

**FIVE STAR SALAM: FACTORS AFFECTING THE SUCCESS IN  
THE THREE SOUTHERN BORDER PROVINCES OF THAILAND**



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**FIVE STAR SALAM: FACTORS AFFECTING THE SUCCESS IN THE THREE SOUTHERN BORDER PROVINCES OF THAILAND**

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**ABSTRACT**

For a long time, Thailand has been known as “The kitchen of the world.” The restaurant industry is growing bigger every year. Muslim consumers are accounted for the second largest group of consumers based on religion. This study used the qualitative approach to explore and identify the key factors affecting the success of a fast-food franchise Five Star Salam in the three southern border provinces of Thailand, where Muslims make up the majority of the population. The data were collected through in-depth interview phone calls consisting of 5 franchisors and franchisees. The result of this study reveals that there are four key factors affecting the success of a fast-food franchise Five Star Salam in the three southern border provinces of Thailand (1) Making products consumable with Halal certification (2) The brand in people’s minds (3) The trustable quality of in-house production (4) The good relationship between the franchisor and franchisees. The findings should give clear insight and guidelines to the business sectors on the driver of adopting a franchise to improve their products and services to develop their marketing strategy and products.

**KEY WORDS:** Muslim consumers/ Fast-food/ Franchised restaurant/ Halal certification

25 pages

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# CHAPTER I

## INTRODUCTION

### 1.1 Research Statement and Importance

In early 2022 WorkpointToday revealed that “Pad thai,” one of the famous dishes in Thailand, is no longer only a specific Thai food name anymore. Oxford Dictionaries has included the word pad thai as an international word that has already been recognized and accepted globally. Thais greet each other by asking, “Have you eaten yet?” instead of saying hello. The provincial souvenirs from holidays are often the famous bites from that area. Street food in Thailand allows people able to find something to eat day and night. These examples show that food has played a big part in Thai culture.

For a long time, Thailand has been known as “The kitchen of the world” thanks to its abundant natural resources and tasty cuisine. According to KResearch, food and beverage (F&B) spending in 2022 in the nation will total THB 2.57–2.59 trillion, up 1.9–2.7% from the 2.5% growth reported for 2021. Corresponding with KReaserach, Krungsri published its “Industry Outlook 2020-2022” and revealed that in 2021-2023, the production of chilled, frozen, and processed chicken products in Thailand would grow on average annually by 3 to 5 percent. In comparison to other commercially farmed land animals, chicken has the highest protein content and lowest fat level. The high conversion rate and relative illness resistance of chickens make it a profitable economic undertaking. As a result, chicken is farmed and consumed in greater quantities than any other animal.

Thailand's restaurant sector is thriving, and since 2009, it has steadily increased its share of the GDP of the country. Every year, there are more and more restaurants. Many reports forecasted that in the coming years, the sales for the restaurant industry in Thailand would increase. Thai people appear to enjoy the variety of restaurants available in the big cities, where convenience is important. Syamananda (2019) mentioned in the Siam Commercial Bank’s website internet article stated that the restaurant industry still has a possibility to expand despite the current economic



fluctuation. A 4-5 % business expansion is predicted by EIC, Siam Commercial Bank's Economic Intelligence Center, for 2019–2020 as a result of changing demographic structure, including smaller households, urbanization, and shifting consumer preferences. These factors influence people to change their behavior, such as dining out and ordering takeouts more frequently. Fast-casual is a restaurant that combines fast food, which focuses on speed, and casual dining, which emphasizes quality, atmosphere, and a variety of dishes to choose from. It is becoming increasingly popular throughout the world, including in Thailand.

In Thailand, Islam is the second-largest minority religion after Buddhism, which is the majority religion. The Muslim population is accounted for around 5 percent in Thailand. Muslims make up the majority of the population in Thailand's four southernmost provinces of Satun, Yala, Pattani, and Narathiwat. When it comes to food and beverages, the majority of Thai Muslims traditionally buy halal-certified products. In order to get the Halal certificate, Businesses need to register their businesses with the Central Islamic Committee of Thailand (CICOT), which is responsible for ensuring that the halal food standards adhere to Islamic laws and regulations, as well as for conducting ongoing research and studies to ensure that Thai halal standards adhere to international halal standards.

Five Star Salam is one of the fast-food chains under CPF Restaurant And Food Chain Company Limited. It is a five-star standard chain restaurant that is integrated the correct production process that meets Halal standards at every step. Its first target market is the three southern border provinces of Thailand, including Yala, Pattani, and Narathiwat, where the Muslims make up the majority in these areas. The famous original Five Star Chicken fast-food chain saw the opportunity to expand its market into the Muslim majority area. They decided to launch Five Star Salam to target especially Muslim consumers. It is one of the very first big fast-food chains to launch its brand in this market officially. It has been three years since the first branch in 2019 launched. Currently, in 2022, they have already opened more than 39 branches and still continuously open new ones every other month.



## 1.2 Research Question and Objectives

The study attempts to explore and elaborate on the key factors affecting the success of the fast-food franchise Five Star Salam in the three southern border provinces of Thailand. Making these clear will benefit those looking for an opportunity to become an entrepreneur. The research result offers the reader a clear insight into success from both the franchisor and franchisee for those interested in investing in fast-food franchises.

## 1.3 Research Objectives

- To identify the key factors affecting the success of a fast-food franchise Five Star Salam in the three southern border provinces of Thailand.
- To explore the drivers of the franchisees toward adopting the franchise.

**Question of the thematic paper:** What are the key factors affecting their success in the three southern border provinces of Thailand?

## 1.4 Research Scope

The scope of this study was to know the key factors affecting the success of a fast-food franchise Five Star Salam in the three southern border provinces of Thailand. The results of this study cannot be used to reflect the delimited population as a whole. This study collected convenient samples from the franchisor, Five Star Salam, and franchisees, the restaurant owner. Therefore, one cannot generalize the results of the study to the delimited population. This study can only reflect a specific and limited population in the three provinces, including Pattani, Yala, and Narathiwat.

## 1.5 Expected Benefit

The business sectors should be able to use the result of this study to develop their marketing strategy and products. The study should give insight into the driver of adopting a franchise to the businesses to improve their products and services.

## **CHAPTER II**

### **LITERATURE REVIEW**

#### **2.1 Related studies**

##### **Religion and consumer behavior**

Agarwala et al. (2019) have described religion as one of the key components of social behavior which has a direct and indirect impact on society and customers. Same as Kahle et al. (2016) conducted a study to investigate the relationship between consumer behavior and religion in Singapore. The study found that religion is a key construct that needs to be explored in more consumer behavior research. Mathras et al. (2016) stated that numerous consumer behaviors, especially product innovation and information seeking, are influenced by religion. Daas (2018) conducted a study about the effects of religious belief on consumer behavior. The study found that there is a relationship between consumer behavior and religion. The demand to consume particular commodities of people is influenced by the set values, beliefs, and doctrines they have.

##### **Halal Certification**

The word “Halal” is originally an Arabic word meaning religiously acceptable according to Muslim law. The concept of “Halal” is not limited to being used with only food products but also includes non-food products in Muslim's daily life. Latif et al. (2014) mentioned that Halal applies to every activity performed by man. In an economic context, the business with Halal certification is conducted in a manner believed to be allowed in Islam way. When used in relation to food, it refers to food that acts in accordance with the laws of Islam. In accordance with Aziz and Chok (2013) mentioned that the term "Halal certification" refers to the established body's official acknowledgment of the systematic procedure of preparation, slaughter, cleaning, handling, and other pertinent management practices. Most of the past studies that relate to Halal certifications were often conducted in countries where Muslims make up the

majority. At the same time, there are very limited studies in Thailand which is a non-Muslim majority country.

For Muslim consumers, Halal certification is one of the critical factors that consumers use in making a buying decision. In order to obey the religious rule, Muslim consumers have to make their best decision among the broad selection of products in the market. For those brands that would want to market their products and service to Muslim consumers, the Halal certificate seems to be the best guarantee to gain trust from these consumers that those products are safe to consume in a religious way.

### **Brand Popularity**

Brand popularity is defined as the extent to which a brand is popular in a product category offered by a specific mall (Kim & Min, 2014). Likewise, brand popularity reflects the degree to which consumers perceive the brand is popular with and used by others (Netemeyer et al., 2004). It is often related to brand awareness. Previous several studies have found that brand popularity has a positive influence on customer behavior. Macdonald & Sharp (2000) conducted a study to examine the role of brand awareness in the consumer choice process. The study has mentioned that brands that consumers know are more likely to appear in their consideration sets. Magnini et al. (2013) conducted a study to identify the effect of brand popularity statements on consumers' purchase intentions. The study found that a brand popularity statement has a larger influence on the purchase intent of consumers who have less favorable instrumental attitudes toward the associated act than on consumers that have more favorable attitudes toward the act.

Studying these past studies regarding brand popularity is beneficial to this research, for there are possibilities that people use brand popularity as a factor in making the decision to buy franchises. As the Five Star original brand is well known in Thailand, factors affecting the success of the Five Star Salam may also come from the brand's popularity as well.

### **Brand trust**

The existing branding literature has a variety of ideas about brand trust. Lau et al. (1999) defined brand trust as the ability of a customer to rely on a brand in the face of uncertainty while anticipating that the brand will deliver favorable outcomes. Likewise, Delgado-Ballester et al. (2003) stated that brand trust is an expression of

belief while connecting with a brand depends on the belief that it will remain dependable and please the customer. The past study by Herbst et al. (2022) suggested that when consumers encounter an advertisement, they first ask themselves whether they already trust the brand. People are less likely to evaluate trustworthiness if they already trust the brand. On the other hand, if people do not trust the brand, they will tend to evaluate the trustworthiness.

Observing these past researches about brand trust could help this research to explore further the factors affecting the decision franchisees made to buy the franchise. Also, it helps suggest the important level of brand trust in making franchise buying decisions.

### **Perceived quality**

Quality has been defined from many perspectives in past studies. For instance, Haider (2001) has given the definition of quality as the totality of features and characteristics in a product or service that bears upon its ability to satisfy needs. Sharma et al. (2016) have defined quality as a means for customer satisfaction hence it can be categorized into various attributes (product quality, service quality, after-sales services, etc.). Tamimi and Sebastianelli (2016) have mentioned that perceived quality is different from actual quality. Perceived quality is more towards users' evaluation regarding the excellence of a product that meets the individual's expectations. It can be defined as a judgment on how a product or service as quality could be described in terms of the moment at which the users receive information about the characteristics of the products. Several studies have suggested that perceived quality has a positive influence on customer purchase intentions. For instance, Bou-Llusar et al. (2001) conducted a study to measure the relationship between firm perceived quality and customer satisfaction and its influence on purchase intentions and found that firm perceived quality exerts an important influence on purchase intentions.

Based on the past study, there is a relationship between perceived quality and customer satisfaction which has the fluency in making the buying decision. The information from these studies may help the researcher to understand the buying decision process of the franchisees before buying the franchise.

### **Franchisor's support**

The past study by Adeiza et al. (2017) stated that the primary purpose of initiating a business partnership with the franchisor is to obtain the franchisor's brand credibility and adequate support with the relevant infrastructure. Still, one of the major concerns of the franchisees is the support from the franchisor (Roh and Yoon, 2009). Harmon and Griffiths (2008) mentioned that a franchise business is a relational transaction based on a written contract and demonstrates how franchisees view their relationship with the franchisor when making decisions about their operations. Each party must succeed in achieving lasting profitability. There is some research showing that the franchisor's support has an impact on the franchisees' satisfaction. For instance, Guilloux et al. (2008) conducted a study to investigate the impact of the nature of the relationship between franchisors and franchisees on franchisees' satisfaction. The hypothesis is that the more franchisees judge their franchisors as providing firm initial and ongoing support, the more satisfied they will be.

In this study, the franchisor's support is the support offered to the franchisees during their partnership. The researcher finds that the offered support from the franchisor may be one of the critical factors that the franchisees used to evaluate before making a buying decision.



## **CHAPTER III**

### **METHODOLOGY**

#### **3.1 Research Design**

The qualitative research method is used in the study as this study is aimed to identify the key factors affecting the success of a fast-food franchise Five Star Salam in the three southern border provinces of Thailand. The qualitative research method allows the researcher to explore the new insights that may appear during the in-depth interview. Furthermore, the data from qualitative research provides more content that is useful for practical application.

However, the researcher is aware that the qualitative method has several limitations. Firstly, the data collected from this method is not a statistical representation as it is a perspective-based method of research. Secondly, there are chances that some data points can be missing. This method relies greatly on the researcher as an interviewer. The researcher needs to dots of data collected through the qualitative method. Therefore, the researcher needs to be able to identify the unspoken data points from the interviewees. Lastly, the smaller sample size of this method compared to another method can be a problem. The sampling group may not reflect a true view of the whole population.

The phone call in-depth interview helps to avoid in-person contact due to the pandemic Covid-19. Also, as all of the businesses are located in different areas, the phone call in-depth interview allows the researcher to be able to reach out to a wider geographic scope. Moreover, the response rate also increases as the respondents are able to do the interview at their convenient time and place.

#### **3.2 Sample and Data Collection**

The survey method is the individual in-depth interview over the phone calls. The total sample size is five samples. The samples for this study are divided into two



groups: the representative from Five Star Salam as the franchisor and the Five Star Salam restaurant owners as the franchisees.

To find out the factors affecting the success of Five Star Salam in the three southern border provinces of Thailand, having conversations with the franchisees seems to be a good way to get real insight. The in-brief personal backgrounds of the samples are detailed as below;

**Group 1: Selected representative from Five Star Salam, the franchisor.**

The franchisor representative: Fadeela

Fadeela is a 26-year-old Muslim woman who has been a management trainee of Five Star Salam for three years. She has been working on sales, marketing, and after-sales for those who are interested in buying the Five Star Salam. The interview was conducted through a phone call on June 20th, 2022. The interview was 40 minutes long.

**Group 2: Selected Five Star Salam restaurant owner, the franchisee.**

*Sample 1: Yah*

Yah is a 53-year-old Muslim woman who has owned a Five Star Salam franchise restaurant for seven months. She was a professional nurse when she first opened the restaurant and is now retired. Currently, she is full-time managing the restaurant. Her restaurant branch is located on an inbound road to Narathiwat downtown. The interview was conducted through a phone call on June 20th, 2022. The interview was 40 minutes long.

*Sample 2: Min*

Min is a 29-year-old Muslim woman who has owned a Five Star Salam franchise restaurant for six months. She has been helping with managing the gas station that owns by her family for five years after finishing her Master's degree. The restaurant branch she owns is located in her family's gas station on an outbound road from Narathiwat downtown. The interview was conducted through a phone call on June 21st, 2022. The interview was 40 minutes long.

*Sample 3: Huda*

Huda is a 23-year-old Muslim woman who is the key person in managing her family's Five Star Salam restaurant. She is a senior year university student who has been helping on managing the restaurant from opening until now for six months. The

restaurant branch she owns is located in a gas station surrounding the district of Yala. The interview was conducted through a phone call on June 23rd, 2022. The interview was 30 minutes long.

*Sample 4: Fa*

Fa is a 33-year-old Muslim woman who has owned a Five Star Salam franchise restaurant for two years. Previously she was a full-time employee at the gas station for ten years. Two years ago, she started her very first business, the Five Star Salam restaurant at the gas station she was working at. Now, she is a full-time manager at her restaurant. The restaurant branch she owns is located in the gas station she used to work on an outbound road from Narathiwat downtown. The interview was conducted through a phone call on June 24th, 2022. The interview was 20 minutes long.

### 3.3 Research Instrument

The study will use individual in-depth interviews to collect the data. The questions are designed differently and divided into two sets; the set of questions for the franchisor representative and the set of questions for the franchisees. The questions in the interview are open-ended. The open-ended questions allow the researcher to be able to explore the insight when the interviewees can freely share their direct experiences and thoughts. The interview questions for both groups are listed below;

**Table 3.1** The interview questions

Topic	Question
Questions for the franchisor representative	<ol style="list-style-type: none"> <li>1. What do you think about the fast-food industry in Thailand's three southern border provinces?</li> <li>2. What are the differences between Muslim and non-Muslim consumers in consuming behavior?</li> <li>3. What does it make Five Star Salam different from its competitors? What are the key selling points?</li> <li>4. How do you target the franchisees?</li> <li>5. How do you gain trust from the franchisees?</li> </ol>

**Table 3.1 The interview questions (cont.)**

Topic	Question
Questions for the franchisee	<p>Background:</p> <ol style="list-style-type: none"> <li>1. Have you ever had experience in managing a restaurant before? Have you ever owned another franchise business before?</li> <li>2. Is this your main job or part-time job?</li> <li>3. How long have you opened this restaurant?</li> </ol> <p>Factors affecting motivation:</p> <ol style="list-style-type: none"> <li>1. What do you think about the fast-food industry in Thailand's three southern border provinces?</li> <li>2. What was the initial motivation to open a franchised restaurant? Have you ever consider between open your own restaurant or franchise one?</li> <li>3. Do you know the Five Star Salam brand before? How did you know them?</li> <li>4. How important the Halal certification is in running a restaurant?</li> <li>5. As a franchisee, what do you think are the strengths of Five Star Salam that made you choose this brand?</li> </ol>

## **CHAPTER IV**

### **FINDING ANALYSIS**

The individual in-depth interviews were conducted via phone calls during June 20-24, 2022. The duration of the interviews was 20-40 minutes long. After the interview, the researcher found that many interesting points need to be categorized and discussed to determine the factors that affect the success of the Five Star Salm brand in the three southern border provinces of Thailand. The analysis of the gathered findings is below.

According to the research question and objectives, first, the researcher finds that from the franchisee's aspects, there are four key factors that affect the success of a fast-food franchise Five Star Slam in Thailand's three southern border provinces.

#### **4.1 Making products consumable with Halal certification**

According to the interview with the franchisor representative and franchisees, the finding related to Halal certification from each sample is as follows:

**The franchisor representative:** It is mentioned during the interview that once the brand thinks of launching new products in the Muslim consumer market, Halal certification is the first thing they consider. Even though the franchisor doesn't make each restaurant get a Halal certification due to the cost and time, the brand has made its production line from their factory where the food is freshly made every day halal. As the brand cannot give the Halal certificate to each restaurant, it tries to portray its Muslim-friendliness or halal certification through its logo by adding the word "Salam." "Salam" literally means "peace" in Arabic and is used as a general and religious greeting for Muslims worldwide.

**Sample 1:** Yah mentioned that as she has some experience with the catering business before, it is a common understanding that Muslim consumers consume products that must be halal, which means religiously allowed and safe to consume.

When considering the business she wanted to invest in, she did not even look into the information from the non-Halal brands.

**Sample 2:** Min mentioned that Halal is one of the critical factors when choosing to adopt a franchise. The products need to be halal with no negotiation. Even though the restaurant has employees wearing hijab, the traditional Muslim cover for Muslim women, some customers still think the brand is non-halal. The brand had to explain to the customers many times.

**Sample 3:** Huda mentioned that as a Muslim, it is very important for her when consider starting a business that needs to be Halal or religiously acceptable. Especially when she is opening a restaurant in Muslim society, Halal has become the most critical point to consider.

**Sample 4:** Fa considered Halal certification the first factor before starting her very first business. Among all the factors she considered, Halal certification is unnegotiable. She sees that as a restaurant owner, it is her responsibility to ensure that the food they offer has a good quality and is religiously allowed to consume when most of her customers are Muslim.

### **Analysis**

Since the Five Star Salam brand has been trying to target the Muslim consumers who make up a majority in the area, the brand needs to make its products acceptable in quality and religious aspects. In accordance with all of the franchisees' answers that are in the same direction. Halal certification is the first and most important factor when they consider starting a business.

## **4.2 The brand in people's minds**

According to the interview with the franchisor representative and franchisees, the finding that relates to brand popularity from each sample is as follows:

**The franchisor representative:** The brand uses the original name "Five Star," which people are already familiar with, to keep its brand awareness. "Five Star" is a famous food brand known for its roasted chicken and Kai Jor (ไก่จ้อ) for a long time. Therefore, when people see the brand, they know what the brand is selling and what they can expect from the brand.



**Sample 1:** Yah had known the “Five Star” brand before buying the franchise. She had known the brand and consumed its products for a long time before Halal awareness rose but had to stop after finding out that the brand was not halal then. One of the motivations making her want to start her restaurant is seeing one of the most prominent “Five Star Salam” restaurants in her town. She said that knowing the brand is already well-known among consumers helps her to gain trust in the brand. She has also mentioned that brand popularity is the second most crucial factor she considered after Halal certification.

**Sample 2:** Min mentioned clearly that the “Five Star Salam” was the only brand choice she had in her mind when she wanted to start a new business in her family’s gas station. As she manages the overall gas station, she does not want to spend too much time and effort on the new restaurant. Knowing the brand since she was young helped to gain her trust. Without putting so much time and effort, she believes that the brand can sell its products by the brand itself. Apart from knowing the brand, having visited the CPF production factory also made her have a pretty high reliance on the brand.

**Sample 3:** Huda had known the regular “Five Star” brand for a long time before starting her Salam franchise. She said that as her restaurant is located in a gas station, most customers are walk-in customers, not the regular ones. Therefore, it is quite important to her that the brand needs to be able to sell its products by the brand itself. The casual customers will choose the brand they already know, and she believes that “Five Star Salam” is one of the brands in the customer’s minds.

**Sample 4:** Fa had known the “Five Star” brand before launching the Salam line but never purchased any of its products. After seeing the first franchise in her hometown open, she wanted to open her one. The concern she had before choosing the brand was that there are so many businesses selling snacks and fast food, especially chicken fried. However, the familiarity with the brand made her have enough confidence to decide to open another franchise of Five Star Salam. She believes the brand's popularity will help set her restaurant apart from competitors.

### **Analysis**

The researcher found a relationship between brand popularity and brand trust. For example, the brand “Five Star” is under CPF Restaurant And Food Chain Company Limited, one of Thailand's biggest catering chain businesses. All of the



franchisees had known the brand before they chose to buy the franchise. The franchisees tend to trust the brand that it will be able to sell its products without needing too much time and effort because the customers are already familiar with the brand.

### 4.3 The trustable quality of in-house production

According to the interview with the franchisor representative and franchisees, the finding that is related to the perceived quality from each sample is as follows:

**The franchisor representative:** The brand gives priority to the product's quality. To control the product's quality, the ingredients will be freshly made from their own only one factory and sent directly to each restaurant six days a week. The shelf life of the fresh ingredients will last only three to five days to ensure that the food served will be fresh.

**Sample 1:** Yah mentioned that the product's quality was not her big concern as she already knew the brand. She believes that as the brand is extensive and already famous, the product's quality should be good enough.

**Sample 2:** Min had the opportunity to visit the CPF production factory in the past. Seeing the production line in the factory made her believe in the product's quality. This also helps her to trust the franchise brand.

**Sample 3:** The product's quality is the second most crucial factor that Huda considered when choosing the "Five Star Salam." She mentioned that it is essential to her when it comes to the business related to food. Knowing that after opening the restaurant, the franchisor will randomly check the restaurant's quality, both products, and service, making her gain more trust in the brand.

**Sample 4:** The product's quality is Fa's second most important factor. She mentioned that she believes that as the ingredients are in-house produced by the big food chain CPF Restaurant And Food Chain Company Limited, the product will be fresh and of good quality.

#### Analysis

One of the brand's strengths is its supply chain. The brand shows that its products are produced in-house from its own factory, and all fresh ingredients will be

delivered to every branch six days per week. Having its own factory helps the brand to have a good impression of product quality from the franchisees. When it comes to restaurant businesses, one of the important factors that the franchisees agree that is important is the product's quality.

#### **4.4 The good relationship between the franchisor and franchisees**

According to the interview with the franchisor representative and franchisees, the finding related to the franchisor's support from each sample is as follows:

**The franchisor representative:** As the brand is targeting the people who already have the main job, after-sale service is very important to them. Most of the franchisees are not able to manage the restaurant full-time. Therefore, the brand offers after-sale service to the customer. The franchisor will act as a connector between each restaurant branch in the same area so that whenever any restaurant faces a sudden shortage of ingredients, they can help each other. Moreover, the brand will visit each branch at least once a month to see if the franchisees need help.

**Sample 1:** As when Yah first opened her restaurant, she had a full-time job at that time, and the after-sale service helped her to make a decision easier. She was slightly concerned as she had never opened a franchised restaurant before and would not have enough time to manage the restaurant fully. Hearing that she will get support from the franchisor makes her feel comfortable and safe.

**Sample 2:** Being a full-time manager at her family's gas station, Min does not have much time to manage the restaurant. She tried to find a restaurant that does not require too much time and effort, and she found that it is great that the franchisor also offers the after-sale service to help follow up on the business's performance. That will help her to be able to improve her business constantly.

**Sample 3:** Huda is a full-time student and the main person who manages the restaurant that own by her family. As she does not have much time to manage the restaurant due to her classes, receiving support from the franchisor helps her to manage the restaurant easier. She also mentioned that one of her concerns before deciding to buy a franchise was that the restaurant staff would not be able to operate the business

themselves. The franchisor then also offers staff recruiting and training for staff to make opening “Five Star Salam” as convenient as possible.

**Sample 4:** The set-off factor that made Fa decide to buy the franchise is the after-sale support. Five Star Salam restaurant is her very first own business. She was not sure at the beginning what process or actions she needed to do to manage the restaurant. One of her concerns was the ingredients ordering. The shelf life of the fresh ingredients is short, making it harder to order the right amount. A connection with other restaurant branches through the franchisor representative can help solve this problem.

#### **Analysis**

The brand is targeting those people who have a main job and want to have more income. They have assured that they can offer the solution to the franchisees who might not have much time to manage the restaurant fully. From the interviews, the researcher found that one of the expected points that the franchisees mentioned is the support from the franchisor. When the franchisees decide on buying the franchise, the support from the franchisor they will receive is considered one of the critical points in making the decision.

## **CHAPTER V**

### **CONCLUSIONS**

#### **5.1 Conclusion**

The study of this research paper is to identify the key factors affecting the success of a fast-food franchise Five Star Salam in the three southern border provinces of Thailand. The research question is “What are the key factors affecting their success in the three southern border provinces of Thailand?”. The writer has conducted qualitative research using individual in-depth interview techniques through phone calls so that the researcher can understand the insight for each of the success factors that the interviewee has mentioned. The writer has conducted the interviews with five samples in total, dividing them into two groups; the franchisor representative and the franchisees. The selected franchisor representative is the brand’s staff who has direct responsibility for the Five Star Salam brand. The selected franchisees are the Five Star Salam restaurant owners who have made the decision on selecting the business they want to start.

The researcher has analyzed data from the interviews and has come up with four key success factors that the interviewees used to consider in buying the franchise. The four factors are as follows:

- 1) Making products consumable with Halal certification
- 2) The brand in people’s minds
- 3) The trustable quality of in-house production
- 4) The good relationship between the franchisor and franchisees.

The first factor is making products consumable with Halal certification. This is the unnegotiable factor to consider when launching products or providing services where Muslims make up a majority. When used “Halal” in relation to food, it refers to food that acts in accordance with the laws of Islam (Latif et al., 2014). The Halal certification is an essential thing for the business to gain the trust of the customers.

Secondly, the business can gain many benefits from being the brand in people's minds. Previous several studies have found that brand popularity has a positive influence on customer behavior. The study has mentioned that brands that consumers know are more likely to appear in their consideration sets (Macdonald & Sharp, 2000). All of the selected and interviewed franchisees had known the brand before they decided to adopt the franchise. The brand's popularity also helps to brand gain trust from the franchisees when they are making the purchasing decision. The franchisees tend to have a good trust in the brand that they already know that the brand will be able to solve their concerns or the problem that might happen in opening new restaurants.

The third factor is the trustable quality of in-house production. When the franchisees are making the decision on choosing the franchise brand they want to invest in, they need to have trust in the brand. Brand trust is the ability of a customer to rely on a brand in the face of uncertainty while anticipating that the brand will deliver favorable outcomes (Lau et al., 1999). The perceived quality has a relationship with brand trust. Most of the selected and interviewed franchisees who trust the brand tend to have a positive perception of the products from the brand. Also, as Five Star Salam brand is a brand under one of the food supply chain leaders in Thailand, making the franchisees trust and believe in the product quality.

Lastly, the good relationship between the franchisor and franchisees is one of the critical factors in making the decision to purchase a franchise. One of the major concerns of the franchisees is the support from the franchisor (Roh and Yoon, 2009). As most franchisees are people who have the main job and want to have more income. That means they will not be able to spend their entire time and effort on the franchise restaurant. Therefore, the brand needs to ensure that it can offer support to the franchisees as much as possible.

## **5.2 Limitation of the study**

This paper aims to identify the key factors affecting the success of a fast-food franchise Five Star Salam in the three southern border provinces of Thailand from the franchisees' perspective only. Unfortunately, the study is only based on the franchisees' perspective. Therefore, this study does not reflect the end customers'

perspectives who actually consume the products. If the researcher continues to do this paper at this level, the researcher would include the end customer perspective as well in order to explore more of the factors that affect the franchise business success in the Muslim majority area.





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