Profiling USA Based Fast Food Franchise Chains: A Cross National Comparison

Rajiv P. Dant  
Michael F. Price College of Business  
The University of Oklahoma  
307 West Brooks, Norman, OK 73019, USA  
Voice: 405-325-4675  
Email: rdant@ou.edu

Hyo Jin (Jean) Jeon  
College of Business  
University of Nevada-Reno  
1664 N. Virginia Street  
Reno, NV 89557, USA  
Voice: 775-784-6993  
Email: hjeon@unr.edu

Josef Windsperger  
Center of Business Studies  
University of Vienna  
Brünner Strasse 72  
A-1210 Vienna, Austria  
Voice: 00431-427738180  
E mail: josef.windsperger@univie.ac.at

Nada Mumdziev  
Center of Business Studies  
University of Vienna  
Brünner Strasse 72  
A-1210 Vienna, Austria  
Voice: 00431-427738180  
E mail: nada.mumdziev@univie.ac.at

Revised December 2012  
Presented at the 27th Annual  
International Society of Franchising Conference  

Franchise Management School  
Beijing Normal University-Zhuhai  
People’s Republic of China  

March 13-16, 2013
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Abstract

Firm reputation (FR) provides the referential barometer to evaluate the standing of a firm’s performance in the eyes of its various stakeholders. FR not only rewards firms through positive financial performance, but also serves as a buffer against the negative effects of firm crises in the marketplace. Since FR represents the accumulated impression formed in stakeholders’ minds resulting from their interactions with the firm, the implementation of marketing strategies focused on developing, enhancing, and maintaining FR (especially, among stakeholders independent of and external to the firm, i.e., it’s customers) is posited to be critical for firms seeking sustainable competitive advantage and higher levels of firm commitment and loyalty. In this very first exploration estimating FR within a franchising context, we execute a multi-country study straddling Developed Economies, Eastern Bloc Economies and the BRICS Economies, to assess how two iconic American franchise chains, namely, McDonald’s and Burger King fast-food franchise restaurants, are perceived by their customers in terms of Brand Reputation and Brand Commitment across these three country groups. On a more exploratory note, we also assess the effects of these country groups and brands on a host of demographic variables and six additional variables gleaned from secondary sources (e.g., the number of outlets within the sampled municipal boundaries and the countries, outlet density, purchasing power parity of local currencies, and the years these chains entered a particular country). The study sheds light on international franchising in general and FR literature in particular, and provides new nuanced insights into the ongoing debates surrounding the global marketing strategies such as standardization versus localization.