

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.