KNOWLEDGE OF RESTAURANT AFFILIATION (FRANCHISED OR NON-FRANCHISED) AND RESTAURANT EVALUATION

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Abstract

Existing studies comparing franchised versus non-franchised restaurants have yielded mixed results. We take the stance that both types of restaurants are equally likely to succeed and their success or failure depends on what consumers know about and how they evaluate these restaurants. Using data from a market area containing several fast food restaurants, we test the effect of consumer knowledge about the type of restaurant—franchised or non-franchised—on perceived restaurant quality on several dimensions: *food quality and service, consumer perception of healthiness, ambience, food-variety, affordability, context, and social gathering*. Findings indicate that being known as a franchised restaurant results in more favorable scores on *food quality and service*. However, being known as a non-franchised restaurant results in more favorable scores on the *ambience, food variety, affordability, context, and social gathering* dimensions. Finally, consumers gave the same score to both types of restaurants (franchising versus non-franchising) on the *perceived healthiness* dimension. The implications of these findings are discussed in detail in this study.