

KZN WIMPY FRANCHISEE VIEWS ON THE FAMOUS BRANDS ACQUISITION.

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DECLARATION

I Georgina du Plooy declare that this dissertation, submitted to The Independent Institute of Education for the BA Honours in Strategic Brand Communications degree, is my own original work. All secondary research material has been accurately referenced throughout this study using the Harvard referencing technique. This work has not previously been submitted to another University of Higher Education Institution for degree purposes.



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25 October 2019

DEDICATION

I dedicate this dissertation to Ken Mckenzie - my Pops.

I loved diving into learning about Wimpy for this dissertation, and feel proud knowing that you were an integral part of bringing the brand to South Africa.

You taught me the true meaning of living a life of unconditional love, passion, leadership, adventure and mischief. I miss you every day and am extremely privileged to be your granddaughter.

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Thank you to my supervisor, Simon Grainger, as well as my lecturer, Alec Bozas, for all of their guidance, advice and assistance in helping me compile this research dissertation.

This year has taught me the true meaning of hard work, self-discipline and determination. It has also taught me the true importance of love and support.

I would like to thank my biggest supporters; Mom and Dad, for your boundless love and encouragement, it means the world to me and I wouldn't have achieved what I have today without you and the opportunities you have given me. Thank you, Dad, for all of the knowledge you have shared with me this year, and especially that which was relevant to this dissertation. Mom, you are my rock, ti voglio bene.

Thank you to my brothers; Max and Theo, for always cheering me up no matter what, and for keeping me smiling through even the hardest times.

Keags, I couldn't wish for a better partner in life and in love. Thank you for your endless support and encouragement.

ABSTRACT

This study is qualitative in nature, and aims to identify the key views KZN Wimpy franchisees held of the Famous Brands acquisition which took place in 2003.

The study will analyse Wimpy's brand equity, the impact of the acquisition on the franchisees, and the effectiveness of the communication used regarding the acquisition.

The information gathered in this study was collected through the use of qualitative methods, including a pilot study, questionnaires and interviews. The key findings and insights within this research led to themes being identified.

Through the research conducted, it was concluded that the franchisees were not communicated with effectively, had various concerns which they did not have the opportunity to address, and that the Wimpy brands' equity has positively been affected due to the acquisition. Recommendations have been made which will alleviate the concerns franchisees faced due to the acquisition, as well as for how future acquisitions can gain the support of the franchisees prior to publicly announcing the acquisition.

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CHAPTER ONE



INTRODUCTION AND OVERVIEW OF RESEARCH

CHAPTER ONE: INTRODUCTION AND OVERVIEW OF RESEARCH

1.1 INTRODUCTION

Wimpy was originally a UK based brand; which first opened in South Africa in Durban in 1967 (Wimpy, 2019). In 2003, Wimpy was acquired by Steers Holdings; now known as Famous Brands. In 2007 Famous Brands became the parent company for Wimpy when they acquired the United Kingdom based Wimpy; this led to numerous changes within Wimpy, largely effecting franchisees and Wimpy head- office. The changes impacted Wimpy across multiple areas.

This study is qualitative in nature and describes the franchisees views on the changes that took place, and how they impacted Wimpy. These changes will be analysed in terms of brand equity, communications used, franchisee concerns and the impact on the franchisees.

1.2 FIELD OF STUDY

This research study is within the food and beverage market, in terms of restaurant franchising. This research study discusses franchising and its impact on brand equity. The research methodology used helped identify key findings held by franchisees on the processes, communications and impact of the Wimpy franchise acquisition by Famous Brands.

1.3 PROPOSED JOURNAL

The acquisition affected Wimpy's brand identity, image, organisational culture, suppliers, operations and brand equity. The acquisition also had a lasting impact on the franchisees.

The anticipated contribution of this study is therefore towards academic journals and articles on franchising, especially in relation to brand equity. The anticipated

contribution of this study is also within journals exploring either the impact of acquisitions of franchises, or the importance of effective communication with franchisees.

1.4 PROBLEM STATEMENT

The acquisition of Wimpy by Famous Brands is one which lead to numerous changes within Wimpy. The change impacted Wimpy's brand identity, brand image, organisational culture, suppliers, and operations; and effected Franchisees and head-office significantly. Franchisees were not communicated with effectively about the acquisition.

Thus, the problem being researched is the impact of the Famous Brands acquisition on Wimpy, from the view of KZN Wimpy franchisees.

1.5 PURPOSE STATEMENT

The purpose of this study is to explore the effects of the Famous Brands acquisition of Wimpy, and the impact the changes had on the Wimpy brand from KZN franchisees points of view, as well as the impact on Wimpy's brand equity.

1.6 RESEARCH QUESTIONS

Research question 1:

What was the impact of the Famous Brands acquisition of Wimpy on Wimpy's brand equity?

Research question 2:

How were Wimpy franchisees communicated with about the Famous Brands acquisition?

Research question 3:

What was the impact of the Famous Brands acquisition of Wimpy on franchisees?

1.7 RESEARCH OBJECTIVES**Research objective 1:**

To describe the impact of the Famous Brands acquisition of Wimpy on brand equity.

Research objective 2:

To describe how Wimpy franchisees were communicated with about the Famous Brands acquisition.

Research objective 3:

To describe the impact of the Famous Brands acquisition of Wimpy on franchisees.

1.8 RATIONALE AND RELEVANCE OF STUDY

The impact of the changes made to Wimpy by Famous Brands were long term and impacted more than just the brand identity. The brand image was altered, suppliers were changed, and one of the biggest areas affected was Wimpy's organisational culture. The environment and culture shifted dramatically from a family restaurant to a chain restaurant.

The impact of the changes made is still visible today while Famous Brands remains Wimpy's parent company (Wimpy, 2019). The people most affected by the acquisition were the Wimpy franchisees at the time. Changes such a Wimpy franchisee now paying fees directly to Famous Brands, as well as the many unanticipated changes to Wimpy's head-office were experienced by all Wimpy employees.

The acquisition of Famous Brands impacted Wimpy as a whole, and left franchisees concerned about what other changes may be implemented.

1.9 LIMITATIONS

The researcher has identified various limitations to this study. The first limitation is financial resources. This study was self-funded. The second limitation is that the study was conducted over a period of eight months which limited the amount of information gathered and analysed. The third limitation was accessibility to participants. This study required participants within specific population parameters. The population is small and additionally, two potential participants did not participate in the research. One participant did not complete the questionnaire, resulting in an even smaller sample size of valid questionnaire responses. This research dissertation was completed without additional assistance.

1.10 CHAPTER OUTLINE

Chapter one: Introduction and overview of research.

Chapter one provides an introduction to the research study in the form of explaining the field of research, the problem statement, and the key research questions and objectives which will be researched in this study.

Chapter two: Literature Review

Chapter two analyses and discusses various secondary research findings in accordance to the research objectives. This chapter discusses various models relevant to this research study.

Chapter three: Research Methodology

This chapter establishes the research approach and design used within the study, as well as the data collection and analyzing methods to be used. The population and sample are identified. Limitations of the research are expressed.

Chapter four: Presentation and Discussion of Findings.

Chapter four details and illustrates the research findings from the primary research conducted. Various significant findings and insights are highlighted, and each research question is answered.

Chapter five: Research Conclusions and Recommendations

The final chapter presents concise research findings from both the primary and secondary research conducted. It also provides recommendations and suggestions for further studies.

1.11 SUMMARY

This research study will analyse the KZN Wimpy franchisee views on the Famous Brands acquisition, and its impact on Wimpy's brand equity. This study is relevant to franchising and franchise acquisitions and will help inform future acquisitions. There are various limitations to the study, yet primary and secondary research will be used in order to gain qualitative insights into the research objectives.

CHAPTER TWO



LITERATURE REVIEW

CHAPTER TWO: LITERATURE REVIEW

2.1 INTRODUCTION

The acquisition of Wimpy lead to numerous changes for Wimpy as a brand. These changes affected aspects of the Wimpy brands identity, organisational culture, image, operations and suppliers. Although the entire brand, as well as all Wimpy staff members experienced these changes, the Wimpy franchisees were amongst those most effected by the acquisition.

2.2 TEORETICAL FOUNDATION

Wimpy's brand equity and brand identity were altered during and after the acquisition took place. The changes made to the brand by Famous Brands were not effectively communicated with the franchisees. Wimpy franchisees were informed of the acquisition over email correspondence. The communication was not always clear and left room for many miscommunications and misunderstandings for all parties involved in the communication processes.

Aaker's Brand Equity model created in 1991 is being studied in order to fully understand the levels at which Wimpy's brand equity was affected by the Famous Brands acquisition, as well as looking at the brands equity from the franchisee's perspective.

Keller's Brand Equity Prism created in 2003 will be reviewed in terms of how Wimpy were able to build up their brands equity post-acquisition. The prism will break down the four levels which franchisees had to monitor in order to build stakeholder relationships and enhance the brands equity.

Shannon and Weaver's communication model will be studied to allow for a better understanding how franchisees were communicated with about the acquisition as well

as the shortfalls or recommendations for future communications about topics of a similar nature.

2.3 KEY THEORIES AND LITERATURE IDENTIFIED

Key literature being used includes the Famous Brands Integrated Annual Report (Famous Brands Integrated Annual Report, 2018) which allows to researcher to gain insights into how business operations, branding and marketing ran and were effected during each year relevant to the Wimpy - Famous Brands acquisition. Other key literature being used includes peer reviewed studies on the franchise business development model which will help the researcher understand how franchises develop and what possible changes could cause disruptions within the franchise (Kavaliauské, and Vaiginiené, 2011).

In order to gain further knowledge into franchisee views and why they feel a specific way, Franchise World is being referred to as it establishes the responsibilities franchisees have and how franchisees should handle particular situations (Franchisees, Franchisors Share Responsibility in Building Strong Relations, 2001). Other key literature being used for this research is being sourced from online electronic databases and online academic libraries including EBSCOhost and Google Scholar.

Key Theories which are being used for the purpose of this research are Aaker's Brand Equity Model, Keller's Brand Equity Model, and Shannon & Weavers Communication Model. All of these theories help enable the researcher to determine how and where Wimpy's brand equity was influenced by the changes made to the brand by Famous Brands, and how the franchisees were communicated with about the Wimpy - Famous Brands acquisition.

2.4 BACKGROUND

Wimpy is a leading restaurant in quick table and casual dining in South Africa. In 2003, Wimpy was acquired by Steers Holdings; now known as Famous Brands (Wimpy South Africa, 2019). Steers Holdings took over Pleasure Foods who then owned the Wimpy brand (Bloomberg, 2019), only to become the largest fast food restaurant franchise on the African continent, trading over 1000 restaurants (Fin24, 2003).

The acquisition was not effectively communicated to franchisees whom had various concerns. The acquisition had a large and lasting impact on Wimpy's brand equity.

2.5 LITERATURE REVIEW IN RELATION TO OBJECTIVES

Each research objective is being studied in terms of the relevant key theories, models and literature which pertains each individual objective. The current research is all secondary research and will be further studied once primary research has been conducted. This allows for the researcher to gain further insights and develop a better understanding of the franchisee's views on the acquisition of Pleasure Foods by Famous Brands.

The research problem is being studied using secondary research sourced from online academic journals and articles, peer reviewed studies, and key theories in order to gain insights into the above-mentioned acquisition, the Wimpy brands equity, and franchisee views of the changes made to the brand. As mentioned above, each research objective is being studied independently using relevant secondary literature, which will then lead to qualitative research being conducted with respondents.

The problem being researched is; the impact of the changes on the Wimpy brand due to the Famous Brands acquisition; from the view of eight KZN Wimpy franchisees.

2.5.1 RESEARCH OBJECTIVE 1 – TO DESCRIBE THE IMPACT OF THE FAMOUS BRANDS ACQUISITION OF WIMPY ON BRAND EQUITY.

2.5.1.1 AAKERS BRAND EQUITY MODEL

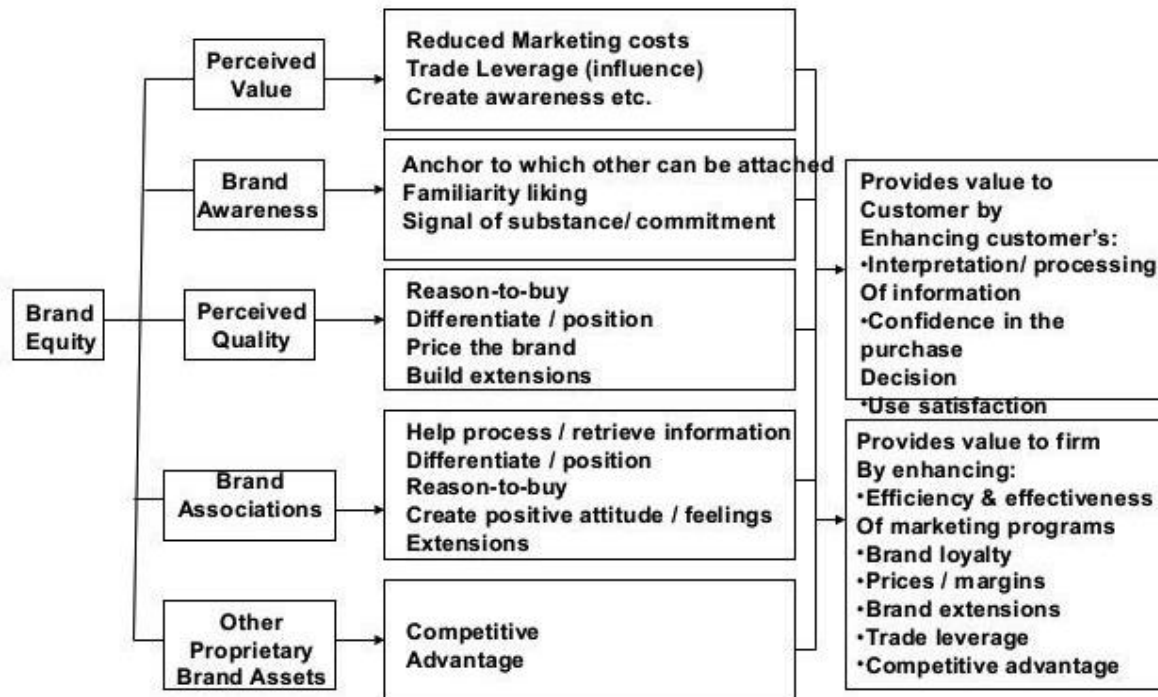


Figure 2.5.1.1 Aaker's Brand Equity Model (Aaker's brand equity model, s.a.).

The use of Aaker's Brand Equity Model was decided upon is due to Aaker being a seminal author. Aaker's research, findings, and knowledge has proven to be reliable and credible over the years. Aaker is a well-respected author and has written over one-hundred articles as well as eighteen books on marketing, business strategy and branding (Prophet, 2010). Aaker has sold over one million copies of his books and has developed various well-respected concepts and methods on brand building which have been implemented on a global scale (Prophet, 2010).

The Famous Brands acquisition lead to numerous changes for Wimpy. These changes included branding, management, operations, suppliers, and even lead to a change in Wimpy's brand equity. Brand equity describes the value and success which comes with having a recognisable, reputable, and established brand.

Aaker states that the brand equity provides value to customers by enhancing their ability to make more sensible purchasing decisions, whilst also enhancing the user experience (Lodhi, & Tanveer, 2016). Brand Equity is therefore of huge importance to the long-term success of a brand.

Wimpy's brand equity was altered due to the Famous Brands acquisition and changes made. These changes impacted not only the internal stakeholders but also the external stakeholders. The brand was impacted on many levels; including the image, perceptions and loyalty held by customers.

Aaker's Brand Equity model has five components: brand loyalty, brand awareness, brand associations, perceived quality and other proprietary. There are huge benefits to each of these dimensions (Lodhi, & Tanveer, 2016). Before the acquisition took place; Wimpy had achieved a comfortable level of each component with their stakeholders. The acquisition lead to Wimpy having to re-build on each component as well as prove to stakeholders that although major changes have taken place, Wimpy is still the same brand it always has been, just larger.

The acquisition made major changes to each component of the brands equity in terms of Aaker's model. The component that was most effected by the acquisition was brand associations. Wimpy now no longer had a small, family driven culture. Wimpy had become a larger brand purely by being owned by Famous Brands. Wimpy experienced both positive and negative changes in customer loyalty and brand awareness. The brand was now a part of a much larger group of chain restaurants.

Other proprietary is another component which experienced major changes by all stakeholders. Famous brands had different patents and intellectual property rights which would now replace those which Wimpy previously had (Famous Brands Integrated Annual Report, 2018). Famous Brands also had relationships with different trading partners and suppliers which would now take effect for the Wimpy brand. Each of these changes had a domino effect of changes being made. The menus would be

altered, the organisational culture changed, the operating systems as well as legal systems would all be replaced. These changes had the ability to either leave stakeholders feeling unsure about Wimpy as a brand and have customers feeling lost in making decisions. Contrastingly, these changes could enhance the reputation of Wimpy, make the brand more credible, and allow for substantial growth as a brand due to the association with Famous Brands.

Aaker's brand equity model would be a valuable tool in both marketing and evaluating Wimpy's brand equity. The positive effects of having a strong brand equity include reduced marketing costs, enhanced customer satisfaction, confidence in consumer purchasing decisions, increased brand loyalty and awareness, opportunities for brand extensions, trade leverage and a competitive advantage (Prophet, 2013).

2.5.1.2 KELLER'S BRAND EQUITY PRISM

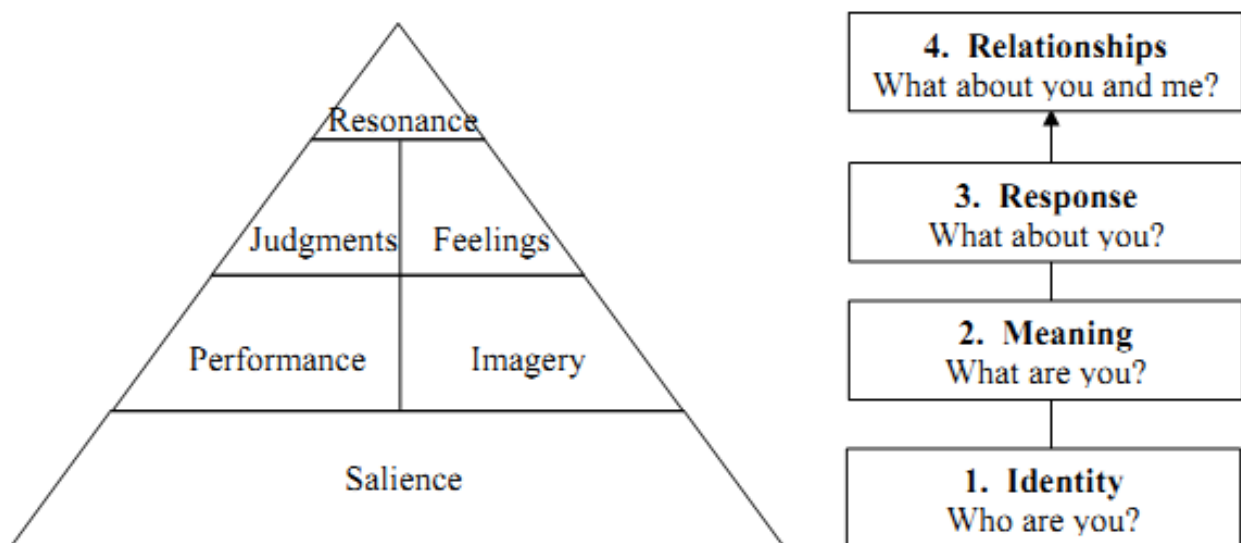


Figure 2.5.1.2 Keller's Brand Equity Prism (Free Management Books. s.a.).

Keller is recognised as an international leader when it comes to the study of branding, brands, and strategic brand management through his focus on improving marketing strategies and studies on consumer behaviour (Tuck at Dartmouth, 2019). Keller teaches, consults, and advisors' marketers for some of the most successful global

brands (Tuck at Dartmouth, 2019). Due to this, the researcher has decided to use Keller's Brand Equity Prism for the purpose of this research proposal. Keller is undoubtedly a seminal author.

Keller's Brand Equity Prism has four levels; identity, meaning, response, and relationships. Businesses need to build their brand from the bottom of the prism starting with identity. After the acquisition of Wimpy took place, Wimpy needed to revise their brand equity and ensure that stakeholders were receiving the correct and desired information about the brand.

Wimpy had to communicate their new identity to stakeholders whilst still ensuring that they didn't alter their identity too much. The brand's identity was changed yet the brand still needed to remind the stakeholders of their salience; who they are. Wimpy still wanted to be known as a family orientated restaurant which was part of the fast food industry but had a little more class than their competitors.

Wimpy's meaning would lead to rebuilding their brand loyalty. This included aspects of the products and services the restaurants offered but also focused on the brand's values, missions, social causes, and focus areas. These elements lead to increased loyalty and return customers.

Response is based on customer satisfaction and aligning the expected response, brand's reputation, and delivering on the promises your brand has made. Wimpy needed to show that they are a changed organisation yet still deliver on their promises of good, convenient, affordable, and family centred products and services.

Wimpy had to build up their community in order to achieve brand loyalty, and eventually form relationships with stakeholders. This is done through resonance. Wimpy strive to resonate with families, on-the-go everyday people, and provide memorable moments centred around good food and great company. Although the

brands identity changed after the Famous brands acquisition; Wimpy still managed to eventually reach the top of Keller's Equity Prism.

The franchisees of Wimpy were the leaders in ensuring that stakeholders built relationships with the brand. Head-office put the plans in place but franchisees had to put these plans into action. All stakeholders had to deal with franchisees in one way or another and therefore they were the individuals whom were largely affected by the acquisition for the longest period.

2.5.2 RESEARCH OBJECTIVE 2 – TO DESCRIBE HOW WIMPY FRANCHISEES WERE COMMUNICATED WITH ABOUT THE FAMOUS BRANDS ACQUISITION.

2.5.2.1 SHANNON & WEAVER'S COMMUNICATION MODEL

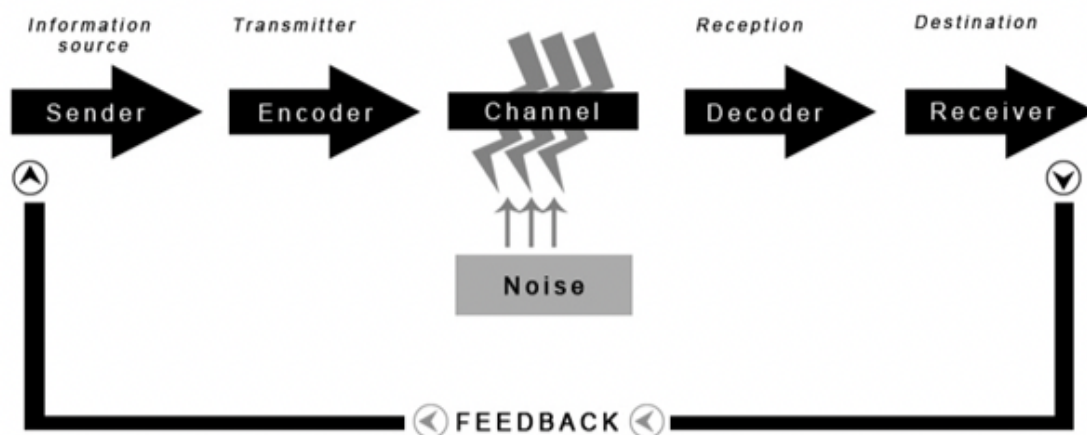


Figure 2.5.2.1 Shannon & Weaver's Communication Model (Richard, 2013).

The researcher decided to use this communication model as it is simple and adaptable. It is the framework used for all new communication models and is a seminal source due to its long-standing trustworthiness over decades. New communication models were consulted but for the purpose of this research proposal, a model with more detailing and processes is not necessary.

Shannon & Weavers Communication Model (1949) is one which has become extremely well-known and forms the basis of many new communication models today. This model looks at communication as a way of transmitting information and was originally created to reach maximum efficiency within a call centre. The model consists of five elements; the information source, the transmitter, the channel, the receiver and the destination. It also includes a sixth element which is a dysfunctional factor; Noise (Chandler, 1994). Noise is a huge factor in the case of Wimpy and Famous Brands. There were numerous problems which came about.

Pleasure Foods was acquired by Steers Holdings, now known as Famous Brands (Bloomberg, 2019). This process was communicated to Wimpy franchisees via email correspondence.

By using email correspondence, there was large gaps in the communication process for misunderstandings and misinterpretations. Although there were pros to using emails, there were many cons as well. Through primary research, the researcher aims to gain a thorough understanding of the communication which took place between the franchisor and franchisee.

The use of email correspondence leads to franchisees not being able to voice their opinions as a collective, as they were each communicated with independently. Being one of the main touch points with stakeholders, franchisees were not given clear enough information about the entire acquisition period and changes that were going to be made. This left stakeholders with many questions which franchisees were unable to answer.

Between Wimpy Head-office and Wimpy franchisees; the sender would be head-office as they were responsible for informing the receiver; the franchisees, about the acquisition. The channel used was emails.

Shannon & Weaver's model of communication covers three problems which were all evident in the communication to franchisees about the acquisition. The first problem is technical problems (Chandler, 1994). This regards how accurately the message can be transmitted. The emails to franchisees were not always transmitted correctly. There was great room for error here should an email address be incorrect or problematic. The semantic problems deal with how precisely the intended meaning is conveyed. The franchisees were communicated with over email, leaving no form of non-verbal communication, as well as leaving certain questions unanswered or not effectively answered.

The advantages to the Shannon & Weaver model of communication include simplicity, generality, and quantifiability (Chandler, 1994). All communication was recorded within the emails between franchisees, Famous Brands, and Wimpy head-office.

2.5.3 RESEARCH OBJECTIVE 3 – TO DESCRIBE THE IMPACT OF THE FAMOUS BRANDS ACQUISITION OF WIMPY ON FRANCHISEES.

2.5.3.1 IMPACT ON WIMPY FRANCHISEES

There were multiple impacts on the Wimpy franchisees. The impact on franchisees were influenced by the changes in the brands equity as well as the communication, or lack thereof, about the acquisition. Some of the impacts were more short-term, whilst others long-term (Head, 2018). Some of the negative effects of Famous Brands being the parent company are still evident today; sixteen years later. However, Famous Brands has helped Wimpy reach new heights and be exposed to new opportunities which wouldn't have been possible without the acquisition.

Due to the brands identity and equity being influenced and altered, the franchisees had to make changes and prove to stakeholders that Wimpy was still a brand worth loving. The loss of a family-orientated culture was one of the larger impacts.

Franchisees had to make in-store changes due to the changes in the brands identity. Soon after the acquisition was complete, new brand managers made constant changes to the brands identity; including multiple logo changes. The new branding meant retaining brand awareness and attracting new customers. Franchisees were left to deal with confused consumers and stakeholders. Franchisees needed to now build new relationships with suppliers, and were expected to just forget about their previous suppliers.

Franchisees had to keep up and ensure that management of each store was fully aware of the changes being put in place, as well as ensure that those managers were capable of carrying out necessary changes. The staff needed to be trained in new areas, were expected to learn the new menus and had to learn how to handle the new products.

Franchisees needed to trust upper management with the decisions being made even if they did not agree with these decisions and could not understand how they would benefit the Wimpy brand. Customer loyalty had the potential to become difficult to retain, and the new association with Famous Brands lead to confusion about competition operations.

The communication with head-office was monitored through emails. This left room for confusion and misinterpretations. Franchisees were not all communicated with consistently in the progression of the changes. This led to the brand being inconsistent. For example, The KZN Wimpy franchisees were not all aligned with each other, and were possibly completely un- aligned to the Gauteng franchisees.

In order to fully understand the impact of the acquisition on Wimpy franchisees, further primary research will need to be conducted. This research will be conducted using qualitative questionnaires and interviews with Wimpy franchisees whom were franchisees before, during and post the acquisition. These franchisees will all be within the KZN province.

2.6 CONCEPTUALISATION

Franchisee

A person who pays a fee, and conducts business operations in accordance with the specifications established and in-line with the franchisors trademark (Lusthaus, 2015).

Brand

A product, service, or concept that is clearly distinguished and can be communicated or marketed. This study looks at the brands: Wimpy and Famous Brands (Whatls, 2019).

Views

Positive and negative perceptions and opinions (Campbridge Dictionary, 2019).

Brand Equity

Brand equity provides value to customers by enhancing their ability to make more sensible purchasing decisions, whilst also enhancing their user experience, hence it is of great importance to brands (Lodhi, & Tanveer, 2016).

2.7 SUMMARY

This literature review has contextualised various key terms within this study, as well as analysed various models pertaining to the research objectives in order to gain a better understanding of the theory informing whether the various factors of the acquisition were effective or not.

As per the aforementioned literature and research objectives; Wimpy's brand equity was significantly impacted due to the acquisition, the communication between franchisor and franchisees was not effective, and franchisees were directly impacted by the acquisition.

CHAPTER THREE



RESEARCH METHODOLOGY

CHAPTER THREE: RESEARCH METHODOLOGY

3.1 INTRODUCTION

The research methodology used within this research study includes an interpretivist paradigm, and qualitative research methods. The epistemological, methodological and ontological views are discussed. The population, sample, and data collection and analysis methods are detailed in order to better understand the course of this research study. All of the research is ethical and has an anticipated contribution into the body of knowledge.

3.2 RESEARCH PARADIGM

3.2.1 INTERPRETIVISM

This research study follows an interpretivist paradigm, which is qualitative in nature. The interpretivist paradigm recognises that people are different to objects, and therefore cannot be studied in the same way. This paradigm studies people and takes into consideration that human beings are constantly changing and being influenced by their environment (Qualres, 2008). According to du Plooy-Cilliers, Davis, Bezuidenhout (2014: 28), within the interpretivist paradigm, the researcher should “study and describe meaningful social action”.

Qualitative research methods aim to gain an understanding of the sample whilst still valuing each individual's unique views. A qualitative questionnaire allows for respondents to be open and honest through having the opportunity of elaborating on their responses.

The aforementioned is important for the purpose of this study, as all Wimpy franchisees will have different responses to the open-ended questions and interviews regarding the Famous Brands acquisition. This study also looks at the epistemology and ontology of the interpretivist paradigm. The study will acknowledge the different

perceptions which the franchisees hold about the acquisition and its impact. Conducting qualitative research will allow for all individual's unique perceptions, emotions, and behaviours to be considered and valued (Qualres, 2008).

3.2.2 EPISTEMOLOGY

The researcher will acknowledge that the feelings held by the respondents are a form of knowledge (du Plooy-Cilliers et al., 2014). The views held by the franchisees are therefore valid and can be used within this study.

3.2.3 METHODOLOGY

The research understands that the research findings are subjective and will be gathered in the form of qualitative research tools and methods (du Plooy-Cilliers et al., 2014). This will allow respondents to explain their opinions of the acquisition whilst being able to elaborate on their responses.

3.2.4 ONTOLOGY

The researcher acknowledges that the reality is fluid, subjective, and is based off of human interactions (du Plooy-Cilliers et al., 2014). This is important in analysing the effectiveness of the communications used between the franchisor and franchisees.

3.3 RESEARCH DESIGN

3.3.1 QUALITATIVE RESEARCH

The research aims to understand the franchisees views, emotions, and sentiments surrounding the acquisition of Famous Brands on Wimpy. Qualitative studies allow for a further understanding beyond figures and facts and allows for franchisees to elaborate and explain their views on the acquisition and its impact (du Plooy-Cilliers et al., 2014).

3.3.2 QUANTITATIVE RESEARCH

Quantitative research will not be used for the purpose of this research study as it does not allow for subjective, emotional and fluid responses from the franchisees (du Plooy-Cilliers et al., 2014).

3.3.3 PRIMARY RESEARCH

The primary research being conducted is by means qualitative methods. The research methods include a pilot study, questionnaires and interviews. The sample population being interviewed is made up of franchisees involved in Wimpy before, during, and after the Famous Brands acquisition.

3.3.4 THE ADOPTED RESEARCH DESIGN AND APPROACH

The researcher has adopted a qualitative research design in order to identify the franchisees individual opinions as well as their perceptions about the Famous Brands changes to the Wimpy brand. The nature of a qualitative study allows for respondents to be honest, and offer as much in depth information as possible. The research conducted used a descriptive approach.

This approach allows the researcher to use both secondary research as data, whilst still conducting primary research to gain in-depth understandings of the franchisees views on the Famous Brands acquisition and the impact on Wimpy's brand equity. This approach allows for the researcher to gain new knowledge which may have been unanticipated or unrecognised prior to engaging with the respondents.

3.4 POPULATION

3.4.1 TARGET POPULATION

The target population will be any Wimpy franchisee who was a Wimpy franchisee before the Famous Brands acquisition, during the acquisition, and after the acquisition; within KZN.

3.4.2 ACCESSIBLE POPULATION

The accessible population for this research study will be KZN Wimpy franchisees, especially residing those near the city of Durban.

3.4.3 UNIT OF ANALYSIS

The unit of analysis for this research study will be any Wimpy franchisee.

3.5 SAMPLING

3.5.1 NON-PROBABILITY SAMPLING METHODS

Non-probability sampling methods are being used to engage with the franchisees specifically. Non-probability sampling allows the researcher to engage only with respondents whom are fit to provide the necessary information required for the success of this research. The researcher is making use of purposive sampling and quota sampling. The sample size consists of eight participant.

Purposive sampling involves the researcher choosing which elements or characteristics should be present in the sample, and then only using the population fitting those characteristics (du Plooy-Cilliers, Davis, Bezuidenhout, 2014). This sampling method is relevant because the research depends on Wimpy franchisees views. The sample was located prior to being contacted either telephonically or through the use of email correspondence, before the interviews are conducted face-to-face.

Quota sampling is done similarly to purposive sampling but includes the population parameters (du Plooy-Cilliers et al., 2014). This sampling method will ensure the sample consists of franchisees that were franchisees not only before the acquisition took place but also during and after the acquisition. The researcher is only interviewing franchisees whom fall within these population and sample parameters. This ensures that the data collected is relevant, trustworthy, and thorough.

3.5.2 SAMPLE SIZE

Seven franchisees were contacted, but only five participated in the research. Only four of the responses were reliable and valid. This is however an adequate number to gauge a thorough understanding of their views without having too many repeated answers. Four in-depth questionnaires were completed, along with a separate one being answered by an employee from Famous Brands. In-depth, semi-structured interviews were conducted with one franchisee throughout the research process.

The total of five questionnaires, and two interview respondents allowed for significant insights and a holistic view of the KZN franchisee views of the Famous Brands acquisition. The franchisee population are all from within the KZN province, with the Famous Brands respondent working in Johannesburg.

3.6 DATA COLLECTION METHODS

3.6.1 SECONDARY RESEARCH

Secondary research is being sourced through the use of online academic sources and case studies. These sources will provide the researcher with previously conducted, trustworthy research which will inform this current research. This has been discussed within the literature review within the literature corresponding to each research objective.

The literature was gathered through the use of academic journals, articles, textbooks, peer-reviewed studies and case studies. Seminal authors have been used in order to identify key theories and models which are pertinent to this research study.

3.6.2 PILOT STUDY

A questionnaire will be created in order to be used as a pilot study. This will allow for a discussion around the questionnaire with a respondent in order to find ways in which the questionnaire can improve. This will in turn allow for trends and patterns within the responses to emerge in the final questionnaire.

3.6.3 QUESTIONNAIRE

The questionnaire will be holistic and encourage elaboration. This will allow for fully qualitative responses in order to properly gain an in-depth understanding of the views and experiences held by the franchisee respondents.

A second questionnaire was compiled in order to gain an understanding of the views held by a Famous Brands respondent. This will allow the researcher to understand both aspects of the study, as well as gain insights into the changes which may have led to the views held by the franchisees.

3.6.4 INTERVIEW

A qualitative data collection method in the form of an interview will be used to better understand the emotions, views, and beliefs held by respondents. This will be an opportunity for the respondent to elaborate on areas which were not allowed for within the questionnaire. It will be semi-structured as to ensure the relevant information is gathered, as well as allow for a conversation around topics which may not have been raised before.

The interview is qualitative in nature as it is important for the researcher to gain a deeper understanding of how franchisees felt and what they experienced throughout

the acquisition period. An interview is a research method which allows for elaboration, explanation, and unanticipated feedback.

3.7 DATA ANALYSIS

3.7.1 DATA ANALYSIS METHODS

The researcher is analysing the data using content and thematic analysis methods. Both of these methods enable the researcher to break down the responses to the interview and to identify trends and themes within the responses.

The researcher will make use of axial coding after open coding has been completed. This will allow the researcher to gain a deeper analysis into each response given by the respondents by connecting similar themes and categorising the feedback (du Plooy-Cilliers et al., 2014). The researcher can then easily identify various connections between each category and theme. The researcher anticipated links between each category. Additionally, the researcher will make use of substantive coding by analysing specific phrases or explanations used by the respondents that are closely aligned to one-another (du Plooy-Cilliers et al., 2014). This will be done by replaying the audio-clips of the previously conducted interviews.

Selective coding will be used by the researcher selecting core concepts within the respondent feedback which relate closely to the research proposal. This will highlight other responses and help link different categories of feedback (du Plooy-Cilliers et al., 2014).

3.7.2 DATA STORAGE

All of the responses from the primary research collected will be stored under lock and key, and will not be viewed by anyone apart from the researcher, and if needed then by the supervisor. None of the names of respondents will be released or mentioned neither within this study nor to the public.

3.8 TRUSTWORTHINESS

Due to qualitative research being used to gain further information into a specific phenomenon within a specific context, it is important that the findings are not generalised towards a large, broad population (du Plooy-Cilliers et al., 2014). The nature of qualitative research leads to the fact that no respondent will have the exact same response to the same situation, therefore the participants responses will not all perfectly align, nor will they be objectively measurable (du Plooy-Cilliers et al., 2014).

Thus, validity and reliability are not relevant to a qualitative research design. Hence, trustworthiness is. Trustworthiness can be divided into four categories; credibility, transferability, dependability, and confirmability (du Plooy-Cilliers et al., 2014).

3.8.1 TRANSFERABILITY AND CONFIRMABILITY

For the purpose of this research study, trustworthiness in the form of transferability and confirmability are being used. Transferability refers to the notion that the research gained within this research proposal will be trustworthy enough to be adapted and transferred onto a similar situation with similar results. Franchisees from other franchises are likely to have similar responses to the Wimpy franchisees should another franchise experience a similar acquisition.

Confirmability is referred to as the ability for the data collected to be in support of the research findings, as well as the researchers interpretation of the data and findings. Should another person review the findings gathered by the researcher about the franchisees views of the acquisition, as well as the impact on Wimpys brand equity, they should come to the same conclusion (du Plooy-Cilliers et al., 2014).

3.9 TRIANGULATION

Identifying key findings in compiling the literature review, along with the use of primary research methods; allows for the overarching findings to be succinctly discussed. Additionally, this allows for key themes and insights to be noted and commented on within chapter five.

3.10 ANTICIPATED CONTRIBUTION

This research is being conducted in order to better understand the impact of acquisitions, how franchisees were and should rather be communicated with about acquisitions, and what impact the acquisition had on the Wimpy brand and brands equity. This study is beneficial and informative for other organisations currently experiencing, or anticipating an acquisition by a larger parent company. This research will help educate and ensure none of the same mistakes are made in future acquisitions, as well as provide insights into the best way to go about implementing and communicating an acquisition.

3.11 ETHICAL CONSIDERATIONS

All participants give written consent to participating in the research. All participants remain confidential. Ethical clearance has been obtained in order to conduct research on Wimpy property. No high-risk research is being conducted, and no children are involved in this research process. The researcher has received consent to use all company and brand names involved in this research (IIE Post Graduate Handbook, 2019). There are no incentives being provided to the participants by the researcher in order to gain their participation in the research (du Plooy-Cilliers et al., 2014). There will be no harm done to the participants, nor will the researcher distort results by allowing a bias mindset (du Plooy-Cilliers et al., 2014).

3.12 LIMITATIONS

Limitations such as time, financial resources, access to information, and the participants willingness to be honest and open in their responses. Access to franchisees whom were Wimpy franchisees before, during, and post the acquisition can be difficult to contact and connect with to conduct research. KZN is a large province and the time and financial resources needed are limitation on arriving for face-to-face interviews.

3.13 SUMMARY

The Wimpy brands equity was impacted. This was looked at in detail following Aaker's brand Equity Model, and Keller's Brand Equity Prism. Wimpy's brand equity was largely Impacted and the franchisees were amongst those whom had to lead in helping rebuild and retain it.

The efficiency and effectivity of the communication with franchisees was analysed using Shannon & Weavers Communication Model. Wimpy franchisees were not effectively communicated with prior, during, and post the acquisition. More information on this has be gained through further primary research.

The impacts on Wimpy franchisees due to the acquisition are still evident today and range across multiple areas. These impacts will be further researched through questionnaire's and interviews in order to gain new insights.

CHAPTER FOUR

PRESENTATION AND DISCUSSION OF FINDINGS

CHAPTER FOUR: PRESENTATION AND DISCUSSION OF FINDINGS

4.1 INTRODUCTION

Through the use of questionnaires and interviews, respondents were able to express their opinions, experiences and views on the Famous Brands acquisition. These views varied slightly, yet are all underpinned by the lack of communication from Wimpy head-office to the franchisees. These responses will be analysed according to the methods outlined in Chapter Three.

The respondents will be profiled, the questionnaire analysed, and the responses gathered through primary research will be studied in order to achieve each research objective and answer each research question. It is important to note that this is a small-scale, qualitative study and therefore the results cannot be generalised.

4.2 PRESENTATION AND DISCUSSION OF FINDINGS

Tables and figures have been used in order to visually depict the responses and findings gathered within the primary research process. Tables and figures are predominantly used within quantitative analysis, however are also used in order to identify various themes and patterns within the qualitative primary research responses. Word clouds have been formulated in order to provide the researcher with an overview of common trends within the responses.

4.3 METHODOLOGY APPLIED

4.3.1 PILOT STUDY

The first questionnaire created was distributed to one franchisee as a pilot study, yet was used as a discussion point rather than a form of feedback. The questionnaire did not allow for enough elaboration on important elements, nor did it look at areas of concern held by the franchisee.

The pilot study was therefore reworked before being distributed to the remainder of the respondents. The final questionnaire used allowed for holistic responses and themes to be identified.

4.3.2 QUESTIONNAIRE

The use of a questionnaire consisting of 15 qualitative questions allowed for the researcher to gain a holistic understanding of the respondents views on the Famous Brands acquisition. The questionnaire included tick-the-box questions which then allowed for elaborations, as well as lengthy qualitative questions. The final question allowed for any further, additional remarks to be made about the acquisition.

The questionnaires were in PDF formats and were distributed via email, sent directly to the respondents. Out of the 7 respondents contacted, two did not participate, and one provided responses with skipped questions, causing those responses to be invalid. The four responses received were of great detail and had common themes within the responses. One of the franchisee's was also working with Wimpy head-office at the time of the acquisition and this led to further interesting views on the acquisition.

A second questionnaire was also created for a single respondent from Famous Brands. This allowed for a more thorough understanding and insight into the process which lead to the franchisee views. This also allowed a better understanding of the changes made to the Wimpy brand identity, and the impact of the acquisition on the Wimpy image and brand equity. This questionnaire was sent via email after a brief telephone discussion with the respondent.

4.3.3 INTERVIEW

The single respondent of the interview was consulted on various occasions throughout conducting both primary and secondary research relevant to this study. The respondent was able to raise topics of interest which can not be found within published literature, and this helped inform the pilot study and questionnaire. The interviews were

semi-structured which allowed for relevant qualitative responses, as well as elaboration. This also allowed for unanticipated responses to be further discussed.

4.4 PROFILES OF RESPONDENTS

The franchisees whom participated in the questionnaire, have a combined total of 9 Wimpy stores across KZN. All franchisee respondents were male, yet one of the respondents included responses from his spouse who is also a franchisee. All respondents were franchisees before, during and after the acquisition took place in 2003, and are currently still franchisees. This enabled the researcher to gain extremely in-depth knowledge, findings and insights, even with a small sample population. All of the respondents were contacted via email.

These respondents have been profiled as the primary target audience for this research study. A single, overarching visual representation of the respondents can be seen below.

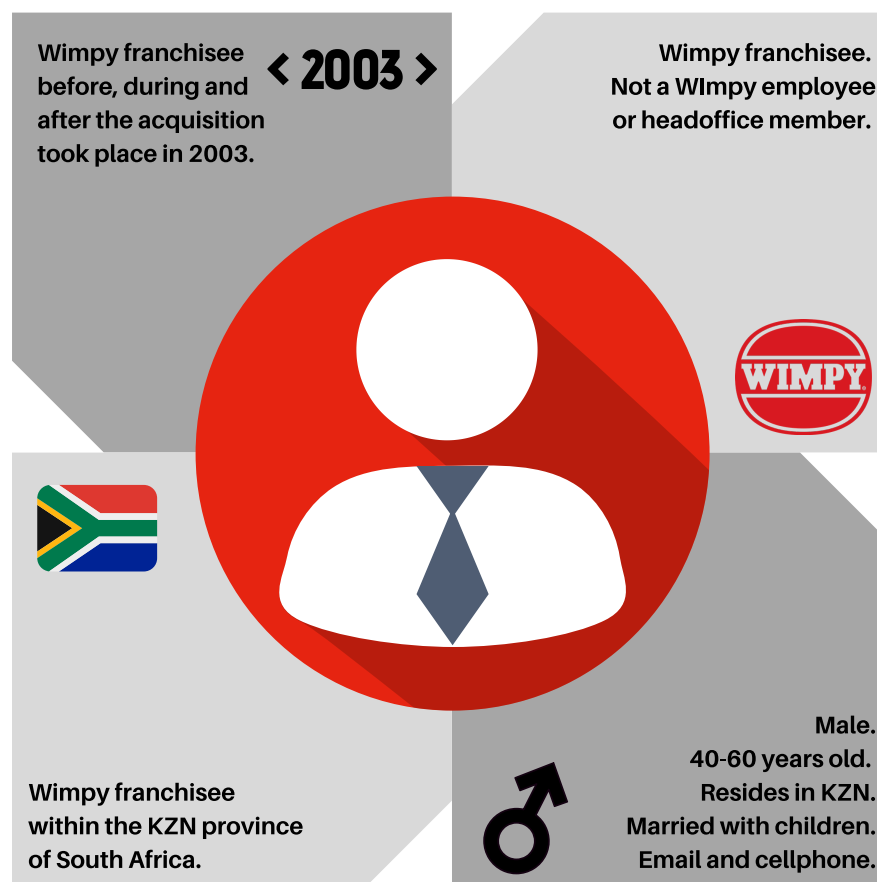


Image 4.4 Respondent Profile (own image).

4.5 RESPONSES ANSWERING THE RESEARCH OBJECTIVES

4.5.1 OBJECTIVE 1 - TO DESCRIBE THE IMPACT OF THE FAMOUS BRANDS ACQUISITION OF WIMPY ON BRAND EQUITY.

4.5.1.1 DISCUSSION OF FINDINGS

Various questions within the questionnaire allowed for findings regarding the research objective one, in terms of brand equity. The questions which prompted responses in line with Wimpy's brand equity have been analysed below in the form of visual and written analysis.

Question 8: What changes, that you are aware of, were made to the Wimpy brand identity during/shortly after the acquisition?

Below is a word-cloud illustrating the key phrases from the responses to this question.



Image 4.5.1.1 Question 8 response word-cloud (own image).

Brand Identity is an important factor of brand equity and therefore the responses to this question indicate the brands perceived equity held by the franchisees due to the acquisition. The respondents mentioned various changes which took place, including the multiple brand identity changes which took place in the years following the acquisition, yet there were two common themes within the responses.

The first theme is that upon the acquisition taking place, Wimpy had to share the brands Best Practice operations model with competing brands under the Famous Brands portfolio. One of these brands was Steers, which led to Wimpy having increased competition within the same market.

The second theme was that due to Famous Brands changing the manufacturing units used, the quality of Wimpy's food was lowered and the food costs increased. This also meant that the franchisees had to change their purchasing processes. The increase in food costs was a concern which the franchisees had from the very start of the acquisition.

Question 9: Do you believe the acquisition had a positive or negative impact on the Wimpy brand image?

Below is a word-cloud illustrating the key phrases from the responses to the above question.

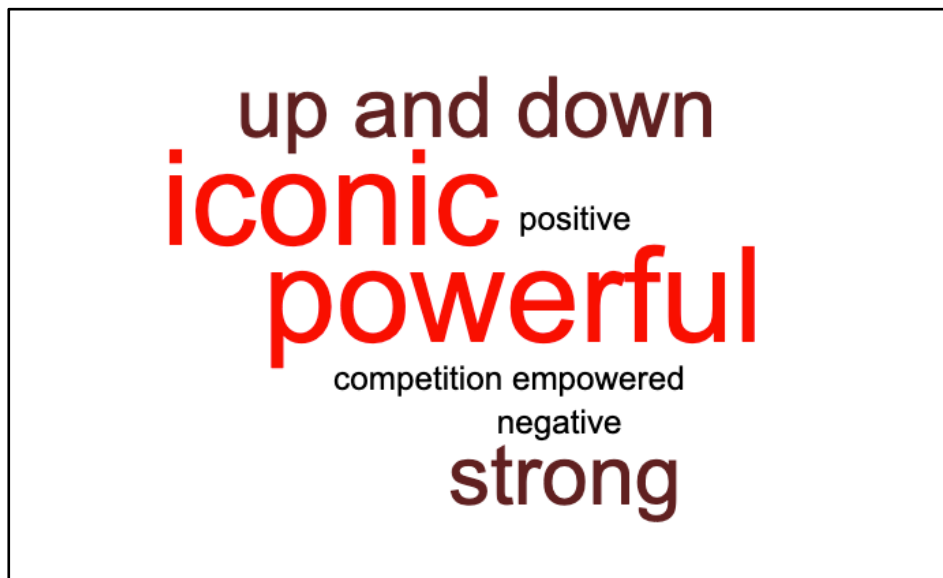


Image 4.5.1.1 Question 9 response word-cloud (own image).

Respondents noted that although the brand has had various downfalls over time, Wimpy has always managed to rise-up again. The brand is viewed by franchisees as one which is consistent, even through business cycles.

The franchisees describe Wimpy as a “strong,” “powerful” and “iconic” brand within South Africa. It was noted that although the best practice operations model was shared with competitors, Wimpy managed to stay a strong brand over the acquisition period and to date.

Franchisees feel as though the acquisition impacted Wimpys image, yet the brand is still a perceived as a significant one within the market. This is important, as image is a critical factor of brand equity.

Question 10 - Did you feel as though there was a shift within your store/s culture due to the acquisition?

And;

Question 11 - Do you believe that Wimpy became perceived as more, or less of a “family orientated” brand due to the acquisition?

Wimpy’s organisational as well as in-store culture is an important factor in contributing to the brands image, which influences the brands equity. The responses to these questions varied in terms of understanding; and therefore allowed for a holistic view of both Wimpy as a brand, as well as each franchisees in-store culture.

Below are some of the common phrases used to describe the culture shift within Wimpy and Wimpy stores.



Image 4.5.1.1 Question 10 and 11 response word-cloud (own image).

Franchisees noted that there was a large shift within Wimpy as a brand, yet franchisees were able to maintain aspects of their own individual in-store cultures. Franchisees were able to express their personalities within each store, which is still being encouraged today.

Due to the acquisition, Wimpy franchisees felt as though they were made to feel as if they were a part of “something bigger,” this being Famous Brands. Respondents noted that they now had more opportunities to grow within Wimpy and the other Famous Brands brands, and were hence encouraged to see the new wider vision.

Every respondent noted that Wimpy lost the family-orientated culture it had before the acquisition. This was due to the teams being smaller, there being less stores and franchisees being more involved in the brand itself. Franchisees noted that they felt as if they became a number within a business, unlike previously feeling as if they had a personal connection with all of the other franchisees.

This is a key insight into the effect of the Famous Brands acquisition on Wimpy franchisees.

**Question 13 - Do you think the acquisition effected Wimpy's brand equity?
Please elaborate in what ways.**

This question directly links to the first research objective of this study, yet many of the previous questions allowed for in-depth understandings of why and how the brands equity was influenced. Below is a word-cloud of the phrases used to describe how Wimpy's brand equity was influenced.

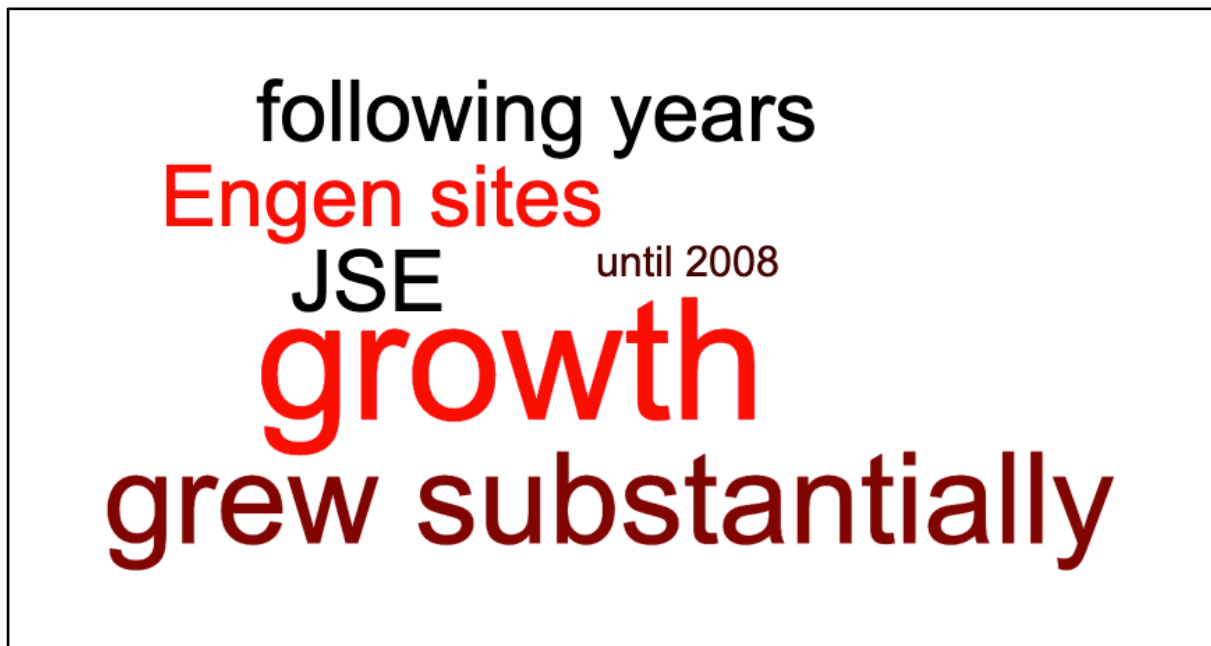


Image 4.5.1.1 Question 13 response word-cloud (own image).

Franchisee responses noted that Wimpy experienced significant growth post-acquisition, and continued to grow over the following years. However due to the economy struggling in 2008, the growth slowed down. It was also mentioned that the brand become a top performer on the JSE during this period.

4.5.2 OBJECTIVE 2 – TO DESCRIBE HOW WIMPY FRANCHISEES WERE COMMUNICATED WITH ABOUT THE FAMOUS BRANDS ACQUISITION.

4.5.2.1 DISCUSSION OF FINDINGS

The responses to the questions pertaining to the research objective have been analysed below. These responses led to key insights into the communication, or lack thereof, between the franchisor and franchisee.

Question 3 – How were you made aware of the acquisition which was going to take place in 2003?

The responses to this question were extremely varying in that the franchisees mentioned different channels of communication, with only one common channel being present across responses.

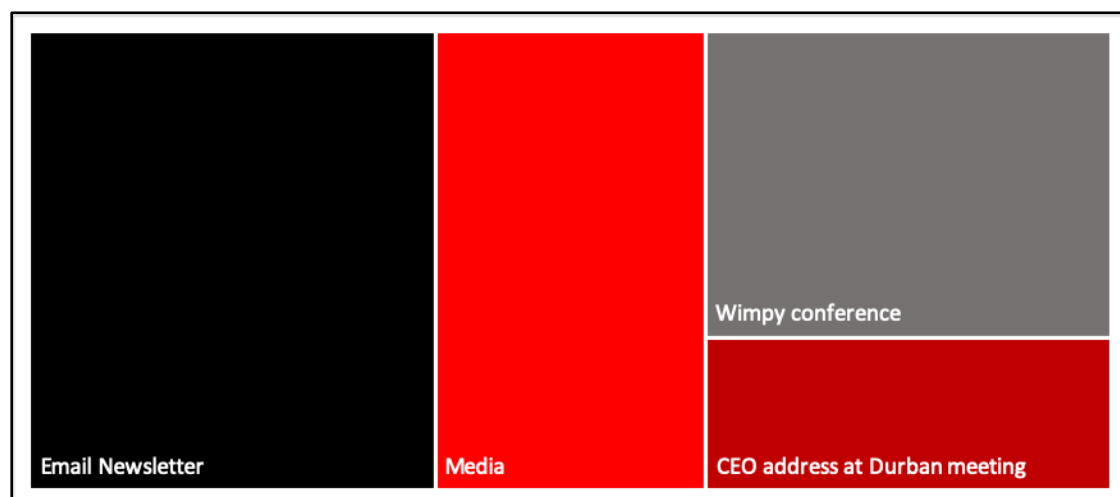


Figure 4.5.2.1 Question 3 responses (own image).

Each of the respondents stated that they had been made aware of the acquisition via the emailed newsletter. It was also noted that there was large media coverage surrounding the acquisition.

One respondent stated that they were never informed of the pending acquisition, but rather only made aware of the acquisition when it was announced in the newsletter and in the media.

Contrasting to this, another respondent stated that they had been addressed by the CEO, in Durban, at a meeting for all of the franchisees.

A semi-common means of communicating the acquisition was through the national convention. A respondent whom was a part of the National Franchise Council at the time of the acquisition, was exposed to additional information about the acquisition.

Question 4 – As a Wimpy franchisee, did you feel as though your opinion of the acquisition was valued?

66% of the franchisees stated that they did not feel as though their opinion on the acquisition was valued. This has been depicted in the following pie-chart.

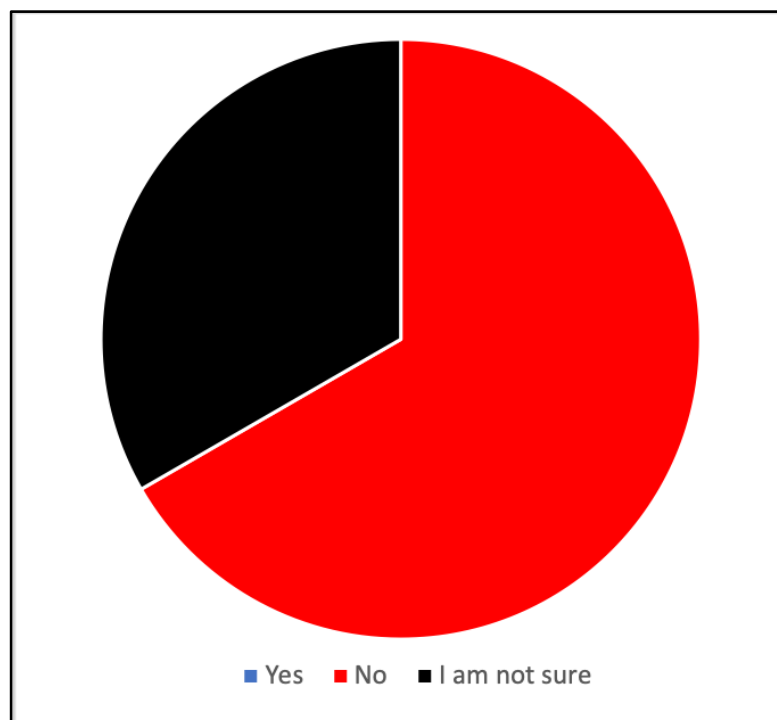


Figure 4.5.2.1 Question 4 responses (own image).

Question 5 – Did you have any concerns about the acquisition? What were your concerns? And, did you have an opportunity to address them?

100% of the respondents had concerns about the acquisition, yet were not consulted or given the opportunity to share their input into the decision of the acquisition.

The concerns have been compiled into a word-cloud in order to better understand the enquiries the franchisees may have had.



Image 4.5.2.1 Question 5 response word-cloud (own image).

The most noted response to this question was that the franchisees were concerned about their purchasing opportunities being removed, and in turn needing to follow a centralised purchasing structure such as that of Steers.

Another significant concern held by franchisees was that the Wimpy operations model was being shared with the competitors, improving their performance within the same market as Wimpy.

Franchisees also anticipated the increases in food costs and were concerned about this.

The franchisees were not consulted or communicated with in terms of the acquisition. Therefore, the franchisees were unable to raise their concerns or receive answers or explanations to their questions and concerns.

Question 6 – Were you kept up-to-date on the acquisitions' progression?

66% of the franchisees noted that they had been kept up-to-date on the progression of the acquisition, whereas the remainder of the respondents noted that they had not been communicated with about the progression of the acquisition.

This is a significant finding as the franchisees were not equally communicated before or during the acquisition.

This can be seen in the pie-chart below.

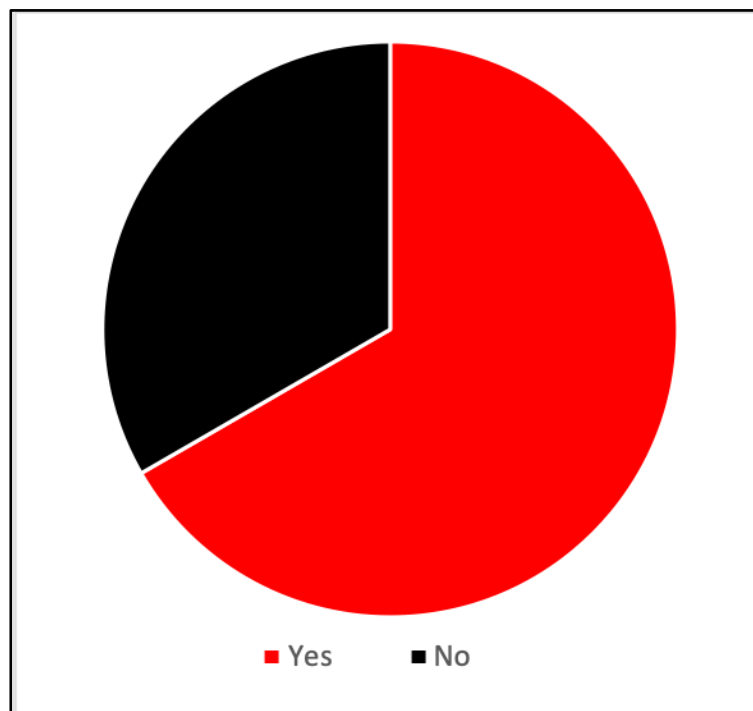


Figure 4.5.2.1 Question 6 responses (own image).

4.5.3 OBJECTIVE 3 – TO DESCRIBE THE IMPACT OF THE FAMOUS BRANDS ACQUISITION OF WIMPY ON FRANCHISEES.

4.5.3.1 DISCUSSION OF FINDINGS

These findings relate directly to the impact the acquisition had on the franchisees. Various recommendations were also made by the franchisees for future acquisitions within this food and beverage industry. Unlike the findings from the second research objective; the responses pertaining to the third research objective aligned.

Question 14 - In your opinion, how could acquisitions in the future be made more effective and efficient within the food and beverage industry?

50% of the franchisee respondents stated that the brand should have attained buy-in and support from the franchisees in order to make the acquisition smoother and more supported by the franchisees.

Although one respondent expressed their understanding that acquisitions are an important business deal and therefore, they cannot be made entirely public to consumers, nor franchisees, at the risk of eroding the opportunity to buy or sell. Communication was an extremely important element of the acquisition which, in this - study, was not consistent.

30% of the respondents specifically stated that the acquisition was a great deal and then reiterated this through stating that the JSE shares went from R2.30 to over R100.00 as Famous Brands was a top performer on the JSE for many years.

Question 15 allowed for the respondents to note any additional information of interest pertaining to the acquisition.

Within this questions responses, franchisees noted that they should have been offered shares before the deal was made public in order to make the acquisition more appealing. Franchisees also believe that they should have been better communicated with about the acquisition, as had their concerns and input equally addressed.

One respondent notes that there are tough times between the franchisor and franchisee, yet the franchisee also comments on the possibilities, opportunities and exposure which Famous Brands have given Wimpy and the franchisees over the years. This respondent explains that should franchisees put hard work into running their business, Famous Brands gives back a lot more than that of any other food brands, in various means.

4.6 CONCLUDING REMARKS

Wimpy franchisees were largely effected by the Famous Brands acquisition. Wimpy franchisees were not involved, or able to contribute to the decisions made regarding the acquisition, even though they were a main touch point with stakeholders during and after the acquisition. Not all franchisees were not kept up to date with the changes being made, and only certain franchisees were communicated to directly regarding the acquisition.

The franchisees had concerns surrounding the sharing of the Wimpy operations with competitors such as Steers, as well as the loss of individual purchasing power due to the acquisition which resulted in increased food costs. Wimpy lost the family culture it had prior to the acquisition, yet experienced substantial growth in the years following the acquisition, benefiting Wimpy's brand equity, which would not have been possible without Famous Brands.

CHAPTER FIVE

CONCLUSIONS AND RECOMMENDATIONS

CHAPTER FIVE: CONCLUSIONS AND RECOMMENDATIONS

5.1 INTRODUCTION

Through analysing the primary research findings, the researcher was able to draw out key findings and themes. These findings more than often align with the key themes identified in chapter two, within the literature review. The overarching findings from the literature review, as well as from the primary research conducted have been succinctly concluded, compared, and recommendations for improvement have been made according to each research objective.

5.2 OBJECTIVE 1 - TO DESCRIBE THE IMPACT OF THE FAMOUS BRANDS ACQUISITION OF WIMPY ON BRAND EQUITY.

5.2.1 FINDINGS FROM LITERATURE

Findings within the literature analysed included that study of brand equity as an integral part of having a recognisable, reputable and established brand. Aaker's and Kellers brand equity models were studied, and the key finding was that the contributing factor of associations was pertinent to the Famous Brands acquisition.

The Famous Brands association with Wimpy led to a loss of the family-oriented culture within Wimpy, yet also led to the substantial growth experienced by the Wimpy brand post-acquisition.

The communication of the new brand association was however not effective. Franchisees were only made aware of the acquisition when it went public, in the form of an email newsletter, as well as with various public media. The franchisees were amongst those most impacted, and even being an integral part of the brand, were unable to express their concerns about the acquisition.

The Wimpy brand equity was largely impacted by the new association with Famous Brands, both positively and negatively, although more positively in the long-term scope.

5.2.2 FINDINGS FROM PRIMARY RESEARCH

Questions 8, 9, 10, 11 and 13 led to responses relevant to research objective one.

The key findings were that franchisees felt as though Wimpy has a stronger brand equity due to the acquisition. Wimpy has experienced substantial growth in terms of shares and franchisors, as well as franchisees having many new opportunities due to the acquisition.

Franchisees believe that Wimpy is an iconic, strong brand within the South African market. Wimpy's brand equity was lost slightly when their expertise and operations models were shared with competitors in the market, lowering the brands competitive advantage.

Other notable findings include the change in purchasing processes leading to increased food costs, and the loss of the previously established "family-orientated" culture within Wimpy.

5.2.3 CONCLUSION

The literature findings and primary research findings aligned in the main contributor to the effects on Wimpy's brand equity are found within the factor of association.

Due to the Famous Brands association with Wimpy, the Wimpy brand grew substantially, becoming a strong and iconic brand within South African. Wimpy however did lose their previously held family-orientated culture due to now having a

wider vision and greater opportunities from both the brand and the individual franchisees.

The association also meant sharing the Wimpy operations practices with competing brands in the market, such as Steers, which led to Wimpy losing their competitive edge. This was an action which 100% of the franchisee respondents did not agree with.

5.2.4 RECOMMENDATIONS

Whilst the acquisition helped build the Wimpy brand equity, and allowed the brand to grow substantially, the franchisees were not involved in any of the decisions regarding the acquisition. This should be considered in future acquisitions within the food market as the franchisees are key contributors to the brands image.

The sharing of Wimpy's best practice operations with competing brands was beneficial to Famous Brands, yet not to Wimpy. This can be further studied, yet also more effectively considered in future acquisitions within the food market.

5.3 OBJECTIVE 2 - TO DESCRIBE HOW WIMPY FRANCHISEES WERE COMMUNICATED WITH ABOUT THE FAMOUS BRANDS ACQUISITION.

5.3.1 FINDINGS FROM LITERATURE

Through analysing Shannon & Weavers Communication Model, it was found that the basic rule of effective communication being a two-way flow, was neglected in communicating the acquisition to franchisees.

Franchisees were not notified of the pending acquisition, but were rather informed in the form of an email newsletter, and media coverage.

This did not allow for feedback from the franchisees, nor did it allow for any clarity and questions. Email, although allowing for two-way communication, is not an effective open-communication channel.

Due to the communication within the businesses being private, further insights into the communication used were obtained through primary research and are noted below.

5.3.2 FINDINGS FROM PRIMARY RESEARCH

Questions 3, 4 and 6 address the communication used in conjunction with the franchisees regarding the acquisition.

The communication was directed one way and did not allow for feedback. It was also un-evenly distributed and hence not all franchisees received the same communication and exposure to communications from the franchisor. The franchisees were predominantly made aware of the acquisition via an email newsletter, and the media. Other communications were through the national conference and a meeting held in Durban where the CEO addressed the franchisees. However, not all respondents were aware of these two above-mentioned addresses.

The franchisees did not feel as though their opinions regarding the acquisition were of value, nor were they given the opportunity to address their primary concerns regarding the acquisition. These concerns included food costs, purchasing procedures and sharing of operations with competitors.

5.3.3 CONCLUSION

The literature, as well as primary research findings were aligned. The communication used and distributed to franchisees was not effective. The basics of communication allowing for a two-way flow of feedback was neglected and the franchisees did not feel as though their opinions were valued, nor dealt with. The main franchisee concerns included the sharing of Wimpy's operations, and the change in product purchasing processes which would lead to an increase in food cost.

Franchisees were not all equally communicated with as not all franchisees were made aware of the meeting held in Durban where the CEO addressed the franchisees, nor the national conference.

5.3.4 RECOMMENDATIONS

The communication from franchisor to franchisee is extremely important and needs to be effective. There needs to be ample opportunities for feedback, especially when the feedback involves concerns pertinent to the operating of the franchise.

Future acquisitions within the food market can inform franchisees of pending acquisitions in order to allow for thorough feedback and handling of franchisee concerns. The communication used should be equally distributed to all franchisees to ensure that there are no miscommunications or concerns, which have not been dealt with prior to the acquisition.

5.4 OBJECTIVE 3 - TO DESCRIBE THE IMPACT OF THE FAMOUS BRANDS ACQUISITION OF WIMPY ON FRANCHISEES.

5.4.1 FINDINGS FROM LITERATURE

The communication regarding the acquisition was not an effective model, therefore leading to the possibilities of confusion, lack of communication about the progression of the acquisition, and the inability to deal with concerns effectively. This, all impacting the franchisees.

The direct impact of the acquisition on employees requires qualitative research in order to gain insights and key findings, and cannot be fully explored using only literature. The key findings from the primary research conducted are discussed below.

5.4.2 FINDINGS FROM PRIMARY RESEARCH

Questions 14 and 15 allowed for franchisees elaborate on the impact of the Famous Brands acquisition.

The key findings suggest that just as any business experiences, there have been ups and downs between the franchisor and franchisees, however, the overall belief is that the acquisition had a positive impact on Wimpy.

Wimpy franchisees have been exposed to business opportunities not previously possible, and the brand has grown substantially in terms of size, market share and shares on the JSE. Franchisees need to put in hard work in order to reap the rewards of being a part of the Famous Brands portfolio.

Another key finding is that franchisees believe that had they been offered shares before the acquisition was made public, or had the franchisees expressed buy-in into

the acquisition prior to it being made public; there would've been increased support, understanding and encouragement from the franchisees.

5.4.3 CONCLUSIONS

In terms of the third research objective; the literature findings and primary research did not fully align. This was partially due to the primary research gaining qualitative findings from the franchisees, which cannot currently be found in published literature.

The impact of the acquisition on the franchisees was partially due to the communication with the franchisees not being effective, and not allowing franchisee concerns to be addressed. Additionally, not all franchisees were kept up-to-date with the progression of the acquisition.

Several respondents noted that the franchisees should have been offered shares prior to the acquisition being made public in order to gain franchisee support.

Franchisees are able to understand the positive impact on the Wimpy brand due to being associated with Famous Brands. Franchisees have been directly impacted by the acquisition in the form of numerous new opportunities, experiences and exposure to extreme growth within the brand.

5.4.4 RECOMMENDATIONS

Franchisors should achieve franchisee buy-in before the acquisition is made public, as well as allowing the franchisees to buy shares before to the acquisition is made public. This will enhance franchisee support, encouragement and participation in the acquisition. Franchisees will feel valued, and in-turn support the franchise.

5.5 SUGGESTIONS FOR FURTHER RESEARCH

This is a qualitative study with a small and defined sample. The findings therefore cannot be generalised to a larger population.

It is suggested that in order to identify more thorough insights, a larger study be completed, using the Famous Brands acquisition of Wimpy as a case study.

It is also suggested that further research into the sharing of the operations, between franchised brands, be studied independently. This is a key concern of the franchisee, and has proven to cause Wimpy to lose the competitive edge, lowering the brands equity, due to sharing their operations with a key competing brand.

5.6 CONCLUDING REMARKS

This study discussed the KZN Wimpy franchisee views on the Famous Brands acquisition. Secondary research in the form of a literature review was conducted, as well as qualitative primary research in the form of a pilot study, questionnaire and interviews, were conducted.

The findings were depicted in visual and written formats. The key findings highlighted the lack of communication between franchisor and franchisees, the concerns which the franchisees held surrounding the acquisition and the acquisitions impact on Wimpy's brand equity. Due to the nature of this study, these findings cannot be generalised to a larger population.

Suggestions for further research aligning with the findings of this study were made. Recommendations were made as to how future acquisitions can be made more effective and beneficial to all parties involved, if implemented.

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REFERENCE LIST

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APPENDICIES

A- ETHICAL CLEARANCE

B- CONCEPT DOCUMENT TABLE

C- PARTICIPANT CONSENT FORM

D- FRANCHISEE QUESTIONNAIRE

E- FAMOUS BRANDS

QUESTIONNAIRE

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APPENDIX A – ETHICAL CLEARANCE



1 June 2019

Dear Georgina du Plooy - 15014943

ETHICAL CLEARANCE LETTER

Your research proposal and ethical considerations were reviewed by your supervisor and moderated by the campus research panel.

☒

Your research proposal posed no significant ethical concerns. We hereby provide you with ethical clearance to proceed with your research methodology.

OR

☐

Your research proposal posed the following minor concern:

Please mention how your research design will address this issue:

Research title:

KZN Wimpy Franchisee views of the Famous Brands Acquisition.

In the event of you deciding to change your research methodology in any way, kindly consult your supervisor to ensure all ethical considerations are adhered to and pose no risk to any participant or party involved. A revised ethical clearance letter will be issued.

We wish you all the best with your research!

Supervisor Name: Simon Granger

Supervisor Signature:

Campus Anchor Name:

Alec Bozas

Campus Anchor Signature:

www.vegaschool.com

Directors: LW Maasdorp, JDR Oesch
Company Secretary: S Saunders

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APPENDIX B: Concept Document Table
Provisional Title: KZN franchisees views of the impact of changes made to the Wimpy brand by Famous Brands

Research Purpose/Objective	Research Questions	Research Rationale	Seminal Authors/Sources	Literature Review Conceptual Framework	Paradigm	Approach	Data Collection Method(s)	Ethics	Anticipated Findings
Research objective 1: To describe the impact of the Famous Brands acquisition of Wimpy on brand equity. Research objective 2: To describe how Wimpy franchisees were communicated with about the Famous Brands acquisition. Research objective 3: To describe the impact of the Famous Brands acquisition of Wimpy on franchisees.	Research question 1: What was the impact of the Famous Brands acquisition of Wimpy on Wimpy's brand equity? Research question 2: How were Wimpy franchisees communicated with about the Famous Brands acquisition? Research question 3: What was the impact of the Famous Brands acquisition of Wimpy on franchisees?	The acquisition by Famous Brands impacted Wimpy's brand equity, and led franchisees to have varying experiences in terms of communications. This study is relevant as it describes the changes from the franchisees view, which are beneficial and informative for other organisations currently experiencing, or anticipating an acquisition.	Aaker's Brand Equity Model, Keller's Brand Equity Model, and Shannon & Weavers Communication Model.	Theme 1: Wimpy Theme 2: Famous Brands Theme 3: Franchising Theme 4: Acquisitions Theme 5: Communication effectiveness Theme 6: Recommendations	<i>Paradigm:</i> Interpretivism <i>Epistemology:</i> Feelings and common sense. <i>Methodology:</i> Findings are subjective. <i>Ontology:</i> Reality is fluid and based off of human interactions.	Qualitative	Pilot study, two qualitative questionnaires, semi-structured in-depth interviews.	Consent from participants, confidentiality agreement, and no harm done by the researcher. No high-risk research was conducted and no children were involved. No incentives were offered. The Wimpy franchisees were greatly influenced by the Famous Brands acquisition. The impact was also on Wimpy's head office, identity, image, operations, and suppliers.	References
Research Problem	Key Concepts	Key Theories		Population	Sampling	Data Analysis Method(s)	Limitations	Anticipated Contribution	References
The impact of the Famous Brands acquisition on Wimpy, from the view of KZN Wimpy franchisees.	Franchisee Brand Views Brand equity	Aaker's Brand Equity Model Keller's Brand Equity Model Shannon & Weavers Communication model. Please refer to Chapter Two for further explanations.		<i>Population Parameters:</i> Wimpy franchisees within KZN, that were franchisee in Wimpy before, during and after the Famous Brands acquisition too place	Non-probability. <i>Sampling method:</i> Purposive and Quota. <i>Size:</i> 4 Wimpy Franchisees within KZN. 1 Famous Brands interviewee.	<i>Unit of Analysis:</i> Any individual who was a Wimpy franchisee before the Famous Brands acquisition, during the acquisition, and after the acquisition. <i>Data Analysis Methods:</i> Content and thematic analysis.	Access to the population of franchisees only within KZN, and that were franchisees prior, during, post the acquisition. The researchers and participants time. Participants willingness to participate honestly. Financial resources.	The anticipated contribution of this study is to academic journals on franchising and journals exploring the impact of acquisitions on franchisees.	(Du Plooy-Cilliers, Davis, and Bezuidenhout, 2014) (Famous Brands Integrated Annual Report, 2018) (IIE Post Graduate Handbook, 2019) (Wimpy South Africa, 2019) Please find full references as well as other sources used within the Reference List.

APPENDIX C – PARTICIPANT CONSENT FORM

EXPLANATORY INFORMATION SHEET AND CONSENT FORM FOR PARTICIPANTS

To whom it may concern,

My name is Georgina du Plooy and I am a BA Honours in Strategic Brand Communications student at Vega Durban. I am currently conducting research under the supervision of Simon Granger about the Famous Brands acquisition of Wimpy. I hope that this research will enhance my understanding of the KZN Wimpy Franchisees views on the Famous Brands acquisition, and the changes that followed this acquisition.

I would like to invite you to participate in my study. In order to explain to you what your participation in my study will involve, I have formulated questions that I will try to fully answer so that you can make an informed decision about whether or not to participate. If you have any additional questions that you feel are not addressed or explained in this information sheet, please do not hesitate to ask me for more information. Once you have read and understood all the information contained in this sheet and are willing to participate, please complete and sign the consent form below.

What will I be doing if I participate in your study?

I would like to invite you to participate in this research as I believe you could offer valuable insights about the acquisition. If you decide to participate in this research, I would like to you to fill out a questionnaire about your views on the Famous Brands acquisition as well as the changes which occurred after the acquisition.

You can decide whether or not to participate in this research. If you decide to participate, you can choose to withdraw at any time or to decide not to answer particular interview questions.

Are there any risks/ or discomforts involved in participating in this study?

Whether or not you decide to participate in this research, there will be no negative impact on you. There are no direct risks or benefits to you if you participate in this study. You might, however, indirectly find that it is helpful to talk about your experience of the acquisition. If you find at any stage that you are not comfortable with the line of questioning, you may withdraw or refrain from participating.

Do I have to participate in the study?

- Your inclusion in this study is completely voluntary;
- If you do not wish to participate in this study, you have every right not to do so;
- Even if you agree to participate in this study, you may withdraw at any time without having to provide an explanation for your decision.

Will my identity be protected?

I promise to protect your identity. I will not use your name in any research summaries to come out of this research and I will also make sure that any other details are disguised so that nobody will be able to identify you. Should I record an interview with you, I will first ask for your permission. In this case, only my supervisor, I and possibly a professional transcriber (who will sign a confidentiality agreement) will have access to these recordings. Nobody else, including anybody at Vega Durban will have access to your interview information. Should I use quotes when I discuss the findings of the research, I will not use any recognisable information in these quotes that can be linked to you.

What will happen to the information that participants provide?

Once I have finished all questionnaires, I will write summaries to be included in my research report, which is a requirement to complete my BA Honours in Strategic Brand Communication. You may ask me to send you a summary of the research if you are interested in the final outcome of the study.

What happens if I have more questions about the study?

Please feel free to contact me or my supervisor should you have any questions or concerns about this research, or if there is anything you need to know before you decide whether or not to participate.

You should not agree to participate unless you are completely comfortable with the procedures followed.

My contact details are as follows:

Georgina du Plooy
+27 79 890 4175
Georginaduplooy@gmail.com

The contact details of my supervisor are as follows:

Simon Granger
+27 78 736 8824
Simon@brandbright.co.za

Consent form for participants.

I, _____, agree to participate in the research conducted by Georgina du Plooy about the Famous Brands acquisition of Wimpy.

This research has been explained to me and I understand what participation in this research will involve. I understand that:

1. I agree to be interviewed for this research.
2. My confidentiality will be ensured. My name and personal details will be kept private.
3. My participation in this research is voluntary and I have the right to withdraw from the research at any time. There will be no repercussions should I choose to withdraw from the research.
4. I may choose not to answer any of the questions that are asked during the research questionnaire.
5. I may be quoted directly when the research is published, but my identity will be protected.
6. Any recordings will be stored in a password protected file on the researcher's computer.
7. Only the researcher and the researcher's supervisor will have access to these recordings.

Signature

Date

APPENDIX D – FRANCHISEE QUESTIONNAIRE

This questionnaire has been compiled by **Georgina du Plooy**, a Vega Honours student in Strategic Brand Communications. The questionnaire will be used to gain further findings and insights into the research topic of; **Wimpy franchisee views on the Famous Brands acquisition.**

Wimpy was a part of the Pleasure Foods franchise, which was acquired by Steers holdings in 2003. In 2004, Steers Holdings changed their name to Famous Brands.

Thank you, in advance, for your time and for sharing your knowledge with me.

Name: _____

Date: _____

1. Please tick ALL of the boxes which apply to you.

I was a Wimpy franchisee...

- ☐ Before the acquisition
☐ During the acquisition
☐ After the acquisition

2. Which Wimpy/s were you franchising at the time of the Famous Brands acquisition?

3. How were you made aware of the acquisition which was going to take place in 2003?

(Things to consider: Who informed you? What communication channel was used to inform you?
Who was communicating the message to you?)

4. As a Wimpy franchisee, did you feel as though your opinion of the acquisition was valued?

Please tick the box.

- ☐ Yes
☐ No
☐ I am not sure

5. Did you have any concerns about the acquisition? Please tick the box.

- ☐ Yes
☐ No

If Yes, what were your concerns? And, did you have an opportunity to address them?

6. Were you kept up to date on the acquisitions' progression? Please tick the box.

- ☐ Yes
☐ No

7. What were the most significant changes that you needed to make/implement during or after the acquisition? (Consider: in-store, stakeholders, incremental or radical changes)

Please also indicate to what extent you were assisted in making these changes.

8. What changes, that you aware of, were made to the Wimpy brand identity during/shortly after the acquisition?

9. Do you believe the acquisition had a positive or negative impact on the Wimpy brand image?
Please elaborate on why you feel this way.

10. Did you feel as though there was a shift within your store/s culture due to the acquisition?

Please tick the box.

☐ Yes

☐ No

If yes please explain in what way the culture shifted.

11. Do you believe that Wimpy became perceived as more or less of a “family orientated” brand due to the acquisition? Please elaborate on why you feel this way.

12. In your opinion, how did the acquisition influence sales? Please tick the box.

☐ Positively

☐ Negatively

☐ I am not sure

13. Do you think the acquisition effected Wimpy’s brand equity? Please tick the box.

☐ Yes

☐ No

If Yes, please elaborate in what ways.

14. In your opinion, how could acquisitions in the future be made more effective and efficient within the food and beverage industry?

15. If you have any further remarks regarding the acquisition, please explain them here.

Thank you for your time and willingness to participate in my research study.

I really appreciate it.

APPENDIX E – FAMOUS BRANDS QUESTIONNAIRE

This questionnaire has been compiled by **Georgina du Plooy**, a Vega Honours student in Strategic Brand Communications. This questionnaire will be used to gain further findings and insights into the research topic of; **Wimpy franchisee views on the Famous Brands acquisition.**

Wimpy was a part of the Pleasure Foods franchise, which was acquired by Steers holdings in 2003. In 2004, Steers Holdings changed their name to Famous Brands.

Please fill-in the following before answering the questions below.

I, _____(NAME), agree to participate in the research conducted by Georgina du Plooy about the Famous Brands acquisition of Wimpy.

(SIGNATURE)

(DATE)

1. Please tick ALL of the boxes which apply.

I was working with Famous Brands...

- ☐ Before the Wimpy acquisition
☐ During the Wimpy acquisition
☐ After the Wimpy acquisition

2. If you were employed before the acquisition, how were you made aware of the acquisition which was going to take place in 2003?

3. How were the Wimpy franchisees were made aware of the acquisition?

4. Were the Wimpy franchisees able to voice their concerns about the acquisition?

5. Were any significant changes made to the Wimpy brand due to the acquisition?

Please tick the box.

☐ Yes

☐ No

If yes, What were these changes?

6. Did you have any concerns about the acquisition from a branding standpoint? Please tick the box.

☐ Yes

☐ No

If Yes, what were your concerns? And, did you have an opportunity to address them?

7. Were you kept up to date on the acquisitions' progression? Please tick the box.

☐ Yes

☐ No

8. Do you believe the acquisition had a positive or negative impact on the Wimpy brand image? Please elaborate on why you feel this way.

9. Did you feel as though there was a shift within the culture within Wimpy due to the acquisition?

Please tick the box.

☐ Yes

☐ No

If yes please explain in what way the culture shifted.

10. Do you believe that Wimpy became perceived as more or less of a “family orientated” brand due to the acquisition? Please elaborate on why you feel this way.

11. In what ways do you think the acquisition effected Wimpy’s brand equity?

12. Were you aware that due to the acquisition, Wimpy had to share their best practices operations model with Steers? How do you think this impacted Wimpy?

13. How could acquisitions in the future be made more effective and efficient for brands within the food and beverage industry?

14. If you have any further remarks regarding the acquisition, please explain them here.

Thank you for your time and willingness to participate in my research study.

I really appreciate it.

APPENDIX F – PILOT STUDY QUESTIONS

1. Which apply to you?
I was a Wimpy franchisee before/during/after the Famous Brands acquisition.
2. Which Wimpy/s were you franchising at the time of the Famous Brands acquisition?
3. How were you made aware of the acquisition which was going to take place in 2003?
4. As a franchisee, did you feel as though your opinion of the acquisition was valued?
5. Did you have any concerns about the acquisition?
7. Were you kept up to date on the acquisition during the acquisition period?
8. During the acquisition, were you able to gain assistance in any of the changes being made?
9. What were the most influential changes you needed to make/implement during and after the acquisition?
10. What changes were made to the Wimpy brand identity during/after the acquisition?
11. Do you believe the acquisition had a positive or negative impact on Wimpy's brand identity?
12. Did you notice a shift in the store culture due to the acquisition?
13. Did you feel as though Wimpy was more or less of a "family orientated" brand due to the acquisition?
14. Did the acquisition directly influence sales?
15. Do you think the acquisition effected Wimpy's brand equity?