyond the initial contractual relationship. Although

researchers in this field attest to the need to generate an organizational culture where mutual understanding, trust and cooperation become key values to improve these business-to-business relationships (Gounaris, 2005; Kumar *et al.*, 2016; Jang and Park, 2019), the proposal of this research is an original contribution, because it introduces the IM culture perspective, that has not been analysed so far in franchise system.

Second, another important theoretical contribution concerns how IM values and behaviours influence the franchise relationship and lead to a successful performance. In this sense, to achieve the franchise goals, this research establishes that the development of an IM culture is positive related to the perception of relevant and useful training provided. On the one hand, this research highlights training relevance as a facilitator that turns IM efforts tangible. On the other hand, regarding useful training (tailored to franchisee's specific needs), the study evidences that an IM culture provides added value to franchisees. In addition, training transfer literature (e.g., Sahoo and Mishra, 2019) has indicated the importance of training relevance as an element that influences motivation towards training and its transfer. In this sense, this work provides an explanation on how a better understanding and implementation of relevant training can be built through the IM culture. Furthermore, this work contributes by delving into the study of training (training relevance and training transfer) as critical factor to transmit the values and knowledge necessary for the success of the franchise system, as suggested by Ioanna and Maria (2013) and Zolfagharian and Naderi (2020), thus responding to the need for research required by the literature (Choo and Bowley, 2007).

Third, it has recently been recommended that, when studying training transfer, researchers should further analyse the particular relationships of each context whereby each training takes place (Baldwin, Ford and Blume, 2017). In this way, the present work makes another relevant contribution by deepening the research of how training and its transfer are conducted in the franchise system. Moreover, to the best of the authors' knowledge, this study explores a connection not previously addressed by training transfer literature. Findings have shown that training transfer is positively related to the perception of a satisfactory franchisor-franchisee relationship. Thus, this significant positive influence is a key determinant to progress in the consolidated and advanced knowledge of franchise success demanded by the literature (Watson and Johnson, 2010; Kalargyrou, Aliouche and Schlenrich, 2018). In addition, the study also concludes that the influence of training on customer performance is explained indirectly through the relationship satisfaction. In this sense, this study provides further theoretical

evidence of the importance of consolidating a good relationship between the parties as a way to improve success and performance, as stated by previous research (Evanschitzky *et al.*, 2011; Nyadzayo, Matanda and Ewing, 2011).

### *Practical implications*

First of all, the franchise system needs to be concerned about the relationship quality between parties. Training and support provided by franchisor will create a positive work environment and a valuable learning experience that improve franchisees' proud of belonging to the franchise system. Thus, these practical aspects must be duly addressed to achieve a higher level of satisfaction in the franchisor-franchisee relationship, as indicated by early studies (Gassenheimer, Baucus and Baucus, 1996; Choo and Bowley, 2007). This healthy relationship can work as a mitigating factor against temptation for possible franchisee's opportunistic behaviours. Thus, from a practical perspective, this research recommends managers to nurture and support the relationship from an operational, communicative and financial point of view, as Jang and Park (2019) recently pointed out. Due to the results, all these issues will help to develop a satisfactory, valuable and long-term relationship to both parties.

Second, the franchisors must influence the creation and maintenance of a social network by which franchisees and franchisors can work together, synergistically, towards the achievement of common objectives, in line with Zolfagharian and Naderi (2020). In this way, this study proposes that franchisors should foster social ties with franchisees through informal meetings, holding corporate events, and so on, which increase mutual understanding and trust (Gounaris, 2005). Evanschitzky *et al.* (2011) empirically show that improving satisfaction within a franchise greatly enhances the impact of customer satisfaction via their intention to purchase, promoting brand loyalty. Therefore, the present research encourages franchisor to foster a friendly and motivating work environment for their franchisees based on IM culture. Thus, franchisees will be motivated to respond with positive attitudes and behaviours which subsequently improve their brand commitment and customer brand experience (Nyadzayo, Matanda and Ewing, 2015).

In addition, this work has shown that franchises should invest in building a supportive IM culture, if they are interested in developing a positive and collaborative environment, with continuously harmonious win-win exchanges between franchisor and franchisee. Thus, the IM

culture will help motivate franchisees to respond positively to the franchise and to ensure their willingness to continue the relationship for the long term (King, Grace and Weaven, 2013).

This research also concludes that the franchisor must provide extensive training to the franchisee to meet technical and operational knowledge needs in order to transform it into a superior added value to the final external customer. From a practical perspective, to achieve this goal, according to Choo and Bowley (2007)'s results, the research proposes that franchisors should strive to respond to the franchisees' needs by designing suitable training programs. In this regard, franchisors should develop training programs to convey the franchise's core values to their franchisees, focusing on how these values can help them better understand their role and function coherently within the brand; especially considering the importance of goal and value congruence for a sustainable franchise relationship (Weaven, Grace, Dant, *et al.*, 2014).

Considering IM's practical implications, the present study also proposes that the franchisors should work hard to collect information and disseminate it to the franchisees in order to generate highly relevant and useful perceived training programs. Based on Baldwin, Ford and Blume (2009), the present study encourages the franchisee to take an active role in the training process design, in such a way that it is adjusted to their needs and fully responding to the foundations of the IM. In this case, the training design should arise as a cooperative procedure, as part of the co-creation process between franchisor and franchisee. This will increase the value given to the franchisee in this business model, according to a recent conceptual study by Boukis (2019).

Due to the importance of franchisees' perception of training relevance and its subsequent effects on transfer behaviour, franchisors must strive to foster this positive perception. In addition, it must be taken into account, as Barthélemy (2008) points out, that franchisees are independent entrepreneurs who cannot be forced to attend all the training sessions that the franchisor considers essential for the updated and effective management of the business model. Therefore, franchisors should assume and promote an IM culture to persuade the franchisees about the importance of continuous learning through training. In line with those suggestions made by Ballantyne (2003), through IM culture, managers will promote mutual exchanges of value in terms of knowledge and practice.

From all the aforementioned contributions, the practical implications of this research are established, summarized in the main idea that, in order to assure franchise success and customer satisfaction, all franchise parties should play a proactive role in shaping the training programs.

This proactive role should be built on a properly developed IM culture to strengthen a successful long-term franchise relationship.

#### *Limitations and future studies*

This work has certain limitations that may become future research lines. Thus, the study was carried out on a specific sample and at a moment in time (cross-sectional study), in which associations between the variables were studied, but not causal relationships could be established. However, future research is intended to advance by conducting a longitudinal study that allows testing the cause-effect relationship between the variables of the model, providing it with a greater degree of robustness.

Furthermore, although the relationship added in alternative Model A slightly improves model fit, its significance may be due to the effect of other variables not included in the original model of this work (e.g., retribution, empowerment, communication, etc.) through which IM culture may influence franchisor-franchisee relationship satisfaction. Studying those additional variables, not included in the present model, could be a future line of research.

In addition, it should be noted that these findings have been generated from a franchise system with very specific characteristics. Given its idiosyncrasy, special care should be taken in the possible replication in other contexts. In this sense, it is proposed that future research should analyse this model in Born Global companies, whose rapid international expansion requires a solid relationship between internationalized partners within the organizational network itself. Finally, and based on the conclusions generated, another interesting line of research is proposed focusing on the analysis of potential differences in organizational performance between franchises that follow an IM culture versus those that do not.

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