Franchisee: Definition, Examples, Benefits, and Responsibilities

1. **What Is a Franchisee?**

- A franchisee is a business owner who is ___ to operate a branded outlet of a retail chain.
- The franchisee pays a ___ to the franchisor for the right to sell its established products and use its ___ and proprietary knowledge.
- The ___ receives guidance and support from the ___.
- The franchisee is required to market and sells the same brand and uphold the same standards as the ___ company.

trademarks, parent, licensed, franchisor, fee, franchisee,

2. **Understanding Franchises**

When a business wants to garner more market share or increase its ____presence at a low cost, one solution is to create a franchise using its product and brand name.

3. **The Franchisee/Franchisor Relationship**

The relationship between a franchisee and a franchisor is inherently one of _______and __________. The franchisor provides guidance and support on hiring and training staff, setting up shop, advertising its products or services, sourcing its supply, and so on.

4. **Franchisee Benefits**

1. The costs of opening a franchise can be____ compared to starting a company from the ground up.
2. The business has immediate brand recognition, a ready-built supply system, and a ______ marketing campaign already in place.
3. Franchisees adopt the business_______ of their franchisors rather than create them from scratch.
4. The franchisor is invested in the success of its ______ and will take an active advisory role.

professional , , practices, lower,

5. **Franchisee Responsibilities**

A franchisee must follow the _________business model that is already in place, down to its choice of location, furnishings, products, and decor.

6. **Franchise Example: McDonald's**

The legendary success of the McDonald's franchise story is partly a result of the company's_____________ to maintaining consistent standards in its food. A Big Mac in Los Angeles should and does have the same quality as one in London.