THE INFLUENCE OF BRAND MANAGEMENT AND ENTPRENEURSHIP MOTIVATION ON FRANCHISING SALES PERFORMANCE FRANCHISE COMPANY IN MANADO

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ABSTRACT

Flow economy today many franchise systems leads to large company tends to choose a franchise system than opening a new branch. Franchising done to overcome internal resources by providing access to the franchisee. With this tangle franchising develops and evolves. This research aim to improve the quality of business relationship, because franchising is built on the concept of the brand first and the effectiveness of consumer demand. The method used in this research is quantitative data; Quantitative data is concerned with testing hypotheses derived from theory and/or being able to estimate the size of a phenomenon of interest. Depending on the research question, participants may be randomly assigned to different treatments. If this is not feasible, the researcher may collect data on participant and situational characteristics in order to statistically control for their influence on the dependent, or outcome, variable. In business franchisee, the brand is the main reason for running a franchise business because the brand is an investment that is longer and an intangible asset that has a high equity brand management still needs to be maintained through. For the company management, in the franchise business, to improve the quality of business relationships need to pay more attention to brand management, because it has the greatest influence in maintaining the quality of the franchisee relationship.

Keywords:*brand management, enterpreneurship, motivation, franchising, sales.*

INTRODUCTION

Research Backround

Flow economy today many franchise systems leads to large company tends to choose a franchise system than opening a new branch. Franchising Franchisor done to overcome internal resources by providing access to the franchisee. In his research on the agency in the franchise business, LaFontaine (1992) stated that the persistence of a new franchise system depends on the ability of the franchisor to minimize agency costs and the ability to foster franchisee franchisor as agents.

Franchising is a business arrangement with the system of granting the right to use the franchisor's trade name by independent parties or franchisee to sell products or services in accordance with the agreement. Franchise problem can be experienced by the two parties, both the franchisor. In this research is quantitative data; Quantitative data is concerned with testing hypotheses derived from theory and/or being able to estimate the size of a phenomenon of interest. Depending on the research question, participants may be randomly assigned to different treatments. Data collection techniques include observation/ observation, interviews, literature study/ library, questionnaires.

Research Objective
1) The influence of brand management and entrepreneurship motivation on franchise sales performance,
2) The influence of brand management on franchise sales performance,
3) The influence of entrepreneurship motivation on franchise sales performance.

THEORITICAL REVIEW

This chapter describes all theories and scientific thoughts are used to support the solving of research problem. Theories used in this research are sourced from textbooks, journals, and Internet. This chapter also describes about the hypothesis and the conceptual framework of this research.

Entrepreneurship Motivation

The definition of entrepreneur is always focusing new venture creation, small business ownership, requiring objectives, risk taker. In this case the entrepreneur stand not because of the financial incentives but of intrinsic motivation and desire for responsibility (Welsh and White, 1981). Motivation comes from emotional fulfillment entrepreneurs. To have your own business, to be the boss, emerged from a long-term dream of an entrepreneur (Grunnhagen and Mittelstaedt, 2005). In this study used four dimensions to measure entrepreneurial motivation is the responsibility of franchise operations, the challenges that member satisfaction, pride and profit.

Brand Management

Developing and managing a strong brand is quite difficult to process. The number of brands, media citations, the influence of information technology, increased competition and costs, the strength of the retail and consumer value changes (Pitt, Napoli, and Merwe 2003) contributes to suppress the brand management system. There are some opinions that express the brand identity is a key means to have a clarity that is different from the others (Staelin et al, 1994). Efforts to create a positive and unique message of a brand are an important communication strategy for the company. In this study used four dimensions to measure the performance of the brand to the franchisee that is keeping the brand remains good, the consistency of the brand, the brand has strengths in marketing and brand continued support members.

Franchising

Trust, Commitment, and Relationalism are an important thing to measure the quality of the relationship between the franchisor to the franchisee to establish the strength of this relationship and to explain that not only in the partner network but the sales performance.

Franchising Sales Performance

Many researchers who want to find a correlation between the performance and the results have been obtained as a construct of performance. Higher correlation was found between the ratio franchisees satisfied by the level of profits and sales levels. Franchisee's performance can be measured by the following indicators: sales targets can be achieved, the rate of profit, the quality of work.

Previous Research

Asgharian, Dadfar and Brege (2013) in their research about Entrepreneurial Process in Ranchised Outlets. They found that although in recent years study of franchise systems have been subject of many academic studies, most of them have studied franchise system from a franchisor's point of view, and franchisee point of view has received a limited attention. Researchers in business fields have adopted four main perspectives in study of franchising entailing strategy, economics, marketing and entrepreneurship. From entrepreneurship point of view, while there is no doubt in considering franchisor's business as an entrepreneurial firm, considering the franchisee's activities during the running and managing an outlet as the entrepreneurial firm is disputed. This study shows, although franchisees are restricted about product innovation, and franchisor reduces the risk of business for them.

Research Hypothesis

The hypothesis of this research are:

H$_1$: There is a significant To analyze the influence of brand management and entrepreneurship motivation on perceived franchise sales performance.

H$_2$: There is a significant influence of brand management on perceived franchise sales performance.

Anastasia Eilin Kumaat. *The Influence of…*

H_3 : There is a significant To analyze the influence of entrepreneurship motivation on perceived franchise sales
performance.

Conceptual Framework
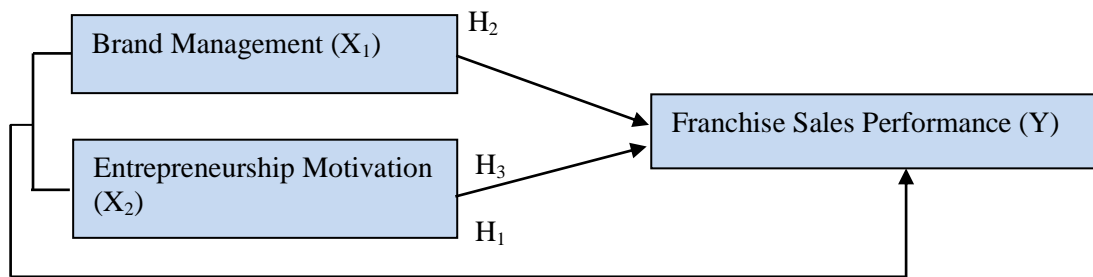
Figure 1. Conceptual Framework
Source: Data Processed, 2014

This figure 1 based on the multiple regressions to analyze the influence of simultaneously and partially
of four elements on Franchise Sales Performance.

RESEARCH METHOD

Type of Research

The data required in this research is quantitative data; Quantitative data is concerned with testing
hypotheses derived from theory and/or being able to estimate the size of a phenomenon of interest. Depending
on the research question, participants may be randomly assigned to different treatments. If this is not feasible,
the researcher may collect data on participant and situational characteristics in order to statistically control for
their influence on the dependent, or outcome, variable. Data collection techniques include observation /
observation, interviews, literature study / library, questionnaires, etc.

Place and Time of Research

The study will be conducted in Manado between September to December 2014.

Population and Sample

Population is generalized to the object or subject which has a certain quantity and characteristic that is
required by researcher to studying and to gain conclusion. The population in this research is for Manager or Top
Employee working in Franchise Company in Manado. Because the number of franchise company view in
Manado, the sample of this research is 50 respondents from each region in Manado with Stratified sampling.

Data Collection Method

1) Primary data

   Primary data is data originated by the researcher specifically to address the research problem. The
   researcher also gets primary data from the result of questionnaires. Questionnaires are distribute d to
   respondents so they can respond directly on the questionnaires.

2) Secondary data

   Secondary data is data collected for some purpose other than the problem at hand. The secondary data is
   taken from books, journals, and relevant literature from library and internet. These secondary data were
   used in the background, literature review, theoretical review, research method, and discussions.

Operational Definitions and Measurement of Research Variable

X_1: Entrepreneurship Motivation reason why someone wants to become a franchisee.
X_2: Brand management is the development and management of a strong brand.
Y : Franchisee Sales Performance is the perception of financial performance or business success.

Measurement of Research Variable

These research variables will be measured using Likert scale as a widely used rating scale that requires the respondents to indicate a degree of agreement or disagreement with each of a series of statements about the stimulus objects. Perception is obtained total scores obtained for respondent answer to the instrument with the following Likert scale indicator:

1. Strongly disagree
2. Not agree
3. Normal
4. Agree
5. Strongly agree

Each gain was measured using five-point Likert scale. Figure 1 through 5 is the level score for each. That is, if the respondents choose to answer a statement of the number 5, then the score of the answer is 5. If perception is the total score obtained from respondent's answer to the instruments based on the scope of study of perception of consumer towards Chinese product which can supported student achievement.

Data Analysis Method

This given section will be explained about the overall analysis methods that are used in this current research, either the fundamental testing of the obtained data and the main analysis method of the tabulated data for proving hypotheses in this research.

Validity and Reliability Tests

To analyze the validity of questionnaire, Pearson Product Moment is used. An instrument measure is valid if the instrument measure what ought to be measured.

Multiple Linear Regressions

Linear Regression is a statistical method used to form a model of the relationship between the dependent variable (the dependent; responses, Y) with one or more independent variables (independent, predictor, X). If the number of variable are only one, it is known as simple linear regression. The formula of linear regression (multiple linear regressions) in general as follows:

$$Y = \alpha + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + \beta_4 X_4 + e$$

Where:
Y = Franchise Sales Performance
X_1 = Entrepreneurship Motivation
X_2 = Brand Management
α = Constant
β = the regression coefficient of each variable
e = error

Steps of Multiple Regressions Analysis

There are also some steps of Multiple Regressions analysis. They are outline as follow (Hair et al, 1998):

1. Objective of Multiple Regressions
2. Research Design of a Multiple Regression
3. Assumption in Multiple Regression Analysis
4. Estimating the Regression Model and Assessing Overall Model Fit
5. Interpreting the Regression Variety
6. Validation of the Result.

RESULT AND DISCUSSION

Result

Validity and Reliability Test

Table 1. Validity Test

Indicator	Pearson Correlation
$X_{1.1}$	$.651^{**}$
$X_{1.2}$	$.690^{**}$
$X_{1.3}$	$.663^{**}$
$X_{1.4}$	$.591^{**}$
$X_{2.1}$	$.942^{**}$
$X_{2.2}$	$.910^{**}$
$X_{2.3}$	$.908^{**}$
$X_{2.4}$	$.857^{**}$
$Y_{.1}$	$.817^{**}$
$Y_{.2}$	$.946^{**}$
$Y_{.3}$	$.877^{**}$

Source: SPSS Data Analysis, 2014

Table 1 shows the validity test of variable X_1 – Y and dependent variable are bigger than r value. The table shows the total number for X_1 - Y are above 0.3, means that all the indicators are valid.

Reliability Test

Table 2.Reability Test

| Variable	Cronbach's Alpha
X_1	.637
X_2	.916
Y	.855

Source: SPSS Data Analysis, 2014

Table 2 shows the Cronbach's Alpha > 0.6, indicated that all research instrument indicator of variable are reliable.

Classic Assumption

Heteroskesdastisity Test

A good regression model is free from the case of heterocesdastity. Basis for decision-making of a regression model said that heteroscesdastity occur if there is no clear pattern, and the point spread above and below the number 0 (zero) on the Y axis, does not occur heteroscesdastity. Figure below will explain the test results as follows:
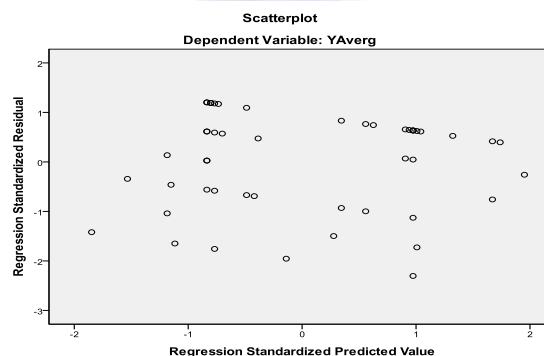
Figure 2. Heteroskesdastisity Test
Source: SPSS Data Analysis, 2014

The figure 2 it can be seen that there is no established pattern, in other words the graph describing the plot spread above and below the number 0 (zero) on the Y-axis. This proves that the independent variable X_1unitl X_2 on Y are free of Heteroscesdastisity

Multicolinearity Test

The purpose was to test the assumption of multicollinearity in the regression model to test whether there is a correlation between the independent variables. A good regression model should be free from the problem of multicollinearity and there is no correlation between the independent variables.

Table 3.Multicolinearity Test

Variable	VIF
X_1	1.107
X_2	1.107

Source: SPSS Data Analysis, 2014

Table 3 shows the calculation of Multicolinearity. Moreover, it can be known through the VIF and tolerance, whereby if the value of VIF and tolerance to be around the number <10 then the regression model above are free from multicollinearity. Based on the results in the table above can be seen by SPSS output does not occur because the symptoms of multicollinearity VIF value of X_1 and X_2 was below numbers < 10, this means that there is no connection between the independent variables. This, multicollinearity assumptions are met (free of multicollinearity).

Normality Test

Testing the normality assumption is to test whether the regression model, the independent variable X_1 and X_2 and Y has a normal distribution or not. Regression model is good if the data distribution is normal or near normal, if the data is spread around the diagonal line and follow the direction of the diagonal line, then the regression fulfill the normality assumption.
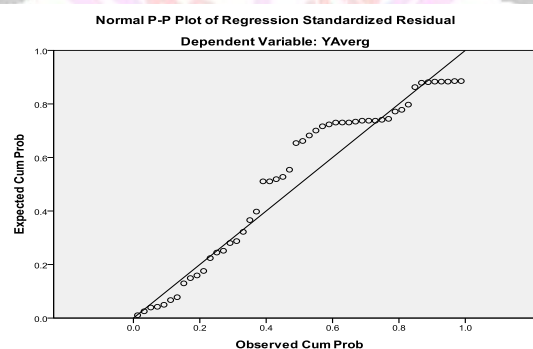
Figure 3. Normality Test
Source: SPSS Data Analysis, 2014

From the figure 3 it can be seen that the points spread and spread around the diagonal line in the direction diagonal lines. This proves that the model Regression of The Influence of X_1 and X_2 on Y in test normality assumption was met.

Coefficient Regression

As has been pointed out in the previous section that the objective of this study to know the effect of X_1 until X_2 on Y and to test the truth of the hypothesis used quantitative analysis with linear regression method.

Table 4. Coefficient Regression

Variable	B
(Constant)	5.305
X_1	.524
X_2	.748

Source: SPSS Data Analysis, 2014

From the analysis, obtained by linear regression equation as follows

$$Y = \alpha + b_1X_1 + b_2X_2 + e$$

$$Y = 5.305 + 0{,}524\ X_1 + 0{,}748\ X_2$$

From the multiple linear regression equation above, it can inform the interpretation as follows:
1) Constant value of 5.305 means that if the variables in this research of Variable X_1 and X_2 simultaneously increased by one scale or one unit will increase the Y at 5.305 point.
2) Coefficient value of 0.524 means that if the variables in this research of X_1 increased by one scale or one unit, it will improve and increase Y at 0.524.
3) Coefficient value of 0.748 means that if the variables in this research of X_2 increased by one scale or one unit, it will improve and increase Y at 0.748.
      This, if there is any change in factors measuring of X_1 and X_2 will change dependent variable Y.

Coefficient Correlation (r)

      The correlation coefficient is used to measure the The Influence of X_1 and X_2 on Y.

Table 5. Coefficient Correlation (r)

Model	R	R Square
1	.830[a]	.793

Source: SPSS Data Analysis, 2014

      The analysis of correlation (r) is equal to 0.830 indicating that the Correlation of The Influence of X_1 and X_2 on Y has a strong relationship.

Coefficient Determination (r^2)

      To determine the contribution The Influence of X_1 and X_2 on Y can be seen that the determinant of the coefficient (r^2) in the table above.

Simultaneously Test

      Simultaneous testing conducted to determine the The Influence of X_1 and X_4 on Y hypothesis test is carried out simultaneously by using F numbers, below: Testing is done by comparing the number of significant level of calculation results with significance level 0.05 (5%) with the following criteria:

1) If F_{count} (sig) $\geq$ 0.05 then Ho is accepted and Ha rejected
2) If F_{count} (sig) < 0,05 then Ho is rejected and Ha accepted

ANOVA[b]

Table 6. Simultaneously Test

Model	Sum of Squares	Df	Mean Square	F	Sig.
Regression	1.548	2	.774	5.406	.010[a]
Residual	15.119	47	.322		
Total	16.667	49			

Source: SPSS Data Analysis, 2014

a. Predictors: (Constant), X_2Averg, X_1Averg

b. Dependent Variable: YAverg

Value of 5.406 of F_{Count} significant 0.010. Because the sig < 0.05 means the confidence of this prediction is above 95% and the probability of this prediction error is below 5% which is 0.010. Therefore H_0 is rejected and accepting H_a. ThIs, the formulation of the hypothesis that The Influence of X_1 and X_2 on Y Simultaneously, accepted.

Partially Test

Partial test is used to test the effect of each independent variable X_1 and X_2 in Partial Impact on Y by performing comparisons between the t_{count} values with t_{Table} value at $\alpha = 0.05$ or compare the probability of the real level 95% of the partial coefficient (r) so that it can be seen the influence of the independent variables individually. Using the criteria of hypothesis testing by t test as follows:

1) $t_{count} \leq t_{tabel}$ (0,05), then H_0 is accepted and rejecting H_a.
2) $t_{count} > t_{tabel}$ (0,05), then H_0 is rejected and accepting H_a.

The data table below shows the t-test partially results:

Table 7. Partial Test Analysis (t-test)

Model	t	Sig.
X_1	2.094	.009
X_2	2.854	.005

Source: SPSS Data Analysis, 2014

On the calculations in the Table 7, the interpretation as follows:

1) t_{count} for X_1 2.094 bigger than the value of 1.984 t_{table} means X_1 has significant influence partially on Y. The sig. value at 0.009 means that prediction of X_1 influence on Y doing errors is more than 5% which is 0.9%, thus the confidence of this prediction is below 95%. Therefore, H_a accepted.
2) t_{count} for X_2 2.854 greater than the value of 1.984 t_{table} means X_2 has significant influence partially on Y. The sig. value at 0.005 means that prediction of X_2 influence on Y doing errors is 0.5%, thus the confidence of this prediction is above 95%. Therefore, H_a received.

Discussion

Entrepreneurial motivation has positive effect on sales performance franchisee, the results of this study indicate that higher motivation generate trust franchisor where the franchisor lead by reducing the cost of monitoring. Motivation to establish a franchise system greatly affect the performance of the sales franchise itself. This finding supported by other research conducted by Asgharian et al (2013). They found that the valuable opportunities are considered as the main concept of entreprenurship (Venkataraman, 1997). The natures of opportunity in both Schumpeterian and Kirznerian view are different. Entrepreneurial opportunity in Schumoeter's view based on "creative destruction." While identification of opportunities in schumoeter's view needs creation and recognition of new knowledge, Kirznerian opportunity's identification is based on "new means end relationship" and involves the discovery process (Shane, 2003). Opportunities in Schumpeterian view depend on new information. Kirznerian opportunities emerge because prior decision makers have made errors or omissions that create surpluses and shortages. As all franchisee believed although they enter into a

franchise system to take advantage, but the parent company has no information about our local market such as peoples' income, demand and so on.

Brand management has positive effect on sales performance franchisee, franchisor this is due to ensure the development of a brand image with the growing recognition as controlling distribution channels. As for the franchisee is the opportunity of access to take part in the business concept and the well-known brand so that when the higher management of the brand will lead to an increase in sales performance between the franchisor to the franchisee. This findings also supported by other research conducted by MasumeHosseinzadehShahri, he explain about the results of the model showed that the factors determining the effectiveness of corporate brand strategy are related to each constructs in the conceptual model. These findings indicate that we can measure these dimensions to assess the effectiveness of corporate branding strategy. The effectiveness of corporate branding strategy displays itself if the corporation and SBUs are leading up to their intended results. To determine the effectiveness of corporate branding strategy, the paper suggests that companies should assess both corporation and SBU performance as against the business's tangible and intangible criteria such as multiple stakeholders' reliance, financial value and strategic position.

Reliance of multiple stakeholders results from their satisfaction which impacts on the corporation and which has different value and weight. The customers, SBU managers, investors, suppliers, partners, employees, SBU employees, regulators, media, and local community organizations are multiple stakeholders that influence the performance of corporate branding strategy and have different effects on CEO decisions.. After identifying stakeholders and determining their importance, the next step is to delineate some criteria to assess their reliance.In brand marketing principles should be borne in mind in consistent. Used right tools and franchise support (support), the franchisee can be a tool to promote the brand. The creation of a national brand takes a long time for a franchise brand. Brand built by a community of up to critical mass can be achieved. some franchisors with considerable holdings in metropolitan markets have found the cost effective to campaign for the brand to reach the results are extraordinary. Right now there is only a small percentage of the national franchise in favour campaign advertising. Therefore, the franchisor, mostly engaged in the restaurant industry has had a strong development experience. Developing and managing a strong brand is quite difficult to process. The number of brands, media citations, the influence of information technology, increased competition and costs, the strength of the retail and consumer value changes (Pitt et al, 2003: 413) contributes to suppress the brand management system. this resulted in emerging diversity of brand management concept Park. States the stages of brand management. While Keller (2000:115) suggests the process of brand management to maintain brand consistency, maintaining brand equity, strengthen the brand, set the brand.

CONCLUSION AND RECOMMENDATION

Conclusion

About the data analysis and discussion, this research concludes findings as follows:

1) This brand management and entrepreneurship motivation has significant influence on franchise sales performance.

2) Entrepreneurial motivation has positive effect on sales performance franchisee, the results of this study indicate that higher motivation generate trust franchisor where the franchisor lead by reducing the cost of monitoring. Motivation to establish a franchise system greatly affect the performance of the sales franchise itself.

3) Brand management has positive effect on sales performance franchisee, franchisor this is due to ensure the development of a brand image with the growing recognition as controlling distribution channels. As for the franchisee is the opportunity of access to take part in the business concept and the well-known brand so that when the higher management of the brand will lead to an increase in sales performance between the franchisor to the franchisee.

Suggestion

For the company management, in the franchise business, to improve the quality of business relationships need to pay more attention to brand management, because it has the greatest influence in maintaining the quality of the franchisee relationship. In business, the brand is the main reason for running a franchise business because the brand is an investment that is longer and an intangible asset that has a high equity brand management still needs to be maintained through: the best brand in delivering the benefits according the wishes of consumers, the brand is still relevant, brands make full strength in marketing, brand providing ongoing support.

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