# Application of Knowledge Management for Increasing the Effectiveness of Franchise Based Organizations

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**Abstract.** The research investigates how the application of knowledge management and knowledge management initiatives is beneficial for franchises. How can an integrated model of knowledge Management be helpful for franchisor-franchisee-customer triad? The methodology applied is quantitative and franchises with KM and with KM were assessed to evaluate the effectiveness of KM for knowledge retention. The group of franchises with KM were further investigated to assess how the use of ICT, the role of information shared by Franchisee and the role of information shared by franchisor is helpful in better and effective management of franchise based organizations.

### 1 Introduction

A Knowledge Management System can be defined as an information system that adds value to the overall system by maintaining and developing processes that facilitate formation, storage, recovery, dissemination, and application of knowledge both inside and outside the organization (Quaddus and Xu 2005; Alavi and Leidner 2001). The inclusion of knowledge management into the domain of strategic management has been progressing and now it considered as the next step in a sequence of societal developments (Wiig 1997). In the present era that has been defined as "Knowledge Economy" knowledge management and knowledge management systems have emerged as a fundamental and imperative tool for management (Ndlela and Du Toit 2001). The management of knowledge is also important because the rate of knowledge creation has accelerated and is anticipated to experiencing even more rapid accelerations (Bontis 2002).

Knowledge Management has become increasing popular throughout the globe and many developed, developing and emerging nations have adopted and inoculated knowledge management in the core strategies of their business. Knowledge management has also become a hot-topic and buzz-word for management professionals throughout the Middle East. Many sectors including oil and gas have adopted various forms of knowledge management systems to increase the system efficiencies.

#### 1.1 Background of the Study

The franchising business model is widely used and popular model that has been successfully being practiced throughout the globe. Franchising business model is also

different from other forms of business models as efficacious franchisors don't just trade products and services. Franchisors create a business system and improve it till perfection and then sell the rights and benefits along with the tacit knowledge of their perfect business system to prospective franchisors. When one converses about a franchise business model, it important to consider the sharing of knowledge between the franchisor and the franchisee.

There have been many researches on franchise business model effectiveness but most of them have focused on the legal and contractual relation or the rights of ownership rather than the management of knowledge. Knowledge is a complex asset and has the ability to serve as a competitive business advantage. Better knowledge management can help franchisers and franchisees become more efficient and better serve their customers and develop a sustainable competitive edge (Morgana and Huntb 1999). It is therefore considered that knowledge management must be applied with franchise management systems to increase their efficiencies.

#### 1.2 Significance of the Study

The Middle East and GCC in particular are important markets for franchising (MENAFA 2015). The opportunities for food franchising, retail franchising, service franchising, B2B Franchising and B2C Franchising are all experiencing growth whereas their counterparts in the west and even Asia are experience a downtime due to slow economic growth (Brad 2012). Franchising in the Middle East is considered the best option for business growth and transnational expansion by the International Franchise Association (IFA 2007). The GDP of GCC was estimated to be US \$1.7 trillion in 2014 (IIF 2014) and the franchise market of the Middle East was estimated to have grown by 27 % or US\$30 billion more than previous year (Arabian Business Review 2014). Many international brands have already moved to the MENA and GCC market and there is more developments anticipated in the franchising sector (Jones 2003; Mellahia et al. 2011). The positive and favorable outlook is estimated to continue, hence it is considered important to study how franchising model can benefit from better knowledge management.

#### 1.3 Aim and Objectives

The aim of this study is to investigate how the application of knowledge management and knowledge management initiatives is beneficial for franchises. How can an integrated model of knowledge Management be helpful for franchisor-franchisee-customer triad?

The study also aims to find how tacit management is being controlled and how can the management of tacit knowledge improved in a franchising business model. The study also aims at exploring some of the barriers and critical factors necessary for the implementation of an effective knowledge management system across franchising business model relevant specifically to the Middle East to increase and augment its efficiency.

#### 1.4 Research Question

The following are the key questions that this research aims to answer;

- What are the key differences between a traditional franchise and a KM based franchise
- What are the critical factors for implementation of KM in a traditional franchised business model
- Can networked franchise with a Knowledge Management system really increase the efficiency and effective that is measurable as well.

#### 1.5 Hypothesis

There are 6 hypothesis for the study;

- 1. H1: There is significant loss of crucial and critical information in the traditional franchise model
- 2. H2: In a networked franchise with KM, the exchange of knowledge (both tacit and explicit) are likely to increase
- 3. H3: The role of ICT is significant and it facilitates the management and sharing of knowledge
- 4. H4: The information shared by the franchisor is significant and helpful for making strategies and strategic planning
- 5. H5: Information shared by the franchisee is significant and helpful for the franchisor
- 6. H6: Better knowledge management is concurrent with better results and better service.

#### 1.6 Hypothetical Framework

The hypothesis are divided into 2 sets, one that compares the efficiency of knowledge management in franchisees where no knowledge management system is available and compares it with organizations/franchises that have KM implemented. The comparison of knowledge management in both types of organization can help know about the difference in knowledge leveraging and which type of franchises are able to better exploit knowledge (Fig. 1).

Secondly, we have also wish to evaluate the role of ICT. The role and information shared by the franchisee, the role and importance of the information shared by the franchisor on the overall effectiveness of knowledge management. This is done through analyzing the relationship and association by regression analysis to determine whether there is causal relationship of not (Fig. 2).

The equation clearly indicates that in the hypothetical framework developed, Knowledge Management systems is the Dependent variable and the use of ICT, information shared by franchisee and franchisor are the independent variables (Fig. 3).

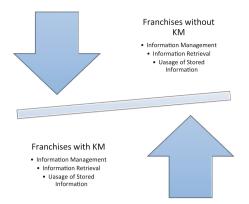


Fig. 1. Comparison of Franchises with and without KM

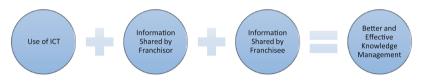


Fig. 2. Conceptual model of components of effective KM in Franchise businesses

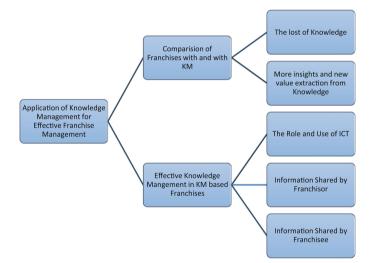


Fig. 3. Illustration of hypotheses this research is testing for validation

# 2 Literature Review

### 2.1 Franchising Business Model and the Sharing of Knowledge

Ilan Alon defines franchising as a hybrid manifestation of a market and a firm (Alon 2010) as it depicts key characteristics of both a market for exchange of goods and firms

and a business enterprise. Justis and Judd (2007) consider franchising as an opportunity for 2 parties, the owner of product, service or any copyrights protected entity and a local distributor. The franchisor or the owner of the business to get proceeds and profits and also expand the business and the franchisee or distributor can leverage upon the business system of the owner (Judd and Justis 2007).

The aspect of knowledge sharing is very important in a franchising business model (Chen and Hammerstein 2002). It is not only the details of the copy-righted product or service that is being granted but also the knowledge about the industry, customers, suppliers, workforce, growth strategy, changing in demographics, curving curves and other variables are shared. O'Dell and Grayson (1998) believe that when a franchisor is granting the rights, he is basically sharing the secret of his/her success and hence complete information and knowledge about the business must be shared with the franchisee (O'Dell and Grayson 1998).

It is common for franchisers and franchisees to use information systems for sharing and dissemination of information (Seideman 1998). The sharing of knowledge, the importance of knowledge management and also the risks associated with sharing of too much information in a franchise model have been discussed in literature (Nault and Dexter 1994) but much of the discussion is focused on the operational aspect or single versus multiple franchisees.

#### 2.2 Traditional, Business Format and Networked Franchising

Franchising have been considered an important business model and was established business model back in the late nineteenth century (Lafontaine 2008). It was the singer sewing company that recognized the importance of this model and adopted it widely, resulting in a widespread popularity of franchising since 1851.

In the traditional or the common type of franchising, the owner of a business grants a license to a local deal to trade a particular service or product while using the owners name and other brand identities. The local dealer of the franchisee gives a certain royalty or fees based upon their contractual agreement to the owner, usually products that are pre-made like automobiles follow this model. Another type of franchising is the business format franchising where the owner of the business shares the details about the processes and operating methods along with the permission to use elements of brand identity. The contractor or the franchisor provides a complete business model and the franchisee along with the support replicates it. The franchisee can in return gives royalty and some fees on the sales of the goods or services (Preble and Hoffman 1995). Third type of franchising includes network franchises. Where the owner grants multiple dealers either exclusive or mutual rights of distribution, these rights can be defined per territory or a specific number of its product and services. All franchisees communicate back with the franchisor who keeps on churning the information received from various franchisees to improve the business model (Quinn 1999). The franchising model have evolved with the passage of time and now franchising in done globally and is a multibillion dollar industry and everything from food, sports, restaurants, malls, retail, products, education, media and other services have widely exercised this model (Ozanne and Hunt 2011) and many countries keep on evolving their national models whereas others adopt of imitate them (Welch 1989).

#### 2.3 Knowledge Management in Franchising

In modern era when franchising has emerged as a mega-business, many scholars have studied how the sharing of knowledge among franchisee and franchisor is done, what factors can increase or decreases tacitness of knowledge being shared and the role of information systems in knowledge sharing (Windsperger and Gorovaia 2010). In the present era that has been coined as the knowledge generation and the time for knowledge economies, knowledge is considered as a key asset. Murray and Myers (1999) did a comprehensive survey and found that majority of business organizations consider knowledge management as important source of competitive advantage. 89 % of the participating firms believed that knowledge management to be a source competitive advantage and 85 % believed that a quantifiable value be attached to knowledge Management.

Franchisers around the world leverage upon the information and knowledge generated by other franchisees (Windsperger and Gorovaia 2008).

Knowledge Management has emerged as an important element in modern times, knowledge is considered as a strategic resource in the present knowledge economy (Anon 2004)

Access to information at the right time is precarious and vital, it can help the managers make the right decision at the appointed time and expeditiously, especially when there is a lot of unneeded data or information overload (Quast 2012).

It has been established through research that franchises that have Knowledge Management integrated into their strategy are better at understanding the complex and changing needs of their customers and can reach in a more timely and appropriate manner (Fuller 2012). From McDonalds to Body Shop and from Seven-Eleven to General Motors, businesses that applied KM and inculcated the process of capturing knowledge are better at making decisions that impact the fate of their organization in terms of bottom-line (Despres and Chauvel 2000). It is established that the use of KM in franchise based organizations creates value to the business model and helps organization enhance their knowledge curve (Weaven et al. 2014).

### **3** Research Methodology

A researcher when investigating a research has a variety of options when selecting the research methodology. The appropriate methodology depends upon the research questions or the aims of the research. The aim of this research is to investigate how the application of knowledge management and knowledge management initiatives is beneficial for franchises. How can an integrated model of knowledge Management be helpful for franchisor-franchisee-customer triad? Hence the methodology selected is quantitative research as it would quantify the results help in reaching a conclusive culmination.

The appropriate research methodology plays a vital role in the research process and influences the results of the research as well. Development of an appropriate research methodology is crucial in enhancing the effectiveness of business research. Research methodology includes the process of the type of research philosophy used, the type research approach, and the research methods used for data collection. Through determination of appropriate research philosophy and approaches that are relevant to the establishment of research objectives is pivotal for research methodology. Following the selection of research philosophy and the approaches to carry out research, it becomes important to choose a suitable data collection method to maintain the quality of research. The choice of research methodology for this study was determined by setting up research questions and the type of data required finding the answer of these research questions.

### 3.1 Quantitative Approach

The quantitative approach of the data collection includes the survey from the people of the organizations about the information system. The Likert Scale Questionnaire instrument used for collection of the data purposes (Jackson 2007).

#### 3.2 Data Collection and Research Instrument

The data collection instrument used was a self-administered questionnaire. 2 questionnaires were developed, one that was used for a comparison of franchises that didn't use any type of knowledge management and the franchises that were actively engaged in the application of knowledge management.

The second questionnaire was only for the franchises that were using KM and the questionnaire that a Likert scale for responses. On the scale of 1-5, where 1 meant strong disagreement and 5 meant strong agreement, the use and effectiveness of the overall system was requested to be judged. The dimension that were under focus included the use and role of ICT in better knowledge management, the role and importance of two way communication between the franchisee and the franchisor that is the importance of information being shared by both franchisee and the franchisor.

### 3.3 Data Analysis Tools and Techniques

A number of statistical tools and analysis techniques have been used in the study. Some of the key techniques used included;

- 1. Comparison of Means using independent t-test
- 2. Reliability Analysis using Cronbach's Alpha
- 3. Correlation Analysis
- 4. Regression Analysis

The computer software SPSS was used for data analysis.

# 4 Findings and Analysis

#### 4.1 Comparison Between Franchises

The first comparison was done between 50 franchises that had KM, most of these franchises were transnational or multinational franchises belonging to various sectors including oil and gas (petrol stations), retail outlets, food and restaurants, clothing and

apparel, luxury and fashion, news agency and media outlets. The other group consisted of 50 franchises that didn't have an accredited and specialized knowledge system. These included mostly local retails shops, food outlets, equipment sellers and hardware distributors.

The results indicate that franchises with KM (Yes group) had a mean of 3.82 which is indicating a mostly favorable response and franchises without KM (No Group) had a mean or average score of 2.3 which was indicating a more disagreement in terms of knowledge retention. The mean scores also indicate that there is a huge difference in the knowledge retention and even the level of significance indicate is .000 which represents a strong significance of the results (Table 1).

The results of the correlation also indicate a negative but strong association of 95.5 % among the two groups.

|                             |                     | Knowledge retention | Knowledge<br>management status |
|-----------------------------|---------------------|---------------------|--------------------------------|
| Knowledge retention         | Pearson Correlation | 1                   | 955**                          |
|                             | Sig. (2-tailed)     |                     | .000                           |
|                             | N                   | 100                 | 100                            |
| Knowledge management status | Pearson correlation | 955**               | 1                              |
|                             | Sig. (2-tailed)     | .000                |                                |
|                             | N                   | 100                 | 100                            |

Table 1. Correlation of franchises with and without KM on grounds on knowledge retention

#### 4.2 Reliability Analysis

When we conserve about reliability we actually mean the consistency of an instrument. How reliable and dependable the instrument is and will the same instrument produce similar results if tested again (Gaur and Gaur 2009). To test the reliability of our research instrument, the statistical measure of Cronbach alpha was used (Table 2).

| Reliability statistics      |    |  |  |  |
|-----------------------------|----|--|--|--|
| Cronbach's alpha N of items |    |  |  |  |
| .962                        | 21 |  |  |  |

| Table 2. Overall reliability of the research instrument | Table 2. | Overall | reliability | of the | research | instrument |
|---|----------|---------|-------------|--------|----------|------------|
|---|----------|---------|-------------|--------|----------|------------|

The overall Cronbach alpha value generated was 0.962 which shows that the questionnaire had very high level of consistency and is a reliable instrument to gage the KM effectiveness in franchise systems.

The reliability score for the effectiveness of KM based on 5 items was found to be 0.83, that is also a high and reliable score (Table 3).

The reliability scores for the role and importance of ICT based on 4 items was calculated to be 0.737, this is acceptable but a little less than overall score and KM effectiveness scores (Table 4).

| Reliability statistics      |   |  |  |  |
|-----------------------------|---|--|--|--|
| Cronbach's alpha N of items |   |  |  |  |
| .832                        | 5 |  |  |  |

Table 3. Reliability for effectiveness of KM

| Table 4. Reliability for role and importance of IC |
|--|
|--|

| Reliability statistics      |   |  |  |  |
|-----------------------------|---|--|--|--|
| Cronbach's alpha N of items |   |  |  |  |
| .737                        | 4 |  |  |  |

The reliability scores for the role of information shared by the franchisor was found to be 0.826, this again indicates that based on 4 items, the assessment is consistent and reliable (Table 5).

Table 5. Reliability for information shared by the Franchisor

| Reliability statistics      |   |  |  |  |
|-----------------------------|---|--|--|--|
| Cronbach's alpha N of items |   |  |  |  |
| .826                        | 4 |  |  |  |

The last reliability score to be estimated was of the role of information shared by the franchisee back to the franchisor, based on 4 items, it has a score of 0.682. This acceptable in terms of reliability but not very healthy (Table 6).

Table 6. Reliability for information shared by the Franchisee

| Reliability statistics      |   |  |  |  |
|-----------------------------|---|--|--|--|
| Cronbach's alpha N of items |   |  |  |  |
| .682                        | 4 |  |  |  |

#### 4.3 Correlation Analysis

The correlation analysis suggests how are the variables associated with one another, does and change or manipulation in one variable also impact another variable of not. (Black 2009). When we processed the 4 variables that is knowledge management effectiveness, the role of ICT, the role of information shared by the franchisor and the role of information shared by the franchisee. We found a strong and positive correlations among the variables (Table 7).

One very important thing to note in the table is that all levels of significance calculated are .000 which is less than the p-value of 0.005, this indicates that all measures or correlations are statistically significant.

|                      |                     | Knowledge<br>management<br>factor | ICT factor | Franchisor<br>factor | Franchisee<br>factor |
|----------------------|---------------------|-----------------------------------|------------|----------------------|----------------------|
| Knowledge            | Pearson correlation | 1                                 | .944**     | .788**               | .895**               |
| management           | Sig. (2-tailed)     |                                   | 0.000      | 0.000                | 0.000                |
| factor               | N                   | 50                                | 50         | 50                   | 50                   |
| ICT factor           | Pearson correlation | .944**                            | 1          | .870**               | .883**               |
|                      | Sig. (2-tailed)     | 0.000                             |            | 0.000                | 0.000                |
|                      | N                   | 50                                | 50         | 50                   | 50                   |
| Franchisor<br>factor | Pearson correlation | .788**                            | .870**     | 1                    | .816**               |
|                      | Sig. (2-tailed)     | 0.000                             | 0.000      |                      | 0.000                |
|                      | N                   | 50                                | 50         | 50                   | 50                   |
| Franchisee           | Pearson correlation | .895**                            | .883**     | .816**               | 1                    |
| factor               | Sig. (2-tailed)     | 0.000                             | 0.000      | 0.000                |                      |
|                      | N                   | 50                                | 50         | 50                   | 50                   |

Table 7. Correlation analysis of knowledge management and ICT, Franchisor and Franchisee

The reliability "r" for Role of ICT was 94.4 %, for Role and Importance of Information shared by the franchisor was calculated to be 87 % and the Role and importance of Information shared by the Franchisee was estimated to be 81.6 %. All the relationship are positive means that any change in any of these variables will have a concurrent and direct impact of knowledge management system effectiveness.

### 4.4 Regression Analysis

- From the correlation table we can extract some critical information, here we can say that the correlation among the variables is 0.958 OR 95.8 % (Table 8).
- This result reveal that if there is any modification or alteration in the independent variables, the overall equation of the dependent variable will experience a change of 91.2 %.
- The value of R-Square was appraised to 0.918 this states that 91.8 % of variation can be explained on the basis of independent variable.
- The adjusted R-square is an indication of accuracy and reliability of the data (Table 9).

| Table 8. | Regression | model | summary/fitness | of | model | assessment |
|----------|------------|-------|-----------------|----|-------|------------|
|----------|------------|-------|-----------------|----|-------|------------|

| Model | R                 | R square | Adjusted R square | Std. error of the estimate |
|-------|-------------------|----------|-------------------|----------------------------|
| 1     | .958 <sup>a</sup> | .918     | .913              | .16684                     |

<sup>a</sup>Dependent variable: knowledge management factor

The regression test checks the relationship of dependent and the independent variables (Gaur and Gaur 2009). Here in our model, the dependent model was Effectiveness of Knowledge Management Systems in franchised based organizations and the

| Model |                   |        | Unstandardized<br>Coefficients |        | t     | Sig.  |
|-------|-------------------|--------|--------------------------------|--------|-------|-------|
|       |                   | В      | Std.<br>Error                  | Beta   | ·     | 515.  |
|       | (Constant)        | 0.292  | 0.178                          |        | 1.639 | 0.108 |
|       | ICT Factor        | 0.787  | 0.101                          | 0.835  | 7.751 | 0     |
| 1     | Franchisor Factor | -0.162 | 0.071                          | -0.199 | -2.28 | 0.027 |
|       | Franchisee Factor | 0.326  | 0.094                          | 0.32   | 3.482 | 0.001 |

Table 9. Regression analysis

independent variables were the role and importance of ICT, information shred by the franchisor and the information shared back by the franchisee.

The regression equation is:

$$Y = a + b_1 X_1 + b_2 X_2 + b_3 X_3 + b_4 X_4$$

Where Y represents the model we have developed to gauge the effectiveness of KM or the Dependent Variable, "a" is the constant that will hold true in all conditions and even when all independent variables are 0 or absent. The alphabet "b<sub>n</sub>" is an indication of the per unit change and  $X_N$  represents the independent variables.

We already know from the summary of the regression model that the validity of this model is high at 95.8 % and the Beta or constant is 0.292, means that even if all independent variable have null influence, the model will remain true to 29.2 %. Independent variable of Role of ICT have an influence of 78 %, role of information

| Hypothesis   | P-value & significance | Hypothesis status                        |
|--|------------------------|--|
| H3: The role of ICT is significant and it facilitates the management and sharing of knowledge                              | (p-value 0.000) <0.05  | Acknowledge and accept the hypothesis    |
| H4: The information shared by the<br>franchisor is significant and helpful for<br>making strategies and strategic planning | (p-value 0.027) <0.05  | Acknowledge and accept<br>the hypothesis |
| H5: Information shared by the franchisee<br>is significant and helpful for the<br>franchisor                               | (p-value 0.001) <0.05  | Acknowledge and accept<br>the hypothesis |
| H6: Better knowledge management is<br>concurrent with better results and better<br>service                                 | (p-value 0.027) <0.05  | Acknowledge and accept<br>the hypothesis |

Table 10. Summary of hypotheses

shared by franchisor has an impact of negative 16 % and the role of information shared by the franchisee has a positive impact of 32.6 %.

On the basis of this model, we can conclude our remaining 4 hypothesis (Table 10).

# 5 Discussion and Conclusion

A Knowledge Management System can be defined as an information system that adds value to the overall system by maintaining and developing processes that facilitate formation, storage, recovery, dissemination, and application of knowledge both inside and outside the organization (Quaddus and Xu 2005; Alavi and Leidner 2001). The study aimed to investigate the effectiveness and impact of KM in franchised organizations. There were 6 hypothesis and 5 of them were accepted.

- H1: There is significant loss of crucial and critical information in the traditional franchise model
- H2: In a networked franchise with KM, the exchange of knowledge (both tacit and explicit) are likely to increase
- H3: The role of ICT is significant and it facilitates the management and sharing of knowledge
- H4: The information shared by the franchisor is significant and helpful for making strategies and strategic planning
- H5: Information shared by the franchisee is significant and helpful for the franchisor
- H6: Better knowledge management is concurrent with better results and better service.

This research was done solely in UAE and as UAE is known for its extreme diversity, it was anticipated that the results would differ. UAE is a part of Gulf Cooperation Council (GCC), a geographical union of Arab states in Persian Gulf except Iraq. It is believed that doing business in GCC is different than doing business in West and Asia due to the cultural differences. Even the language is written from right to left and has a complete different set of alphabets, the traditions, culture and religion differ from the western world (Colombo 2014; IBP 2007).

Startlingly all of the hypothesis were accepted, it was assumed on the basis of prevailing perceptions that the nomenclature of doing business in UAE is different from Western countries and even it varies from other Arab and Middle Eastern companies hence that the fourth hypothesis and fifth hypothesis would have little importance and would be turned down. The results are in uniformity with few other researches done on the subject and the fact that KM can help franchises even in UAE to increase their effectiveness.

The application of KM can be really helpful for franchise businesses, as franchises are legally and contractually bound to not make certain decisions without the consent of the franchisor, an integrated KM could help both the franchisee and the franchisor better understand the needs and the changing preferences of key audience in any geographical region and act accordingly. The application of KM can also help in identification of key trends like time periods of high requirements (Christmas or Eid or New Year or National Day etc.) where demand for the product or service is high or vice versa, identify seasons when demand is low, they can further investigate the factor contributing to low or high demand and improve. The advantage that franchise based organizations have is that they can learn from other franchises' experience as well, if a KM is in place, various franchises won't be committing the same error and learn from trial and error but learn from the experience of other franchise.

It is strongly recommended for franchise based organization to invest in KM and extract new knowledge from the existing data, KM is imperative for franchises big and small for survival in this era or cut-throat competition. KM would help make better decisions, enhance their resilience and increase the overall effectiveness.

### 6 Limitations and Recommendations

#### 6.1 Limitations

This study was aimed at finding the effectiveness of KM in franchised organizations, the researcher was bonded with constraints of time as well as limitation of the sample under study, the for the sake of this study 50 franchises were selected on the basis of a simple random sample based on the convenience. Hence the results are an estimation and the results can't be applicable when considering specific sectors and franchising models. The study ignored the dependent and independent variables of knowledge management in franchises that didn't have an ICT based accredited and formal KM and only compared the level of knowledge retention and level of knowledge loss. There could have been more analysis and comparisons between local and foreign franchises, types of KM being used, the frequency of knowledge generation and compared with the value creation and a comparisons of various sectors within the franchising business model. A food chain will ensure the same taste but will need to adjust as per the tastes of local market like McDonald need to serve Halal meet in UAE and vegetable patties in India.

#### 6.2 Recommendations

The limitations of this study are also the recommendations for future study. A comparison of a local franchise chain versus a foreign franchise chain and the similarities and differences can be investigated. Another dimension that ca be explored in future the various products of the franchises and how KM can help for example an automaker's franchise is in UAE but the manufacturing plant or the franchiser resides in the USA or JAPAN, the impact of such models where franchisee is selling the complete product and a restaurant or an amusement park that follows complete business format from seating to flavors and characters/mascots. The dimensions that can be investigated are limitless and it is inferred that Knowledge Management is here to stay and it has the power to transform businesses.

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