

# Critical Success Factors for Franchised Restaurants Entering the Kenyan Market: Franchisors' Perspective

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## Abstract

In today's globalized world, businesses look to expand to have a global presence. Restaurant businesses have expanded internationally using franchising. This study sought to determine the critical success factors (CSFs) of a franchised restaurant system entering the Kenyan market from the franchisors' perspective. It sought to establish how franchisors define, identify, and evaluate success. This study provides a theoretical framework that helps to understand the background of why organizations seek to expand using franchising method and consequently the CSFs of franchised restaurants entering the Kenyan market. The study used qualitative methodology with the use of in-depth interviews for collecting data. The results yielded CSFs from the franchisors' perspective. As revealed by the study, the CSFs include brand power/concept, competitive environment, government policies, distance management, cultural appeal, excellent selection of franchisees, good site/location selection, good relationship with the franchisees, and proper contract management. These findings can be used by restaurant franchises that seek to establish successful businesses in the Kenyan market and other similar regional markets. The Africa franchise partners may also find some useful information from this article as they seek to set up the Franchise Association of Kenya. Other franchise businesses may also benefit from some aspects of the study.

## Keywords

critical success factors, restaurants, franchising, Kenya, market

## Introduction

Marketing in the age of globalization, which is an emerging trend toward a single integrated and interdependent global economy, has prompted some economists to think of the world as one market and to examine common needs within and across societies (Alon, 2004). With greater interconnections among countries, there is greater homogeneity in buyer behavior (Quinn, 1999). This view of some researchers suggests the adoption of more standardized marketing strategies globally. Another group of researchers views customers as central to the emergence of diversified marketing strategies and recommends that these be tailored to each country. From these contrasting views, standardization of marketing programs on one hand and adaptation to suit local conditions on the other, hybrid strategies have emerged influenced by the nature of the product, the country characteristics, and organizational factors (Sashi & Karuppur, 2002; Vignali, 2001).

Franchising is one form of managing business enterprises and of expanding into global markets, which permits the adoption of a hybrid marketing mix strategy. Using a hybrid marketing strategy, the franchisor would provide the overall strategy for running the business but may leave aspects of the business to the franchisee to determine (Sashi & Karuppur, 2002).

This article established critical success factors (CSF) for restaurants in the African context. As research has suggested, CSF's could be influenced by geographical locations and environmental situations among other things (Rockart & Christine, 1981). The unique geographical location, the socio-political and environmental conditions found in Africa could mean that the CSF's identified in this region may not be identical to those found in other regions. Neither would they have the same relevance.

The article contributes to literature in the restaurant industry, in the CSF methodology applied to restaurants, and in franchising. The study identifies the challenges that need to be addressed in the Kenyan market regarding restaurant franchising. In practice, franchised restaurants, especially the global chains, seem to have criteria for entering a market. These criteria could be related to the CSFs of entering a certain market. However, the criteria have not been found in published academic studies.

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The article is organized as follows: A literature review on CSFs, franchise systems, and the restaurant industry is given. Next, the research design used is described after which the results are reported and discussed, and findings are presented. Finally, implications for restaurant management are extracted from the results, and recommendations of future research directions are made.

## Research Objectives

In Kenya, international and local restaurant franchise systems enter the market, but after a number of years, they exit or close down operations. There was a need to determine the CSFs of a restaurant franchise system entering the Kenyan market. This study answered the following research questions:

**Research Question 1:** What are the CSFs for a restaurant franchise system entering the Kenyan Market from the franchisors' perspective?

**Research Question 2:** How do franchisors define, identify, and evaluate success?

## Literature Review

### CSFs

Since the identification of "success factors" first proposed by Daniel (1961) in an article on Management Information Crisis, other researchers went on and refined this concept the most quoted being Rockart (1979) who used the term *Critical Success Factors* (CSF) to mean "The limited number of areas in which results, if they are satisfactory, will ensure successful competitive performance in an organization" (p. 85). Other definitions include Bruno and Leidecker (1984) who defined CSFs as "those characteristics, conditions or variables that when properly managed, can have a significant impact on the success of an organization competing in a particular industry" (p. 24). Later, Pinto and Slevin (1987) regarded CSFs as "factors which, if addressed, significantly improve project implementation chance" (p. 22).

Esteves (2004) among other researchers underlined that, Rockart (1979) has so far been the most comprehensive. The later definitions failed to address the concept with the comprehensiveness that Rockart gave it. Rockart seeks to identify a link between the environmental conditions and the business characteristics for a particular company (Amberg, Fischl, & Wiener, 2005). Rockart identifies sources of CSFs as industry based, from environmental situations, geographical locations, temporal factors, or strategic situations. This approach to CSFs focuses on information needs for purposes of management control and seeks to identify data which can be used to monitor and improve existing areas of business (Amberg et al., 2005).

### Franchise Systems

A franchise system may be defined as a business relationship whereby a franchisor grants a right to a franchisee, to conduct business using the trademark of the franchisor through an agreement that stipulates the restrictions and requirements as well as the conditions of doing the business (Hoffman & Preble, 2004; International Finance Corporation, 2004). The franchisor through the business agreement is bound to provide training, guidance in organization, and running and marketing of the business (Hoffman & Preble, 2004). A franchise system is a method of distribution used for both products and services using a proven and tested business format. This form of business gives the franchisee a greater chance to succeed because of the support structure that the system provides (Luangsuwimol & Kleiner, 2004).

The franchise system in the United States, considered home of franchising, has developed to maturity, and it plays a key role in the business activities that contribute significantly to that economy (Luangsuwimol & Kleiner, 2004). Franchising has become an important channel in retail marketing and growing business sectors which, that is, include restaurants as well as non-food retailing and miscellaneous services (Eser, 2012; Luangsuwimol & Kleiner, 2004).

The majority of research in franchising has concentrated on the domestic market of the United States (Doherty & Quinn, 1999). In practice, however, a number of retail businesses have used franchising as a mode of operation and expansion into international markets for a number of years (Quinn & Alexander, 2002). Restaurants such as McDonald's, Burger King, KFC, and Pizza Hut have used franchising in their international operations (Hoffman & Preble, 2004).

### Restaurant Industry

The restaurant industry has developed and expanded to gain a global presence in the last 50 years largely fueled by the change of lifestyles. Urban populations have grown throughout the world, mobility of people has increased, and people spend a lot of time commuting to and from work (Schlosser, 2001). This has been compounded by the increased presence of women in the workplace which has resulted in less time available for them to prepare meals at home. These busier consumer lifestyles and dual-working families have led to solutions being sought in using readymade meals (Atkins & Bowler, 2001).

For a long time, the restaurant industry has been associated with franchising (Lashley & Morrison, 2000; Sen, 1998). The fast-food concept, with simple menus, quick product finishing, and service times, lends itself to standardization of products and service delivery systems which are easy to franchise (Lashley & Morrison, 2000). Quinn and Alexander (2002) observed that the largest fast-food companies are involved with franchising. The fast-food concept seems to attract franchisees as compared with establishing

independent fast-food outlets because of its association with high viability of the business and the positive cash flow that comes faster from franchises than from independent businesses (Mendelsohn, 2004).

## Research Method

We carried out a qualitative study involving the use of interviews. This study addressed the research question “How franchisors define, identify, and evaluate success?” A census of the franchisors operating in the Kenyan market was used. A total of three franchisors were interviewed. These were the only franchisors who operated proper franchises with corresponding franchisees in the business environment under study. The other restaurant franchises found in the market, that is, KFC, Steers, Wimpy, Spur “n” Steak, and Chicken Inn, were master franchisees who were operating in the Kenyan market as multi-unit restaurants. The qualitative methodology was seen to be best suited to bring out the kind of information that this research sought. Franchised restaurants in Kenya being a small industry, the number of franchised restaurants were few in the geographical context of the study, and it was important to understand and explore the nature of relationships of phenomena, providing detailed description on events, situations, and interaction between people and things in depth. The interview guide used raised the following questions: What does success mean to you? How would you measure success? What are the key areas which, as a franchisor in the restaurant industry, you must manage in a special way to ensure that your business succeeds? The data collected were analyzed through explicit interpretation of meanings. The analysis took the form of verbal descriptions and explanations (Cooper & Schindler, 2008; Malhotra & Birks, 2007).

## Research Findings and Discussion

Interviews with franchisors of restaurants suggested the following CSFs: brand power/concept, proper contract management, competitive environment, government policies, cultural appeal, excellent choice of franchisees, good relationship with franchisees, site selection or location, and distance management.

- Brand power/concept

The responses (verbatim) that best represented this theme were as follows:

In fact that’s why all our branding is focused around “farm to fork,” if you notice our trucks are “farm to fork” because we have realized that concept is really giving us an edge over the competition and then now since we are halal licensed we are registered with Kenya halal board, it really gives us a boost, so it may sound very basic but for us is a major edge . . . (K3)

Exactly and the other thing also even among the customers they feel this is one of our own, we just being presented differently and tell you what, people are happier to do that than maybe this foreign based firms . . . You go with a good idea finance is always accessible, I think it all starts first with a sharp concept . . . (K2)

This implies that for restaurants to succeed in Kenya, they need to have a well-defined brand concept that would model restaurant operations along pertinent standardization mechanisms. This should also include rules and regulations that guide daily operations toward building and maintaining the desired brand image and delivering brand promise to customers. The successful franchised restaurants in Kenya had a very clear and well-developed concept that was conveyed by the brand identity. Restaurant franchisors such as K1, K2, and K3 were noted to rely on brand power. Specifically, the franchisors ensured that they used competitive-based CSFs such as differentiation. Franchisors differentiated as “halal food.” In addition, the concept of “farm to fork” was a concept that the K3 franchisor relied upon. The concept of “farm to fork” informed by the value chain analysis seemed to play a key role in associating the brand with quality and safe products. This CSF contributed to the success of franchised restaurants.

People would usually have associations they make with a particular brand, and it is distinguishable from other restaurants. The franchisor keeps guard over the brand quality and strength maintaining the franchise visibility. A good and clear concept conveys a message and an image to the customers. It would include a perceptible differentiation from the competition in the locality to be able to attract clientele. A well-developed concept would also carry with it a value proposition for the customer. Customers usually seek value for their money. A recognized brand would be associated with a certain range of products and prices. If a restaurant is part of a franchise, the customers would have certain expectations of value whenever they visit one of the outlets. If any restaurant failed to deliver the value that the customers expect, they would not return to the outlet but rather go to the competitor. Franchised restaurants that lack a clear concept would find it difficult to survive as the customers would seek a consistent operation which delivers value for their money. This finding is supported by Day (1994) and also backed by Parsa, Self, Njite, and King (2005); Njite (2005); and Fields (2007).

- Proper contract management

The responses (verbatim) that best represented this theme were as follows:

It is very expensive and you know this is Kenya and the market is just starting to pick up, so that’s what we do, we give them a contract agreement then they pay half a million shillings, that’s

agreement fee to be able to use the brand coz naturally any fast food against K3 somebody would rather go to a K3 so by the time you are using that brand name it is also creating a mileage for you . . . (K3)

And for that we have had now to speak to the existing stake holders, give them new contracts and tell them it's the way it is going to be, you either shape up or you ship out, it will cost you this much to rebrand your outlet and want to rebrand all the existing ones by September this year, we've given ourselves a 6 months target, now they are 32.

But they were not selling as K3s so we have given them our ultimatums of how much product they need to buy then eventually we will rebrand them depending on their performance . . . (K3)

We had no control over them; precisely there was no control at all. Number two, we also had issues to do with people, we were taking a percentage of the turnover, it was around 50% and unfortunately people were giving like false records, so everybody was indicating that they were doing badly coz they don't want to pay, we had no way of proving . . . (K1)

Franchisors in the restaurant industry in Kenya laid emphasis on proper contract management to succeed. For instance, K3 applied proper contract management by being flexible in their contractual arrangements and keeping in touch with the economic conditions that were facing the franchisee. In this case, the economic conditions for developing economies such as Kenya are characterized by low purchasing power, and franchisors were quick to adjust charges to franchisees as well as ensure that they did not breach contract terms agreed upon. Franchisors also ensured that their charges for royalties were manageable to the franchisee. They did this through charging the initial agreement franchise fee and minimizing the royalties as well as facilitating the procedure and processes that govern the contractual agreement for franchising. Therefore, one of the CSFs for franchised restaurants from franchisor perspective is proper contract management.

The findings agree with those in Sashi and Karuppur (2002) who noted that internationalization or operating in global markets has suited franchising arrangements due to the flexibility possible in a franchise agreement. This flexibility has been seen to contribute to the effective absorption of risks and uncertainties to be found in the global market place.

- Competitive environment

The responses (verbatim) that best represented this theme were as follows:

We are now doing the standardizing and everything we are trying to limit proximity on any existing K3, for example, since there is one here in Madaraka, no one else can open within

Madaraka, so for us location is very important coz we are trying to develop the business but we also don't want it to be over saturated as that it reduces the margins for the existing franchisees. Just give them enough, not too much competition within the same locality; that is important. (K3)

Franchisors operating in the restaurant industry in Kenya consider the competitive environment a CSF. Franchisors have realized the importance of studying the competitive environment and crafting winning strategies in the face of turbulent competitive environment. The competitive environment is an industry-based CSFs as well as a strategic CSF. Franchisors such as K2 were able to enter into the market previously occupied by K3 through the strategic choices they made. However, some franchisors have been forced to close down as a result of stiff competition like some K3 outlets. Therefore, it is important for current and future franchisors to take into account competitive pressures as a CSF when entering and operating in Kenya.

The findings concur with those in Kotler, Bowen, and Makens (1996) who noted that one of the CSFs that may influence the possibility of success or failure of restaurant franchises includes the competitive environment in which a franchised restaurant operates. This will be derived from the physical location vis-à-vis the restaurant density of the area, the ability that the restaurant has to differentiate itself from the competition, and the response to growth and changes in the environment.

- Government policies

The responses (verbatim) that best represented this theme were as follows:

Coz it has to have the manufacturing and expiry date, so if this city council people come in to inspect they find some packets don't have the labels but they can see that the label is stuck just logic but if you don't have those expiry dates on your products you are taken in, that's another thing we have to ensure . . . (K3)

Yes so the other challenge is obviously, you go to a place like Narok, you know the power interruption and some people, we might afford a generator here, is not everybody who can afford a generator and then now there's the issue of water, legislation, legislation is a very big problem like the city council here will never tell us what your required. (K2)

You just keep on getting into trouble, today it is this and this license, please give us a holding of all the licenses but then every year is like a surprise, really have to pay for the company, for this, nobody tells you anything and this a bit of . . . (K2)

Franchisors in Kenya have realized that government policies are a critical consideration in the success of franchising. The local regulation requirements such as local county councils bylaws are crucial considerations in franchising. Compliance with these laws and regulations is important as not doing so

may present additional costs and risks to the franchisee. The ability to manage and comply with the regulations may therefore determine the success of a franchise. Franchisors such as K2 cited not only tedious licensing requirements but also lack of clear and comprehensive guidelines regarding all the legal requirements for opening a business in a specific locality. This ambiguity seems to inhibit the speed of opening up franchised restaurants. These results are consistent with those of Miller (1992); Aydin and Kacker (1990); and Lafili and Crombrughe (1990).

The findings agree with those in Parsa et al. (2005) who found out that franchisor should consider government policies that are in place before deciding to grant franchises. The findings also concur with those in Lafili and Van Crombrughe (1990) who noted that the government policies on ownership, protection of intellectual property rights, and repatriation of profits are important to evaluate as accurately as possible.

- Cultural appeal

The responses (verbatim) that best represented this theme were as follows:

Kenyan concept, you know one thing about Kenyans is that just like everybody else, having worked out, and then you are coming back home and your still going to give European or Western concept, you tend to lose your identity, your confidence and one thing about K2 because 70% of the products are actually African, it gives you really that strong identity. (K2)

Franchisors in Kenya realized that different product mixes and atmospheres appealed to different age groups. K2 was initially patronized by the youth, but they later gave way to an older crowd that appreciated the cultural menu items on the product offerings. This older group had more purchasing power and therefore brought higher profits than the younger people. Cultural appeal was therefore a CSF.

The findings agree with those of Sashi and Karuppur (2002) who suggested that franchising allowed cultural diversity and allowed for local needs to be catered for when addressing issues of customer satisfaction. Researchers have found that upon internationalization of restaurant franchises, the franchise needed to adapt to local circumstances, which differed from the host country. Part of the success in internationalization would depend on customization of marketing strategies for different regions of the world according to cultural, regional, and national differences to serve specific target markets (Vignali, 2001).

- Good relationship with the franchisee

The responses (verbatim) that best represented this theme were as follows:

Exactly, coz before we started off the franchise thing, we spoke to them and we actually started to mitigate against the area that

we felt they were gray areas and one of them was actually that we work so hard and you guys take everything so, what's the point, what's the motivation there? The other thing is supplies coz they know you have to keep to our strategic suppliers obviously for consistency, uniformity across the board coz that's what franchising is all about, now one of the things we told we've gotten strategic suppliers, we've negotiated very good prices and very good terms and very good payment period now we've even gone ahead and challenged the franchisees, is like hey hang on, you go and get me another supplier who can give the same terms, the same quality, bring him to me I'll be very happy to engage him on behalf of the group coz that's what franchise is all about, is about benefiting everybody else is not just yourself . . . (K2)

Or to bring down the fee or something, you know there's this notion that people feel, so long as we are paying the royalties, this guy is just taking free money. They forget that my sales and marketing manager has to go every month, my accountant has to go every month, chef, operations or quality assurance person has to go every month to ensure that they conform the standards and the way they look at it is that, instead of saying the quality control is good because it ensures sustainability of the business, sometimes they'll look at it like we are being policed, we are being spied on and this now is some of the mistrust that come in and people say hang on, we are not spying on you we are just ensuring that your business conforms to the standards and if you conform to the standards the business will grow, you'll be a better person but I think that will come with time when people realize, starts understanding and people realize hey you know what, even they are not taking all the money so that's a bit of a challenge. The other area is obviously like I said we take the risk because we get the properties from the landlords so sometimes we would have the . . . like Narok we had it for 6 months before we got the right franchisee, so we had like to pay, so within that period we were paying the landlord so . . . (K2)

The franchisee is an important stakeholder in the franchise business, and hence, the ability of the franchisor to manage the expectations of the franchisees plays a crucial role in enhancing the sustainability of the relationship and of the business. This was shown by the support that franchisors such as K2 and K1 gave to their franchisees in terms of negotiating good prices with strategic suppliers so as to reduce the cost of business and hence benefit the franchisee and franchisor through improved profitability. This implies that good relationships with the franchisees are a crucial consideration which determines the success of a franchisee. Franchisor should therefore cultivate a good relationship with their franchisees. A good relationship with the franchisee is a CSF for a franchised restaurant.

The findings agree with those in Norwell (2010) who suggested that a franchisor should choose franchisees that have the same core values and are engaged with their business. Nathan (2013) noted that maintaining constructive relationships with franchisees was a lot easier to talk about than it was to put into practice. Indeed for franchisors, this is possibly an on-going challenge.

- Site selection or location

The responses (verbatim) that best represented this theme were as follows:

Exactly and the other beauty about it is that like one of the lady came and said, “unaweza kunipa recipe nikajaribu nyumbani?” coz they all knew fried chicken and roast chicken that’s it. They don’t know that chicken in any other way, so really the upgrading of the whole, I think the whole of Western will actually go up, the same thing with a place like Narok, now if you look at Narok when people are going to the Maasai Mara there was a very big problem, there was nowhere to stop in Narok . . . (K2)

Site selection or location is a CSF for a franchised restaurant as it presents a strategic advantage or disadvantage. Franchisors in the restaurant industry in Kenya took into consideration the opportunity to serve unexploited markets or to serve a market that needed the goods and services offered by their franchise. This implies that for a franchised restaurant to be successful, it should have good criteria for site selection. For instance, one of the franchisor (K2) in the study indicated that Narok was a good site to set up a franchise outlet as it exploited an opportunity.

The findings agree with those in Fields (2007) who asserted that the location of a restaurant business has been considered an important factor for success. A poorly selected site cannot be overcome even by a well-developed concept and a good range of products and services. The site selected would depend on the restaurant density in the surrounding area, the type of businesses in the area, and the disposable income of the target market in that location. The findings also agree with those in Arduser (2003) who noted that franchised restaurants would usually have a good market research done for each new location and the franchisor would select or approve the site for setting up a restaurant, therefore, enhancing the chances of success (Fields, 2007).

- Excellent choice of franchisees

The responses (verbatim) that best represented this theme were as follows:

We didn’t select the franchisees we applied everything by the book. We said okay, apply what happens in Europe we bring it to Africa. It doesn’t go like that. The other aspect is the issue of everybody was learning, so we are all in the dark, both the franchisee and the franchisor, the other thing that we went round the country for almost a month educating people on franchising . . . (K1)

Chicken Inn has an interesting one but basically again tried to bring in a franchise without selecting the right franchisee and terms . . . Somebody bought the franchise but they weren’t necessarily the most qualified people to run that franchise. Again it was more the investment as opposed to matching the owner operation element to the business. (K1)

Franchisors in Kenyan restaurant industry consider excellent choice of franchisee as a CSF for the success of a franchised restaurant. Franchisors argued that the excellent choice of a franchisee should take into consideration the need to create demand for a franchise by educating potential franchisee on what franchising is all about. At the time we were writing, restaurant franchising was not well understood in Kenya. The international franchises that were in the market at the time, KFC, Chicken Inn and Steers, Spur”n” Steak and Wimpy, found it challenging to find good franchisees. People with access to the capital needed to purchase a franchise as well as the ability to run the franchised restaurant profitably (Bell, 2009). This resulted in the master franchisees running all the units as multi-units or mini-chain restaurants as opposed to franchising them. They realized they could not succeed without good franchisees.

The findings agree with those in Norwell (2010) who asserted that other CSFs from the point of franchisor should be to make an excellent choice of franchisees. Owner operated franchises work the best because of the commitment that the owner puts into making the franchise work.

- Distance management

The responses (verbatim) that best represented this theme were as follows:

What happens is that you see when you are starting there is what we call the franchise fee, the cost of setting up once they pay that is supposed to be done, now it is expected within 1 month the unit has sorted itself out otherwise it becomes a huge expense coz you cannot keep running to one unit every so often and sometimes it can be a problem especially the unit is very far like Kakamega . . . I sent some guys from DSTV and the guy was so frustrated and they were calling me they say this guy doesn’t know how to put this, they say my friend, this guy has put so many places in Nairobi including hotels. (K2)

The distance between the franchisor and the franchisee brought with it the burden of cost in monitoring. This was experienced by K3, K1, and K2. Fortunately, the flexibility of the franchise contract helped to address this factor where the franchisors sought to share the cost with the franchisees. K2 changed the location of staff training to the franchisors premises instead of doing it at the location of the franchisees. K2 required that franchisees shared some of the costs of monitoring.

The findings concur with those of Bergen, Dutta, and Walker (1992) who noted that the challenges encountered in the monitoring process stem from the geographical and cultural distances between the franchisor and the franchisee. Managing the challenges arising from the physical distance between the franchisor and franchisee brings with it not only risks and uncertainties, but it also raises the cost of monitoring for the franchisor (Norton, 1988).

## Conclusion

The objective of this study was to establish how franchisors define, identify, and evaluate success. From this, we derived the CSFs for a restaurant franchise system entering the Kenyan market from the franchisors' perspective.

The restaurant franchising market in Kenya is growing steadily and evolving from a single master franchisee operating all the units as mini-chains to the franchisors actually franchising single outlets. For franchised restaurants to succeed in this market, franchisors should maintain a strong brand/concept, study and apply the government policies well, make an excellent choice of franchisees, manage the contract terms very well, maintain good relationships with the franchisees, select the location of the franchise outlets well, manage the competitive environment, and have good distance management of the franchisees. The franchisors need to be sensitive to cultural appeal, be innovative, and adapt the menu mix to include some cultural delicacies if they want to retain the customers longer.

## Managerial Implications

This study sought to provide recommendations to the industry and management of franchised restaurants. The findings could enable the development of franchised restaurants in Kenya and in the East African region.

In the East African region, the franchisor needs to make very good selection of franchisees, maintain good and positive relationship with them, provide guidelines and support for the franchisee, but most of all, make the franchise agreement flexible to suit the franchisee needs.

The franchise agreement should be very clear with rights and obligations well-articulated for each side, the franchisee and the franchisor. The franchisor should ensure that he or she has enough control over the franchisee so that any breach of contract agreements can be resolved in a timely manner.

For the present, the franchisor would need to educate the potential franchisees very well on the franchising concept, how it works, obligations and rights, and on consequences of breaching the contract terms in the Kenyan market.

For franchise restaurants systems to succeed in the Kenyan market, it is important for the franchisor to build and maintain a strong brand that conveys a clear concept to the customer regarding the product range and quality as well as conveying the culture of providing high standard of service.

**Areas for further studies.** Further studies could identify the CSF from the franchisees and customers perspectives. Studies on CSFs for franchised restaurants could also be carried out in other regional markets and compared with those found in the Kenyan market. When restaurant franchises grow, it would be useful to do a quantitative study so as to prioritize the CSF from the franchisors and franchisees perspectives. The management of CSF in franchised restaurants could also be explored.

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