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Mitigating Risk of Failure by Expanding Family Entrepreneurship and Learning from International Franchising Experiences of Johnny Rockets: A Case Study in Pakistan

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Abstract

It is generally believed worldwide and backed by research too that startups face a high risk of failure and eight to nine out of ten ideas may not work (Hisrich, Peters, & Shepherd, 2009). However, many experts claim that the situation can turn vice versa for family entrepreneurship (or creative family businesses) and franchise ventures (Francorp, 2016). This exploratory probe aims to discover these two phenomena for Johnny Rockets (JR) Pakistan, which is an international franchise of fast food chain of restaurants, and simultaneously it is a family business extension. Literature is reviewed from four perspectives: family entrepreneurship and business, franchise business, internationalization of companies, and fast food restaurant industry in Pakistan. Primary data is garnered from three sources: in-depth interviews from middle to top management of Johnny Rockets, owners of the franchises, and from its consumers in accordance with phenomenology method and purposive sampling to analyze their lived experiences with JR and its direct rivals. The data analytic techniques comprise thematic analysis and constant comparison. The findings unveil that in the wake of tolerating several difficulties, now Johnny Rockets seems to be on the right path of sustainable growth. The study underpins the notions that family entrepreneurship and franchise ventures enjoy a high probability of success, but it requires an organizational culture of the congenial work environment, and propensity to create a customer-centric modern learning organization, ready to accept trials and errors and continuously innovating its processes and systems.

Keywords: *Risk of failure of startups; family entrepreneurship and business; international franchise business; Johnny Rockets Pakistan*

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INTRODUCTION

From experts' opinions to statistics, unveil that new businesses undergo the risk of failure by almost 85-90% because of untried business models (Hisrich, Peters, & Shepherd, 2009). On the contrary, some business gurus posit that it turns vice versa for family businesses and franchising businesses and the success rate turns 80%, whereas the exposure to indeed a risk of failure goes down to 20% (Francorp, 2016). For these reasons, their supporters (especially family and friends and financers inclusive of angel investors) appear reluctant in trusting them and investing or financing in untried or untested ideas; no matter how much potential they tend to have in terms of opportunity, expected demand, and growth over the period of time. Startups usually comprise micro and small ventures but even in case of middle-level new enterprises from exposure to failures at the outset of operations to within the first few years. Family entrepreneurs seem to be well-groomed with a history of business ventures. On the basis of their expertise and experience, they scan the emerging opportunities and after thorough investigation or homework, decide to commence a new venture. They install a system to manage day-to-day operations with standard operating procedures (SOPs) for monitoring and evaluation. The secrets of success lie in the involvement of family members in the business while crafting the business strategy; they devise shared vision and values, share investment, and profit and loss to work responsibilities. The hard and smart work, skills and abilities, network of relations, experience factor, business acumen, and sincere cum dedicated long-run efforts of the family lead them to success (Benavides-Velasco, Quintana-García, & Guzman-Parra, 2013; Chua, Chrisman, & Steier, 2003; Heck et al., 2008; Heck & Mishra, 2008; Johannisson, 2002; Zata, Steier, & Smyrnios, 2004). Another perspective is that when large firms establish their subsidiaries to expand their network, it occurs like family business expansion since the subsidiaries represent some existing network or family of businesses, so-called group of companies.

To some extent, family business and franchise business model work alike. Usually, the franchisor develops a business model, when it goes successfully; it is passed to others via franchising option. Opportunities in particular territories are searched and then, applications are invited for the franchising rights. The franchisor extends a contract to franchisee, documents the terms and conditions of operations, charges licensing fee and ongoing royalty fee (few percent on monthly sales revenues), trains and develops franchisee's management and employees, and continuously monitors and controls franchisee operations in a bid to ensure homogenous quality control and services across the branches' network. Advertising and marketing fall under the responsibilities of the franchisor. The franchisees have to adopt that proven business model. For instance, for the franchise of a food restaurant chain, the way business is to be conducted, the minimum size of the restaurant, furniture, décor, coloring the premise, procurement of ingredients, kitchen operations, recipes, quality control, service delivery, customer service, billing, online delivery system, database intervention for record keeping, security, and the general functions of marketing, finance, human resources, administration, etc. appear pre-planned. Indeed, SOPs for entire work cycle assist toward smooth business operations. Adapting local tastes in product offerings rests on franchisor's internationalizing strategy (Alon & McKee, 1999; Ketchen, Short, & Combs, 2011; Khan, 2014; Lafontaine, 1988; Merrilees, 2014; Min & Min, 2011; Perrigot, 2006; Sashi, & Prasad, 2002; Shane & Hoy, 1996; Stanworth & Dandridge, 1994; Young & McIntyre, 2011).

Johnny Rockets Pakistan depicts a unique case of family entrepreneurship and franchising obtained from its head office in the United States (Johnny Rockets Pakistan, 2017; Johnny Rockets, 2017). It is owned in Pakistan by Bandhani family. Carrying a history of legacy in family business, they decided to encash a lucrative cum high demand and growth-oriented business and simultaneously learn from international partners. Despite an excellent track record of family business, they underwent several unforeseen and unanticipated twists and turns in the franchise business venture. They committed several strategic mistakes but after trial and error experiences, their learning curve kept improving upward over a couple of years. Slowly and gradually, they learnt the path to success in franchising operations. This study investigates whether the risk of failure gets substantially reduced in case of family entrepreneurship (or creative family business) and franchising business or not. It also ascertains in detail that how family entrepreneurial experience and the well-established business model of the international franchise of the fast food restaurant chain eventually saves the chain in Pakistan from utter failure.

LITERATURE REVIEW

Family Entrepreneurship and Business

Researchers have conferred various models on family entrepreneurship and business, but Gersick et al. (1997) conceptualized the basic model of family business illustrating its succession from one generation to the other and various stages of development. It is portrayed in Table 1 underneath. It depicts that family business descends from ownership to business development and family development. The role of founder and his/her entrepreneurial experience play a crucial role in its success and sustainable development. There seem issues of controlling the power of owner, startup, and young family business and then, the business transforms from 1st generation to 2nd and 3rd where it observes growth but complex issues in the family enterprise. At the 2nd stage, siblings may form partnership since the venture shows signs of success and growth and it may expand and formalize. At the 3rd stage, cousins may form consortium but business life cycle may reach maturity stage and observe fluctuating trends of growth and decline, which requires restructuring or revitalization of the business model sometimes. With advancement in technology, as the world seems to modernize, the family businesses seem to adopt state-of-the-art technology from production to information technology, setting standard operating procedures (SOPs), excellence in quality and output optimization, innovative marketing frameworks, customer-centric business models, online business paradigms, and so forth. Learning trade secrets and the art and science of business passed from generation to generation. Many families prefer to adopt a business as a profession and spurred their children to get an education from world-class institutions. When their youth returned back to business, led their companies to unprecedented levels of success and prosperity. Several authors revealed statistics on US family businesses that more than 90% businesses are owned by various families. They chip in a huge percentage in employment, gross domestic product, and exports (Beckhard & Dyer, 1983; Hershon, 1975; Stern, 1986; as cited by Shankar & Astrachan, 1996). Even the global business is dominated by family businesses. They are among the oldest enterprises in the world and even today, they make 90% of the companies in the world (The Economist, 2015).

Table 1 The Developmental Model of Family Business

	Founder and the Entrepreneurial Experience	The Growing and Family Business	Complex Family Enterprise
Ownership	*Controlling owner*	*Sibling partnership*	*Cousin consortium*
Business development	*Startup*	*Expansion/formalization*	*Mature*
Family development	*Young family business (1 generation)*	*Entering the business (2 generations)*	*Numerous family development stages (3 or more generations)*

Source: Gersick et al. (1997); Rutherford, Muse, & Oswald (2006)

International Franchising

Franchising business model offers splendid opportunities for growth and development mostly at the cost of others. Franchise businesses are found in various industries including fast food, food restaurants, garments, footwear, fashion, health and education services, and several other domains. In fast food restaurants and coffee cum snacks restaurant franchises, for instance, McDonald's, KFC, and Starbucks set the new records, which lure many others. The owner(s) strategize and execute a business, risks his/her investment or finance, undergoes several problems during establishing the venture, but once done successfully capitalizes the opportunity of expansion domestically and/or globally at the cost of others. But it offers a superb opportunity to others of launching a venture that has been well-tried and accepted in the market. The franchisor conducts the market survey and business analysis to foresee the likelihood of success of the business in particular regions, whereas the franchisee has to adhere to the business model, uniform patterns of décor to operations and services. If the cost-benefit analysis of the opportunity is aptly conducted then, the risk of failure substantially declines. The Figure 1 portrayed beneath contains various steps involved in the franchise paradigm. The franchisor sets a plan, develops operations manual, marketing plan, and legal documentation, steer for infrastructure support, offers training programs, marketing materials, and trademark protection, and the franchising system includes recruiting and selecting franchises to award them. Franchising fee varies from franchisor to franchisor but covers one-time fixed fee or security deposit and some percentage of monthly sales revenue as a royalty fee. Many franchisors insist franchisees procure raw materials and other inputs (inclusive of food preparation plants, in case of fast food restaurants) from them. The franchisor sets the corporate strategy to execute its franchise operations domestically or internationally and oversees them regularly, seeks the feedback of franchise owners and customers to continually improve the business via safeguarding and enhancing its sustainable competitive advantages for its long-haul survival, growth, and expansion (Doherty, 2009; Doherty & Alexander, 2004; Fladmoe-Lindquist, 1996).

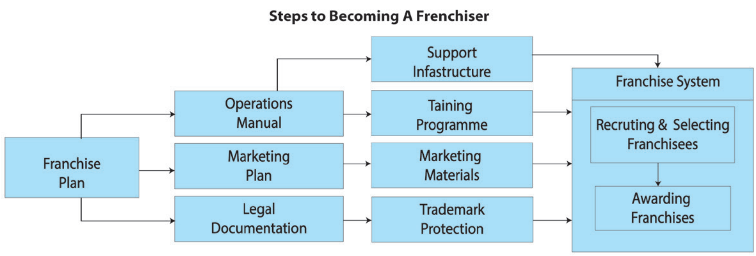

Figure 1: Franchising Business Model

Source: The Franchising Department (2017)

Internationalization of Companies

Internationalization of companies occurs when they trade and/or invest beyond borders, in two or more countries. Many of them determined to do so in the wake of having established operations at home market. Several authors posited that firms internationalize in a step-by-step or incremental path by the way of increasing their knowledge or learning cum capacity, explore opportunities abroad, build a network of relations (with buyers, suppliers, dealers, and other stakeholders), and make investment commitments, then do exports whether directly or indirectly through agents, then setting up sales subsidiaries, and eventually establishing manufacturing facilities abroad. But they undergo various unforeseen challenges like distinct culture, languages, consumer preferences and behavior, purchasing power and varying economic indicators, government regulations, standardization and certifications for that, intensity of rivalry, etc. (Bell 1995; Johanson & Vahlne, 1977; 2009; Johanson & Wiedershiem-Paul, 1975; Oviatt & McDougall, 1994; Qureshi and Jalbani, 2014; 2015). However, in the digital age and global digital economy, there emerged the concept of born-global companies, from tech startups to giant companies globalize their operations and market their products and offerings to the worldwide customers and consumers. The notion of born-global companies put the early theories in the connotation of internationalization of firms into the cascade. Firms are often lured to grow, expand, and thrive due to various reasons. Qureshi and Jalbani (2015) investigated that many firms globalize their operations because of various motives such as, incentives for expansion to capitalize lucrative opportunities, enhanced demand cum consumption, bigger market size, and enormous potential for thriving the business to new levels, taking advantage of greater affordability power, cost-effective inputs, access to skilled labor and resources, tax benefits, etc. The Figure 2 and Table 2 on the next page illustrate the traditional process of internationalization of firms (that is based on theories and models of internationalization) and the reasons for corporate globalization.

Internationalization of companies resumed centuries ago, but it took abruptly brisk momentum as the aftermath of World Trade Organization (WTO) endeavours, which pleaded for free trade, free from quota and other technical cum non-technical barriers to trade, such as high tariffs. Nations of the world signed accord for free and fair trade economy, which led to trade liberalization, de-regulation, and globalization, which also underpin cross-cultural integration and free movement of people of the world. Organizations like United Nations (UN), World Banking Group (WBG), and global forums on economics further nourished such movement. These steps substantially assist companies toward their globalization (Bordo, Taylor, & Williamson, 2007; Lauder et al., 2006).

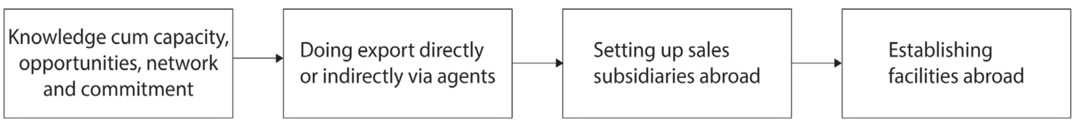

Figure 2: Traditional Process of Internationalization of Firms
Source: Adapted from: Bell (1995); Johanson & Vahlne (1977; 2009); Johanson & Wiedershiem-Paul (1975); Oviatt & McDougall, 1994; Qureshi and Jalbani (2014; 2015)

Table 2. Some Examples of Motives or Reasons for Corporate Global Expansion

• Incentives of growth and tapping the lucrative opportunities
• Increase demand, market size, and growth potential
• Reaping strong purchasing power
• Cheap raw materials, labor, other inputs, basic utilities, and services
• Availability of some essential raw materials in abundance
• Approaching world class skilled labor, technology, and infrastructure
• Availing new sources of finance and escalated resource base
• Proximity of a country to strong world markets
• Availing tax heavens and facilities to repatriate profits
• Evading tariff and non-tariff/technical restrictions to trade
• Exploiting competitive edges for global market share
• Security of investment and satisfactory law and order conditions
• Protection of patents and other intellectual assets
• Good governance, transparency, and cooperation of the host governments

Source Qureshi and Jalbani (2014)

Quick Service Restaurants (QSR) Industry of Pakistan

Fast food restaurants industry or so-called quick service restaurants (QSR) comprise those restaurants that take very less time in preparing food and hence serve it quickly. Indeed, most of the food items inclusive of meals are partially prepared or pre-cooked in a way that they can be readily prepared and served. Worldwide, there exist express restaurants as well, where a selected menu of food is already cooked and kept slightly hot so that it can be instantly served as per order. As masses work in organizations with the intense workload, so a lot of people turned to such food just to save their time. McDonald's to other early fast food chains that pioneered and revolutionized this industry launched mouth-watering, tempting cum scrumptious foods, so consumers really liked their taste. This industry is blamed to introduce food items and meals that contain rich oil, thus leading to enhanced levels of cholesterol and fats in human bodies, which create a lot of diseases, such as obesity, blood pressure, diabetes, cardiac issues, and the like. However, McDonald's initially used to serve its meals along with orange juice to enrich the nutritional value with Vitamin C, which helps in proper food digestion, absorption of Iron in the body, reduction of cholesterol and fats, and so on (The Founder, 2016). The popularity of QSR industry witnessed the mushroom growth of hundreds of thousands of such restaurants around the globe. The power of franchise business system provided potential investors cum entrepreneurs with a complete business model or total package cum solution to design and decor a restaurant with operating guidelines, standard operating procedures (SOPs), quality control and assurance mechanism, and the like.

In Pakistan, QSR industry has recorded marvellous response from consumers and observes superb growth. The industry comprises ordinary domestic players to international fast food chains, usually operative through a franchise model. This industry turns very vast since from fried potato chips and native fast food items (like 'pacora, samosa, pani puri, chat, haleem', etc.) to burgers, pizzas, etc. sold by intercontinental fast food restaurants are all part of the

QSR industry. Since Pakistan enjoys a massive population and thousands of fast food players including 1300 large-scale players; it earns 8th rank in the world in terms of QSR industry. Basically, QSR industry is part of the food industry, which falls into the largest producers (such as agro-producers to food processors) and exporters in the country. It adds 27% in the value-added production of food and contributes 16% to job generation, and fulfils the prepared meals needs of around 200 million consumers in the country. The food industry is estimated to stand for US$1.5 billion, which includes imported food items worth US$325 million (Qureshi, Farooqui, & Qureshi, 2016a). QSR industry, on the other hand, nourishes almost 20% per annum. In metro cities, an average consumer visits a fast food restaurant or chain about twice per month. Since the majority of the market comprises poor to lower-middle income groups, they consume 42% of their income on food (comprising staple food to food taken as treats). Some salient reasons for substantial growth in the QSR industry include: lessening lunch break time in the lives of corporate executives, urbanization, women entering into private jobs and corporate sector, thus finding dearth of time and energy to cook their food, acceptable taste cum quality of fast food, deals of value for money, ease of online ordering, home delivery service, trends towards ready-to-make/eat food, food payment options through credit cards, discounts via credit cards, coupons, promotions, and massive advertising cum branding and marketing campaigns, and so on. Also eating out incidences go on the rise. Especially, in the urban areas, children to elders in the family or groups of friends to school or office mates love to enjoy their meals outside their homes. They consider it an outing or a source of great entertainment. Interestingly, the intercontinental fast food franchise chains also offer a little play area for children and design baby meal packages for them.

Having restaurants seems to be also a mandatory feature of big shopping malls. The trend of eating out is thriving exponentially especially in the metropolitan areas. Such trends attract new domestic cum global players towards the QSR industry of Pakistan. KFC, Pizza Hut, and McDonald's have been receiving tremendous response from consumers and appear on top in their relevant categories of fast food (i.e. burgers and chicken items, and pizzas respectively), whereas Subway, Hardees, Burger King, Domino's Pizza, One Potato Two Potato, Fat Burger, and Johnny Rockets seem struggling toward sustainable growth. However, their many domestic counterparts in the restaurant and particularly fast food restaurant category record impressive growth. Cheap, unbranded fast food stalls also exist for decades. Some of the indigenous brands include Mr Burger (operative since 1979 and enjoys good reputation), Burger Lab, Burger Factory, Hunger Packs, and so on (Qureshi, Farooqui, & Qureshi, 2016b).

Establishing a fast food restaurant appears highly tough if it is intended to establish it like a brand. The automatic plants or machinery and equipment with reasonably good processing capacity and speed cost heavy sums. In addition to capital intensity for equipment, investment is also required for design and decor of restaurants, sourcing high-quality raw materials cum food ingredients, packaging materials, continuous training and development of staff members, and budgetary outlays for marketing campaigns. Usually, establishing a small or medium restaurant appears moderately easy. But apparently, it turns very difficult for them to develop a superior brand image and compete with the giant rivals. Moreover, due to their limited production and supplying capacity, their sales turnovers to returns seem limited. The QSR industry observes new trends from recent years such as the emergence of online delivery channels to supply food at the doorstep of consumers. Foodpanda and Eatoye are among such intermediaries, which operate in metro cities only. They charge some small commission either from producer or consumer.

Consumers can cross-compare the prices and promotional deals of these restaurants as well. It is reported that more than 4500 food restaurants exist in Karachi only, while Foodpanda and Eatoye are unable to cover all of them (Eatoye, 2018; Foodpanda, 2018).

Johnny Rockets Pakistan

JR Pakistan enjoys being the master franchise of Johnny Rockets International, which is a multi-national chain of fast food restaurants. JR international has branches in more than thirty countries. Headquartered in the USA, the company earned its market share and repute in the burger category (Johnny Rockets, 2018). JR Pakistan led by Mr Abdul Wahab Bandhani, chairman Bandhani group of companies won the bid of the master franchise in March 2013. Later on, three other branches were also added in Karachi, Lahore, and Islamabad. It recorded an impressive success and growth as consumers visiting its branches admired decor, ambience, food quality, variety, and services. Its staff danced at some fixed intervals (just like the practice at its corporate headquarters). The consumers appreciated everything except high prices. They fell unconvinced that an international brand but novice in Pakistan set its prices double than that of the market leader in the burger category, McDonald's. Hence, they inhibited endorsing the new brand and negative word-of-mouth spread abruptly and briskly, which led to steep fall in sales. Indeed, the major reasons behind exceptionally high prices were the import of meat and white onions from the USA, which required refrigerated containers, and procuring domestic supplies on cash, whereas the rivals availed credit (Johnny Rockets Pakistan, 2018).

Indeed, among the several reasons behind the initial failures, some of the top ones included: dearth of relevant experience by the four investors cum entrepreneurs in the QSR industry; reliance on consultant to develop strategic plan for the company; and ignorance on cost and investment, since the few key raw materials (meat and white onions) were imported from USA and equipment for ten branches were bought upfront, whereas it just resumed only four branches at the outset. Later on, as the management team failed to attain its desired sales and performance targets, it was fired up. Every year, a new management team took over and as it could not make any substantial difference, it was fired. This led to unrest and frustration among employees (Qureshi, Farooqui, & Qureshi, 2016b).

METHODS

Study Design and Sampling

This probe appears to be a qualitative research undertaking under post-positivism philosophy and inductive approach since it provides meaningful cum in-depth insights of the phenomena. Primary data is gleaned from three sources while using purposive sampling. It included six in-depth interviews from middle to top management (three in each category with two to three years' of experience) of Johnny Rockets (where the researchers had the clear idea of the family entrepreneurship and franchise business but they did not frame any formal questionnaire for the sake of developing emerging themes from unstructured interviews). Interviews were also conducted by five owners of the different international fast food franchise branches. And twelve interviews from its consumers (including males and females from socio-economic class A and B or upper and middle class, having age brackets of 20-40 and above, whereas children and teens experiences were known from their elders) in accordance with phenomenological case study method to analyze their lived experiences with JR and its direct rivals (Schutz, 2011; Starks & Trinidad, 2007). The sample size ensued saturation point recipe which ends conducting interviews when no new information appears. Multi-level sampling was used for comparing data derived from distinct groups of subjects (Carlson & McCaslin, 2003). The data was collected from Karachi, the largest metropolitan area in Pakistan.

Analytic Techniques

The data analytic methods comprise: in compliance with the research protocol, transcribing the verbatim, identifying concepts and categories, assessing their properties and relationships for better understanding. Moreover, thematic analysis (Langridge, 2008) and constant comparison method (Goulding, 2005) were also applied along with descriptive-narrative methodology (Langridge, 2008), which intends to present thick description of the participants' experiences without any critical assessment of their views or interpretation by the researcher, which upholds unbiased approach with the goal of presenting the findings as (it) is. The steps involved in phenomenology method included: describing the phenomenon, clustering data into discrete categories, finding the essence or core commonalities about the lived experiences and synthesizing the data (Schutz, 2011; Starks & Trinidad, 2007).

DATA ANALYSIS

Findings of Interviews from Middle and Top Management

The middle and top management revealed a variety of problems and pitfalls that the company underwent. They all agreed that despite facing numerous shocks in business, the two reasons for which JR Pakistan survived and descended back on the track of survival and growth comprise the competitive edges of experience and learning the art and science of successfully running a venture by the virtue of family entrepreneurship (or creative family business) and adoption of international franchise business model. These both ways (family entrepreneurship and franchising) led to substantially lower the risk of failure in business. However, the skilled workers and managers also get the credit for making the journey successful. They build an organizational culture of the congenial work environment, provide extra rewards for faithful employees, establish customer-centric modern learning organizations, and continuously keep on innovating its processes and systems. The franchising system allows franchisees to adopt their entire business model including, image of the brand, access of special formulas and intellectual property, operations' manual and standard operating procedures (SOPs), quality control, guidelines for ambiance and experience, hiring, training, rewarding, and managing workforce, customer service, and marketing materials, franchisor's continuous monitoring and support, protection of the brand, and adaption of local values and extension of brand portfolio.

Bandhani family carrying a trajectory of legacy in business and in the wake of the tremendous success of their company, Logistic Management International (LMI), which deals in the country-wide transportation of the various commodities and goods to giant national and multinational companies, decided to acquire master franchise rights of Johnny Rockets International for Pakistan. Indeed, the initial feasibility study contained over-estimates and reflected the too much glossy picture of profitability. Frequent changes in management occurred since their inability resulted in poor performance as they were unable to address the real issues. However, it was a totally new experience for the family group that underwent several ups and downs till overhauling its business model and improving its learning curve from trial and error methods. But this is natural in a new venture that fluctuations to turmoil transpire till the stability of the business. JR International has been continuously assisting JR Pakistan to stabilize its operations and by the end of 2016, the branches show signs of improvement. Especially, the endeavours toward brand building and resetting the marketing strategy cum corporate strategy and emphasis on promotions have led to regaining the trust of consumers and corporate clientele. There are hopes for continuous betterment in the near future.

From consultants to professional teams, one after the other was fired. The second and third consisted of professionals who enjoyed the working experience of either QSR industry or retail management industry, but they underperformed. Luckily, the fourth team, having related industry experience, appeared successful in making the breakthrough performance. The revisited the strategic marketing and business plans, initiated restructuring program, and focused on brand awareness, brand building, and increment in visitors'/guests' count. They closed down few branches with extraordinary high rentals and relocated them to posh areas with relatively lower rentals. Earlier on, many employees at branches' level were laid off, but then the residual staff members were incentivized to enhance their motivation cum job engagement. Beef, mutton, and white onions' imports that resulted in higher transportation cost due to distance as well as refrigerated containers, import duties and storage cost were inhibited. Local vendors were re-negotiated for the facility of credit terms. Information technology (IT) related software had been acquired from Microsoft for ten branches was abolished in a bid to melt frozen cash flows or recover stuck up investments.

Managing the brand portfolio has always been a challenge. Though it is tempting to introduce new brands and product lines it is critical to maintaining the existing ones first. There are eight burger recipes, and these are available is both beef and chicken. This provides 32 burger combination choices by the consumers. Also, shakes are available in three flavours with a deluxe shake in fifteen flavours. Also, sandwiches and salads are added to consumer offering. From November 2016, the average price offering per burger was further reduced to one third (i.e. Rs350, roughly equal to US$3.5) including the general sales tax (GST). The price offered a burger, fries and a soft drink.

The branding strategy at JR has been changed a couple of times over the years. This was primarily due to change in management and the new thinking being inducted into the system over time. Brand identity strategy was framed to create awareness cum positive and favourable positioning of the brand in the minds of consumers, so that they associate/perceive it as an international brand with exotic cuisines, quality, taste, variety, ambience, and service. Once the brand identity is developed, it leads to reduced perceived risk by consumers in buying the brand. A marketing program was articulated with the positioning of the brand, which comprised a lot of promotions to assist sales. Numerous marketing initiatives with varying marketing budgets were availed; product offerings and their prices were rationalized by considering rivals' deals, and a variety of tools for integrated marketing communication (IMC) were introduced. Eid campaigns (i.e. religious ceremonies of Muslims) were launched, SMS campaign to users, email marketing, brand engagement via website cum social media, and co-branding with banks were undertaken. The partner banks offered discounts to consumers on the use of credit cards at branches of Johnny Rockets, which later on, fully or partially reimbursed to JR. These campaigns had not seen positive response cum success if prices of burgers, shakes, and other items would not have been rationalized, as heavy price cuts were exercised. Discounts, deals, and coupons were offered to consumers as well as corporate clients. Alliances took place with several universities and institutes. TV and radio campaigns increased the share of voice of JR and enhanced its brand awareness to masses. Renowned artists and celebrities endorsed its brand and turned as brand ambassadors. Home delivery to online food ordering cum delivery services was offered along with discounts and deals. Eatoye and Foodpanda, and the like also contributed to online ordering and sales. It all yielded in improved sales turnover, increase in footfall of visitors, brand awareness to consumer liking, profitability, and repositioning of the corporate brand as a prestigious intercontinental fast food chain with exotic cuisines, attractive ambience with affordable prices, and quality of food to services. It was the time to recuperate from past losses as a new era for Johnny Rockets Pakistan had just commenced. This online sales and alternate distribution channel strategy resulted in brand awareness and increased sales, as approximately 8% annual volume was derived from that.

Findings of Interviews from the Fast Food Franchise Owners

Regarding family entrepreneurship (or creative ways of conducting family business) and franchise entrepreneurship, there appear great chances of survival and sustainable development in business ventures. Business is in their blood and genes, as they inherit mindset, creativity and risk-taking behaviour, traits, skills, and acumen suitable for business. Family entrepreneurs mostly prefer to do business. They work hard with honesty and have strong faith in God for better results in business. From their ancestors, they learn the art of dealing with people or employees, customers, principals, vendors, distributors, dealers, and various stakeholders. The family members form a shared vision, values, and strategy. They handhold each other in various issues, collaborate with each other, search for emerging cum existing opportunities. In family gatherings, they enjoy family life but do discuss business and emerging opportunities, which indeed remain the pivotal point of their deliberation. Despite some differences in business decisions or personal attitudes to issues, the family has to remain united to prioritize managing business at its best; however, clashes to desertions among family members do occur. Nowadays many business families steer their children to receive higher education domestically or from abroad so that they can learn the most advanced techniques to run the affairs of the business. They believe that customers and income are determined by God. Customers have a variety of choices to purchase products, so the entrepreneurs have to work with honesty and keeping in view the competitive environment, try to offer the best products and packages to them with pre and post sales services. They learn about how to deal with unforeseen troubles and developing contingency plans and strategic decisions to tackle turmoil and troubleshooting day-to-day operating issues. Their decades-long experience from generation to generation, learning, networking, and creative abilities to strategize, organize, motivate and lead, and install a system for tracking performance to control business performance pave their way to success. In addition, the contribution of knowledge workers and managers cannot be denied in attaining success.

The franchising model provides a complete paradigm or system to execute the operations of a business, its layout design to types of brands, prices, services, and so on fall in a programmed way. The investor or franchisee has to do proper homework to assess the value of the brand, its history, potential in a typical market, and cost-benefit analysis. Indeed, a franchisee is an entrepreneur who promotes others' brands but usually established ones. It requires creative skills to manage the complex, turbulent, and unpredictable behaviour of consumers to market, so the entrepreneur's investment appears at risk but at relatively low level. Hence, family entrepreneurship and franchising lead to substantially lowering the risk of failure in business and marvellously enhance the chances of success. They build an organizational culture cum work environment suitable for all, establish customer-driven modern learning organization, and believe in innovating its processes and systems.

Findings of Interviews from Consumers

At the time of inauguration of JR Pakistan, the consumers were dazzled by it due to various factors, such as its strange but attractive name, being part of international franchise brand, having premium locations especially at Dolmen Mall Karachi, where it rented a huge place at the entrance of the mall, a variety of burgers, shakes, and ice creams, quality, taste, ambiance, experience, and service. However, the factors that resented them included exceptionally higher prices and the addition of general sales tax (GST) in it, which substantially increased an already high price. Its prices appeared greater than that of the fast food market leader especially in the burger category, McDonald's. These factors sharply affected consumer loyalty and positive brand associations; hence, brand equity could not be built. Later on, the heavy price cuts and launching of various promotion tools, discounts, coupons, co-branding with banks, the online delivery mechanism by a couple of renowned online food delivery portals, etc. convinced the consumers to turn back to it, and consequently, their footfall kept on increasing. While comparing JR with its rivals especially in the burger category, McDonald's lead the market and it confers amazing experiences to visitors, the ambience, dazzling colours to decor, menu, quality, services, international cuisines to domestic flavours impress them. Many believe that its prices appear slightly higher while considering the poor socio-economic conditions of the masses in the country. Burger King is relatively new in Pakistan and many consumers do not prefer, it since they do not listen positive feedback and word-of-mouth communication or strong recommendation by their pals and family members. Local rivals like Burger King and many others do not match the quality of international fast food chains, especially in the burger category.

DISCUSSION AND IMPLICATIONS

Basically, the two main joint research questions are explored in this probe that whether the risk of failure gets substantially reduced in case of family entrepreneurship (or creative family business) and franchising business or not. From the extant database of conceptual and empirical studies to this qualitative research undertaking, the both integrated research questions are ascertained. Moreover, it was discovered that how the entrepreneurial experience factor assists in succeeding the venture. The results match in some way with the earlier studies supporting the importance of such businesses in the economy (Beckhard & Dyer, 1983; Hershon, 1975; Stern, 1986; as cited by Shankar & Astrachan, 1996; and Doherty & Alexander, 2004; Fladmoe-Lindquist, 1996; Shane & Hoy, 1996; Stanworth & Dandridge, 1994).

Table 3 displays the core themes emerging from input provided by the participants of the study regarding family entrepreneurship and franchising. For family entrepreneurship, they consist of experience and learning passed on from generation to generation, inherited mindset, behaviour, creativity and risk-taking, various traits, skills, and acumen suitable for business, strong faith in God, and so forth. For franchising, they consist of adoption of the franchise business model, image of the brand, access to special formulas and intellectual property, and so on.

Contributions

In the literature of management science, this study appears to be a pioneer (as per the knowledge of authors of this paper) because it ascertains three purposefully integrated domains including family entrepreneurship (or creative family business), franchising, and international business via franchising model. The study revolves around the case study of Johnny Rockets (JR) Pakistan and to some extent JR International. It simultaneously provides a flavour of a research-based article cum a case study. In Pakistan, the owners of JR belong to a renowned business family and indeed a group of companies. With inbuilt entrepreneurial attitude, the owners decide to acquire the franchise rights of an international fast food chain.

The investigation corroborates the general assumptions delivered by industry experts that the risk of failure turns substantially lower in case of entrepreneurial family ventures and franchise business models. These old assumptions are scientifically inquired by the first time (as per authors' knowledge) and especially in the matrix of international business (via franchising).

Table 3: Main Themes for Family Entrepreneurship and Franchising

Family Entrepreneurship	International Franchising
Experience and learning passed on from ances-tors to the current generation	*Adoption of the franchise business model*
Inherited mindset, creativity and risk-taking behaviour	*Image of the international brand*
Traits, skills, and business acumen	*Access to special formulas and intellectual property*
Hard work, honesty, and strong faith in God	*Operations manual and SOPs*
Shared vision, values, and strategy	*Quality control*
Handholding each other in various issues	*Ambience and experience*
Search for emerging cum existing opportunities	*Hiring, training, rewarding, and managing workforce*
Network of relations	*Customer service*
Art of dealing with stakeholders and success-fully running a venture	*Marketing materials*
The organizational culture of the congenial work environment	*Franchisor's continuous monitoring and sup-port*
Provision of extra rewards for faithful employ-ees	*Franchisor's protection of the brand*
Establishing customer-centric modern learning organizations	*Franchisor's adaption of local values and ex-tension of brand portfolio*
Continuously innovating business processes and systems	

Managerial Implications

The probe offers various essential lessons for managerial learning that how family entrepreneurial family ventures and franchise business models can play an utmost vital role in countering various pitfalls and complex to unanticipated situations in business. The way family entrepreneurs' mindset, creative and bold or risk-taking behaviour, other traits, skills, and business acumen, hard work, honesty, strong faith in God, coupled with skilled workers and managers, etc. lead to success. Regarding franchising, adoption of the franchise business model, image cum strong and positive perception of the brand, access of special formulas and intellectual property, and a complete system of operations, preset SOPs, quality control, emphasis on customer service, and provision of marketing materials pave the way to success. The international franchisor safeguards the interests of franchise partners by cooperating, collaborating, and monitoring to support them, whereas they continue protecting the brand, adapting the local values, and extending brand portfolio for mutual gain and sustainable competitive advantage. A lot of themes emerged out of this qualitative inquiry regarding family entrepreneurship and franchising, which have pragmatic implications. Eventually, the professional managers at various tiers and academia can learn from the strategic mistakes and learn cum experience curve of the company.

CONCLUSION

This core purpose of this probe is to investigate that whether the risk of failure substantially mitigates in case of family entrepreneurship (or creative family business) and franchising business or not. The probe capitalized phenomenological case study method to ascertain the research problem by collecting data from three distinct types of samples using in-depth interviews, which is multi-level sampling to cross compare the inputs of different groups. They comprise interviews from middle to top management, owners of the different international fast food franchise branches, and from its consumer. Moreover, it strives to uncover that how the experience factor helps in succeeding the venture. Johnny Rockets Pakistan acquired the master franchise rights from Johnny Rockets International, which provided it with its standard business model, guidelines for the minimum size of the outlays, colours and decor, list of brands in the menu, its operating manual and standard operating procedures (SOPs) for procurement and to run the business affairs smoothly. Key employees were groomed. JR International keeps on monitoring and steering JR Pakistan with the shared objective of establishing the brand in the domestic market. Like any new venture, JR Pakistan encountered various fluctuations in a business like declining sales and consumers' resentment over its pricing policy to strategic mistakes incurred in operations. Eventually, its learning curve moved up and in the wake of losses to crises, it restructured its organization and came back on the path of success and vitality. The probe underpins the notions that in comparison with ordinary new business ventures, family entrepreneurship (or creative family businesses), and franchise ventures have a high probability of success and presents a thematic framework in the end of findings part. The findings of this research resembles with that of several studies in some way since they conclude that family businesses substantially contribute in the overall global economic output and especially in United States (Beckhard & Dyer, 1983; Hershon, 1975; Stern, 1986; as cited by Shankar & Astrachan, 1996); whereas various authors support the notion that properly executed franchising opportunities lead to success (Doherty & Alexander, 2004; Fladmoe-Lindquist, 1996; Shane & Hoy, 1996; Stanworth & Dandridge, 1994). But it requires an organizational culture of the congenial work environment, and propensity to create a customer-centric modern learning organization, ready to accept trial and errors and continuously innovating its processes and systems.

Caveats and Areas of Further Studies

The probe is undertaken in Karachi-Pakistan only by using a limited number of participants in a qualitative inquiry. Its scope tends to be limited in terms of theoretical discourse of its domains: family entrepreneurship (or creative family businesses), franchise ventures, and internationalization of firms, since it revolves around the broad research question that whether family businesses or such entrepreneurship and franchising lead to reduced risk of failure and high chances of success or not. In the next phase, a quantitative study can be conducted with a big sample size from various regions of the country to ascertain about the dynamics of family entrepreneurship and (national or international) franchise business model in the context of their likelihood of success. Such a probe could help in generalizing the results. In addition, the success and failure of new ventures in a region can be cross-compared when operated by laymen versus family entrepreneurs.

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