

A Study on a Solution For Growth of Beauty Salon Franchise - around an influence of a conflict upon a solidarity -

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Abstract

A purpose of this study is to measure degree of solidarity and conflict of the beauty salon franchisees according to an influence strategy of franchiser and grasp characteristics revealed from managing a franchise system. This will also contribute to improving results of franchise systems and considering a direction for development. This study examined existing studies relevant with conflict and solidarity and analysed relativity between relevant variables and grasped the flow of studies and then set hypotheses in order to present a device for decreasing conflict within a franchise system of beauty shops and for increasing a solidarity and subsequently analysed samples and tested data. The data for this study are researched by sending questionnaires to beauty salons which participated in one of franchise systems and they are analyzed by various methods in a statistics. After studying some relevant theories, this study used the definition of the franchise system in beauty salons as an entity of a political-economy paradigm. A franchiser desires to influence member shops with an influence-strategy. Therefore member shops which perceived it go through a conflict and then such a process is revealed as making significant influence on solidarity. Beauty salon franchise exists by reciprocal confidence and transaction. If an opportunism gain in influence owing to an conflict intensification, there would be no steady formation of relationship. Therefore the head office should develop a member-shop-management-system by more scientific and more technical methods and prevent, in advance, member stores from seeking for negative opportunism.

Key words : franchise of beauty salons, conflict, solidarity, confidence, opportunism

I . Introduction

1. Purpose of This Study

A main purpose of investigating on franchise marketing channel is to show how it provide useful insights for function of channel and inter-action between organizations¹⁾.

In the study on the relationship of a seller and a buyer by Dwyer, Schurr and Oh²⁾, influence strategy is perceived important. To use a strategy effectively based on changing a person's perspective will benefit all of the franchisers and the franchisees, and make a significant influence upon the latter's satisfaction and belief in franchiser. This may signify an increasement of a franchiser's influence³⁾.

Current tendency in beauty shop franchise is to develop and provide various types of new solutions in order to satisfy diverse needs of various strata of customers. High rates of employees leaving their cosmetological jobs make it important to control inside. Beauty shops are molting a small-size retail in a village and introduce customer management and new marketing methods of a larger company so that beauty shops entering a franchise system undergo a problem of control and autonomy in their relationship with their franchiser. It is high time that a franchiser should use another type of influence strategy. The head office had better meet coming changes in various perspectives in order to control the inside and build competitive strategies only to cope with the coming situation.

The purposes of this study are these:

1) This study is to measure the system's solidarity level and the member shops' mental conflict level according to influence-strategy:

2) This study will grasp behavioral characteristics and processes exposed in managing franchise system: 3) Those will contribute to elevating achievements of whole system and inquiring into directions for development:

3) For this purpose, this study will put existing theories into order and will test hypotheses and present schemes for decreasing conflict and increasing solidarity in the beauty shop franchise system.

2. Research Method

This study will examine existing studies relevant to conflicts and solidarities and will analyse correlativity between associated variables so as to grasp the flow of studies ,and then to establish hypothesis to achieve it and then test them and at last to analyze data empirically. The range of this study is delimited within beauty salons, the questionnaire method is used in order to research data and the objects of the

research is confined to members which are provided with products, hairdressing techniques, a marketing service, a management service. To analyse data, a software "SPSS 6.0" is used.

II. Review of Theories

1. Franchise System

Kim, Sang Hyun⁴⁾ said that in order to accomplish a successful system, franchiser is necessary to improve its achievements through a correct establishment of a relation with the franchisee and through synergy effect coming from governing the exchange relation to each member. Therefore, regarding commitment variable as a central concept, he analyzed it and then the behavioral index of obedience, collaboration, flexibility and durability of relation as the resultants of commitment variable, he explained, had direct influence on a franchise system's success.

As scholars mentioned, in a case of a franchise system, co-relationality is evaluated as important to its success. That is, the confident and satisfying collaboration relationship between franchiser and franchisee. On the other hand, there are relatively many studies on co-relationality between a seller and a buyer. Those may be useful for governing a network of a system. Some links amid these elements ,i.e., ① mutual benefits ② commitment ③ trust ④ a process of information exchange and good fellowship, are required in order to form co-relation and to succeed in it;

2. Conflict

The notion of the conflict of marketing channel is widely accepted in social psychology study and organizational behavior study. A lot of scholars define conflict on marketing channel as a state of a perception that franchiser feels other agents to hinder him from achieving franchiser's goal. Therefore, conflicts of marketing channel is a frustrated state resulted from limitations of performance of roles.

Paramounts classified types of conflict on a basis of distribution channel. Conflict of distribution channel is classified into a horizontal conflict, a vertical conflict, and conflicts among different types⁵⁾.

In a distribution channel, conflict can be regarded as frequency and strength of incongruity of members.

Some treatises on conflict relevant with a distribution channel regarded the process of conflict in a channel as 3 step; the cause of conflict, the behavior of conflict and the result of conflict.

While there is an opinion that conflict may be counter-functional, it can be approved to be functional in that it causes members on distribution channel to collaborate together in order to annul conflict. Therefore a moderate level of conflict is requisite not only for maintaining marketing channel but also for maximizing members' achievement, but it is difficult to grasp what level of conflict can be helpful.

3. Solidarity

One of important objects in franchise marketing channel management is the relation among the agents on the channel. In this context, solidarity is an important object to be investigated. There have been a lot of discussions on antecedent variables and consequent variables in an organization theory. But any frame of general theory on a significance of solidarity and relationship between variables of it have been put into order yet.

1) Concept of Solidarity

Becker⁶⁾ defined a solidarity as a phenomenon that people tried to keep doing something owing to their investments in the bygone days. The concept of solidarity are defined variously and tend to duplicate another analogous concepts(i.e. job, devotion, task motivation, loyalty), and it also is hard to present a generalized model

Kiesler⁷⁾ regarded commitment in a co-relationship between individuals(/organizations) as reflecting a variable probability of an individual /organization's deserting the other individual/organization.

2) Concept of Relationship Solidarity

In general there are two dimensions of relationship solidarity, i.e., the attitudinal and the behavioral ones. the former means a degree of self-identification with organizational goals and of willingness to work on behalf of an organization. The latter means a process that a person solidifies himself in order to justify or rationalize his action after he have done something

In this study solidarity means relationship characteristics between both sides on marketing channel. This study will approach relationship solidarity in views of reciprocal satisfaction, confidence, and pursuit of opportunity which are based on Dwyer and Oh's⁸⁾ classification commonly

① Satisfaction : If some past achievements produced with a business partner are satisfactory, it will elevate solidarity level fitting to a long-term relationship formation. Satisfaction at past achievements in steady relations signify a fairness of an exchange

relationship. Such fair achievements give convictions that a partner will not act opportunistically and that he considers his partner's profits together. If there is human satisfaction at a current business partner, such a positive factor will vitalize transactions more and more. From this point of view, it can be inferred that human satisfaction at a transactional partner can be considered as an important element that determines a degree of human solidarity.

② Confidence : Human confidentiality can be thought as an important determining element in a more concrete and deeper sense than satisfaction. Schurr and Ozanne⁹⁾ defined confidence as a degree of creditability how much a transactional partner's promises are believable and will fulfill his duties in the business. Anderson and Weitz asserted that the confidentiality between transactional correspondents played an important role for a long-term relationship¹⁰⁾. And it is regarded as a concept which unites the studies on the influences and conflicts on distribution channel as one. In conclusion, since, if a relationship of confidence is formed, there will be trust that the business partner will fulfill his obligations even in a situation lacking rationality and it is possible to assume his future behaviors in advance, a long-term-oriented mutual relationship between a franchiser and his agent can be made.

③ Opportunism : An opportunism means a human inclination to deceitfully be in chase of profits. To break the contracted words or to conceal conducts deviated from a contraction or to report them untruthfully are instances of opportunistic behavior. The main cause of a opportunistic behavior in a franchise system is that all members can use jointly a well-known firm name or brand of franchiser. A joint use of a firm name make it possible for some members to have a free ride. In theories of transaction costs, to deceivingly seek for selfish profit in a relation of business to business are regarded as constant, but the empirical investigators suggested that human behavior is not only Machiavellian. Especially in a long-term exchange relationship based on mutual confidence and morale commitment, the pursuit of a selfish desire in an opportunistic way is to be repressed and long-term profit for the whole system is to be chased¹¹⁾.

4. Mutual Relationship between Franchise System and Conflict and Solidarity

1) Relation between Franchisee's Characteristics and Conflicts

The result of this study about franchise characteristics reports a business proprietor's passive mind, the cash investment level of chain shops, the geological dispersion of chain shops, items the head office of franchisees promised to provide in a contract document have influence on forming a relationship.

2) Conflict and Solidarity

A definition of conflict in general is that it is a tension, resulted from incompatibilities of expected reactions from each other, among social individuals. Stern and EL-Ansary¹²⁾ defined the conflict as a state of perception that a franchiser feels other agents hinder him from achieving his goal.

Even though some conflicts are needed in order to adapt to the changing environment, overheated incongruities injure uniting power of relationship. Sometimes a systematic dynamics may be lost due to disagreement on a main goal or a degree of preference. Sometimes a link can be broken before prerequisites for the relationship is to sufficiently be accomplished (Dwyer, Schurr and Oh, 1987)¹³⁾.

III. Design of Research and Research Method

1. Hypothesis

Conflicts in relationships between members of a beauty shop franchise system occur according to characteristics of franchise, and in order to observe influences of conflicts on a relationship of members, this study classified characteristics of a franchise as the categories of demographics and experience and store types and the property of member salons and finally conflicts between franchisees of a beauty industry. On the basis of the categories, these hypotheses were established.

Hypothesis 1 There will be a difference in conflict factors according to demographic variables.

Hypothesis 2 There will be a difference in conflict factors according to experiences in.

Hypothesis 3 There will be a difference in conflict factors according to the characteristics of member salons.

Hypothesis 4 Conflict factors will influence significantly on solidarity.

2. Questionnaire Design and Operational Definition of Variables

The questionnaire consisted in clauses of 'kinds of goods', 'the period of time of transaction', 'entrance fees' and demographic characteristics. It consisted in 5 questions in terms with a category of conflict on manifest disagreement via incongruity frequency. In order to scale a degree of solidarity, there are 5 questions in terms with a category of satisfaction and 5 questions in terms of confidence and 5 questions in terms of

opportunism. They are measured by a 5-point Likert scale.

Demographic characteristics, 'experience in beauty salons', 'type of a business site', 'type of the building of a business site', 'properties of member shops' and 'factors of conflicts and solidarity' were used for operational definition of variables

3. Survey Sample Design and Data Analysing Method

Franchise member shops were interfered with their managements by a head office rather than other channel of transactions, but because of the cognitive influence of the brand, it is profitable to maintain a reciprocal relationship with a head office. It causes conflicts between a member shop and a head office.

The objects of this research are selected among franchise of beauty salons which were easy to participate in and had a market structure approximating to perfect competition. By a random sampling method, 7 enterprises and 50 salons for an enterprise, therefore 350 samples are extracted among the salons in Seoul, whose amount of sales was in a first grade and which had a lot of members. Interviews by questionnaire for this survey were fulfilled during a month from 2003/2/15 to 2003/3/20. 290 papers were returned and 223 papers except untrustworthy were analyzed with the software "SPSS 6.0".

At first, in order to grasp general characteristics of samples and qualities of membership, the descriptive analysis is fulfilled. Second, in order to analysis unitarity of investigated units, a preliminary factorial analysis and a confidence analysis are fulfilled. Third, in order to test hypotheses, one way analysis of variance and T-test, and canonical correlative analysis between demographic variables and franchise variables and conflict factors had been done.

1) Characteristics of Samples

(1) Demographical Characteristics

According to sex in demographic characteristics, males were figured up as 41(18.3%) and females as 182(81.7%). According to ages the number of the twenties were 71(31.8%), the thirties were 100(44.8%), the forties 44(19.7%), the over-fifties 8(3.6%) and the twenties and the thirties were distributed the most widely. According to academic career, the graduates from high school were 84(38.2%), the graduates from a technical college 77(35.0%), the graduates from a university or a higher academic course than a university were 58(26.8%).

According to a directly- managed shop or a member shop the member shops were 207 sites(92.8%), the directly- managed shops 16 sites(7.2%).

According to past experience in the work of the beauty shop, the people having

an experience were 152 people (69.4%), the ones having no experience 67(30.6%), and according to a status, the owner and manager 164 persons(73.5%), the employed manager 56 (25.1%), and the others were 3 people (1.4%). According to the years of engagement, the under-a-year were 49.3%, the 2-3 years were 28.2%, the over-4-years were 22.5%, and to the question of what about extending the term of a contract, 199 people (87.8%) said positively and 24 people (12.2%) said negatively.

(2) A Descriptive Analysis of Conflict Factors in Franchises of Beauty Salons

As a result of a descriptive analysis of conflict factors in franchises of beauty salons, the most affectively acting elements are these : 'deciding the interior of a shop', 'type of settlement', 'business hours', On the other hand, to decide the size of a deposit, kinds of good to be supplied, the price of selling and purchasing products were not so much operating as an important conflict factor.

<Table 1> Analysis of factors on conflicts of a beauty shop franchise

Descriptive analysis of beauty shop franchise	average	standard deviation	ranking
The exchange policy of supplied inferior goods	2.71	1.14	1
Interior	2.64	1.11	2
Type of settlement	2.64	1.15	3
Business hours	2.61	.90	4
Inventory management in shop	2.57	1.12	5
franchiser's monthly minimum requested sales	2.57	1.05	6
Management guide	2.55	1.14	7
Sole agentship in vicinities	2.55	1.15	8
Customer service policy	2.52	1.18	9
Period of settlement	2.50	1.02	10
The term of discount and rate	2.48	1.14	11
Order amount of an order	2.48	1.00	12
Total order amount	2.48	1.02	13
Policy of discount sale	2.44	1.35	14
Amount of Deposit	2.40	1.03	15
Sorts of supplying goods	2.39	1.05	16
Setting sales prices	2.37	1.03	17
Purchase price from franchiser	2.23	1.07	18

*the average means an average on a 5-point scale

(3) Factorial Experiment of the Conflict of Beauty Shop Franchise

R-type factorial experiment, useful to make convolution data with correlation between raw data keeping original meaning, and Varimax rotating method were used for this study. Data, which bigger than 1.0 compared to eigenvalue, were factorized. The results of this study are in table 2.

As the result of the analysis of 18 variables for conflicts, as shown in table 2, 3

factors, whose eigenvalue is over 1 are extracted. Then the larger the dispersion value which each factor explain is, the larger the weight it occupies is . Then the extracted 3 factors shows that total dispersion 67.7% is explained. In a internal consistency test, Cronbach a value is over 0.6 and this says they have a relatively higher consistency.

Factor 1 revealed high loadage in these elements; 'Sorts of supplying goods', 'Type of settlement', 'Sole agentship in vicinities', 'Amount of Deposit', 'Setting sales prices', 'Interior', 'Business hours', and is named as incongruity of expectancy and eigenvalue is 9.26 and dispersion rate was revealed as 48.7 and cronbach's α as .906

Factor 2 revealed high loadage in these elements: 'customer service policy', 'period of settlement', 'the term of discount and rate', 'franchiser's monthly minimum requested sales', 'inventory management in shop', 'policy of discount sale', 'purchase price from franchiser', and is named as 'autonomy and control' and eigenvalue is 1.77 and dispersion rate was revealed as 9.3% and cronbach's α as .896.

<Table 2> Analysis of factors on conflicts of a beauty shop franchise

factors	Variables	cumjlatve value	corrected item-total correlation	Alpha if Item Deleted	Cronbach's α
Incongruity of Expectancy 9.26 48.7	Sorts of supplying goods	.794	.767	.887	.906
	Type of settlement	.787	.761	.888	
	Sole agentship in vicinities	.747	.741	.890	
	Amount of Deposit	.742	.790	.885	
	Setting sales prices	.730	.694	.894	
	Interior	.655	.759	.888	
	Business hours	.568	.545	.906	
Autonomy and Regulation 1.77 9.3	Customer service policy				.896
	Period of settlement	.753	.675	.884	
	The term of discount and rate	.744	.731	.877	
	franchiser's monthly minimum requested sales	.725	.765	.874	
	Inventory management in shop	.689	.777	.871	
	Policy of discount sale	.615	.639	.891	
	Purchase price from franchiser	.483	.536	.898	
	franchiser's monthly minimum requested sales	.725	.765	.874	
	Inventory management in shop	.689	.777	.871	
Policy of discount sale	.615	.639	.891		
Purchase price from franchiser	.483	.536	.898		
Incongruity of roles 1.26 6.7	The exchange policy of supplied inferior goods	.680	.572	.739	.770
	Management guide	.672	.677	.653	
	Total order amount	.582	.604	.698	
	Order amount for an order	.556	.483	.757	

*eigenvalue, **rate of variance rate(%), cumulative rate of variance
Kaiser-Meyer-Olkin Measure of Sampling Adequacy = .87226
Bartlett Test of Sphericity = 3196.0300 Significance = .000

Factor 3 revealed high loadage in next elements: The exchange policy of supplied

inferior goods, management guide, total order amount, order amount of an order, and is named as 'incongruity of roles' and eigenvalue is 1.26 and a dispersion rate was revealed as 6.7% and cronbach's α as .770.

2) Tests of Hypotheses

(1) Analysis of a Difference According to Demographic Characteristics

- Analysis of a difference of conflict factors according to sexes

In order to test hypothesis 1, the t-test was fulfilled between sexes and conflict factors of franchise. There happened a significant difference for the 'autonomy and regulation' factor and an 'incongruity of roles' factor. Males felt conflict much more than females in the factor of 'autonomy and regulation', and females felt it much more than males in the factor of 'incongruity of roles'

<Table 3> Analysis of a difference of conflict factors according to sex

factors \ sex	males (n=41)	females (n=182)	t-value (p-value)
incongruity of expectancy	-.0192 ^a .892 ^b	.0269 1.139	-.32 .746
autonomy and regulation	.1605 .793	-.2250 1.202	2.69* .008
incongruity of roles	-.1929 .976	.2705 .975	-3.48* .001

* $p < 0.05$ a. average, b. standard deviation

- Analysis of a difference of conflict factors according to ages

<Table 4> Analysis of a difference of conflict factors according to ages in years

factors \ age	twenties (n=70)	thirties (n=100)	forties (n=43)	over-fifties (n=8)	F (p-value)
incongruity of expectancy	-.3910 ^a 1.1312 ^b L ^c	.1874 1.0380	.2120 .4101 H	-.0611 .5071	5.7398* .0009
autonomy and regulation	-.0671 .5897	-.1774 1.2128 L	.5033 .8937 H	.0989 .5876	5.0870* .0020
incongruity of roles	.2410 1.0901 H	.0536 .8281	-.1499 .8952	-1.9728 .0355 VL	14.3659* .0000

* $p < 0.05$ a. average, b. standard deviation, c. DMR-Test(Duncan Multiple Range-Test)

For the purpose of a verification of the hypothesis 1, one way ANOVA between

ages and the factors of conflict was applied. There appeared significant differences in next factors; 'incongruity of expectancy', 'autonomy and regulation' and 'incongruity of roles'. The post hoc ranges test revealed that conflict of incongruity of expectancy is lower in twenties than in forties, and that conflict of autonomy and regulation appeared much more in the forties than thirties and that conflict in incongruity of roles appeared higher in twenties than in fifties.

- Analysis of a difference of conflictual factors according to academic career.

In order to test the hypothesis 1, one way ANOVA between academic career and conflictual factors of franchises is applied. There were significant differences in 'incongruity of expectancy' and in 'incongruity of roles'. And in a view of the post hoc test, incongruity of expectancy is revealed as lower in the people graduated from technical colleges than the ones graduated from universities or post graduate courses, and the incongruity of roles revealed higher in the ones graduated from technical colleges or the higher level of academic courses than the ones graduated from high school or the lower level of academic courses.

<Table 5> Analysis of a difference according to academic careers

factors \ academic career	graduates from high school or lower courses (n=83)	graduates from a technical college (n=77)	graduates from university or undergraduate school (n=58)	F (P-value)
incongruity of expectancy	.1929 ^a .7347	.2002 1.0659 H	-.2811 1.0331 L	6.1749* .0025
autonomy and regulation	-.1092 .7892	-.0630 1.3364	.1739 .7134	1.7454 .1770
incongruity of roles	-.2924 .8898 Lc	.2937 1.2559 H	-.0382 .7500	6.0965* .0027

* $p < 0.05$ a. average, b. standard deviation, c. DMR-Test(Duncan Multiple Range-Test)

(2) Analysis of a Difference according to Past Experience in Beauty Shops

- Analysis of a difference according to the terms of running a shop

In order to test hypothesis 2, one-way ANOVA between the terms of having run a salon(s) and the conflictual factors is applied. The factor of 'autonomy and regulation' revealed significant differences, and the post hoc ranges test revealed the over-3-years careers rather than over-5 years careers showed the most difference in the autonomy and regulation factor

<Table 6> Analysis of a difference according to the terms of running a shop

terms of running a shop \ factors	under 1 year (n=68)	2-3 years (n=78)	3-4years (n=28)	over 4 years (n=46)	F (P-value)
incongruity of expectancy	-.0875 ^a	-.0110	.2473	-.1357	.9819
	.9760 ^b	1.0682	.4843	1.1766	.4022
autonomy and regulation	.1431	-.1004	.3195	-.3525	3.6551*
	.8791	.6881	1.0359 VHc	1.4014 VL	.0134
incongruity of roles	-.2144	-.0114	.2813	.0822	1.8508
	.8845	.8845	.8522	1.0246	.1390

* p<0.05 a. average, b. standard deviation, c. DMR-Test(Duncan Multiple Range-Test)

- Analysis of a difference of the conflictual factors according to having engaged or not

In order to test hypothesis 2, t-test between the terms of experience in a salon(s) and the conflictual factors are applied. There appeared no significant difference.

<Table 7> Analysis of a difference according to having engaged in a beauty salon or not

having engaged in beauty salons or not \ factors	yes (n=67)	no (n=152)	t-value (P-value)
incongruity of expectancy	.0794 ^a	-.0459	.85
	1.073b	.978	.399
autonomy and regulation	-.1996	.0551	-.51
	1.263	.840	.135
incongruity of roles	-.1487	.0453	-.21
	1.151	.928	.227

* p<0.05 a. average, b. standard deviation

- The analysis of a difference according to having run another salon(s)

<Table 8> ANOVA of differences according to having run another shop or not

having run another shop or not \ factors	yes (n=17)	no (n=206)	t-value (p-value)
incongruity of expectancy	1.5004 ^a	-.0880	23.07*
	.013b	.981	.000
autonomy and regulation	.5908	-.0461	7.83*
	.115	1.012	.000
incongruity of roles	-.2571	-.0082	-2.05
	.278	1.027	.057

* p<0.05 a. average, b. standard deviation

In order to test hypothesis 2, t-test between the terms of having run another salon(s) and the conflictual factors is applied. The factors of 'incongruity of expectancy' and 'autonomy and regulation' revealed significant differences. This explains that the ones who have run another shop perceived much more conflict than the other.

(3) Analysis according to Characteristics of Franchising

- Analysis according to entrance characteristics

In order to test hypothesis 3, t-test between 'being a member shop or under direct management' and conflictual factors of the franchises are applied. The factor of 'incongruity of roles' revealed a significant difference. Member shops are reveal as in more conflict due to incongruity of roles than ones under direct management are.

<Table 9> Analysis of a difference according to being a member shop or under direct management

factors	member shops or direct management	member shops (n=205)	under direct management (n=16)	t-value (p-value)
incongruity of expectancy		.0216 ^a	-.2772	1.61
		1.018 ⁿ	.687	.123
autonomy and regulation		.0124	-.1589	1.29
		1.030	.445	.206
incongruity of roles		.0163	-.2085	2.18*
		1.034	.295	.034

* p<0.05 a. average, b. standard deviation

- Analysis according to status

<Table 10> ANOVA of conflictual factors due to a status

factors	status	owner and manager (n=164)	employed manager (n=56)	etc (n=2)	F (p-valje)
incongruity of expectancy		-.1123a	-.1819	.9713	4.9431*
		1.0008b	.9713	.0000	.0024
		Lc	L		
autonomy and regulation		.4349	-.0902	-.1158	5.3091*
		.8298	.7987	.0000	.0015
		H			
incongruity of roles		-.1254	.1168	.1896	.9172
		1.2996	.7996	.0000	.4334

* p<0.05 a. average, b. standard deviation, c.DMR-Test(Duncan Multiple Range-Test)

In order to test the hypothesis 4, one-way ANOVA between positions and conflictual factors of franchises was applied. 'Incongruity of expectancy', 'autonomy and regulation' showed significant differences. The post hoc test showed that conflict due to

incongruity of expectancy was revealed as less on the case of persons who were in a status of owner and manager at the same time and on the case of persons who are employed manager.

And in order to test the hypothesis 4, t-test between a question whether to renew the term of the contract and conflictual factors were applied. No significant difference was revealed

<Table 11> Analysis of conflictual factor due to renewing the contract term or not

renew or not factors	yes (n=199)	no (n=24)	t-value (p-value)
incongruity of expectancy	.0097 ^a	-.2358	1.87
	1.080 ^b	.501	.067
autonomy and regulation	.0057	-.0735	.35
	1.087	.653	.728
incongruity of roles	.0136	-.2804	1.29
	1.066	.873	.98

* p<0.05 a. average, b. standard deviation

(4) Correlation Analysis of Conflictual Factors and Solidarity of Beauty Salon Franchises.

① Canonical correlative analysis of conflictual factors in franchises in beauty salons and solidarity

In order to reveal a correlation between conflictual factors and solidarity of franchises in beauty salons, canonical correlation analysis was used. 3 canonical functions whose canonical correlative coefficients had statistical significance(p<.05) were derived, and the canonical relative coefficients (p<.05)(p<.05)(p<.05) shows that relative explanatory power for a pair of canonical variate was significant.

The relevance between two variable groups on the basis of the table 12 was observed like the following. The relative explanatory power contributing to incongruity of expectancy(-.678), incongruity of roles(-.380), confidence(-1.117) and opportunism (-.248) which were conflictual factors was revealed as high. The relative explanatory power of autonomy and regulation(.629) to satisfaction(.911) also is revealed high. Such relative explanatory power can be known by means of canonical weights and come out to explain 34.0% to satisfaction, 52.0% to confidence and 44.2% to opportunism. Secondly in canonical function 2 the influence of autonomy and regulation (.345), incongruity of roles(.918) and satisfaction(.441) and opportunism(.989) on satisfaction(.441)and opportunism(.989)is revealed as high. The relative explanatory power appeared as 32.1%, 89.7%. In a result of submitting influential relation between individual variables in two variable groups, it is reported in the basis of canonical weights that the influence of the conflict factor of incongruity of expectancy in beauty

salons of canonical function on confidence is the biggest.

<Table 12> Analysis of canonical correlation beauty salons franchise conflicts and relationship solidarity

factors	standard canonical coefficients			canonical cross weights		
	function1	function2	function3	canonical weights		canonical cross weights
conflict						
incongruity of expectancy	-.678	-.708	-.195	-.678	-.708	-.195
autonomy and regulation	.629	-.697	.345	.629	-.697	.345
incongruity of roles	-.380	.111	.918	-.380	.111	.918
index of overlap	.124	.047	.024			
satisfaction						
confidence	.911	.941	.441	.340	.884	-.321
confidenc	-1.117	.229	-.552	-.520	.719	-.4614
opportunism	-.248	.454	.989	-.442	.008	.897
index of overlap	.072	.060	.027			
coefficient of canonical correlation (Rc)						
Wilk's lambda	.609	.373	.268			
Chi-Square	.502	.798	.928			
degrees of freedom	149.168	48.733	16.153			
significance level	941.000	.000	.000			

- a. The analysis is fulfilled with canonical correlation analysis routine of SPSS for Windows Ver.6.0
- b. 3 canonical functions are produced by the analysis of canonical correlation
- c. This means standardized canonical coefficient whose canonical weight is bigger than 0.3

② Multiple regression analysis between conflict factors and satisfaction

In order to test the hypothesis 4 that conflict factor in beauty salon franchise will affect solidarity, a multiple regression analysis was run. R Square value and F- and P-values come out as significant. Independent variables of conflict factor explained a change in customer's satisfaction to the limit of 16%. The analysis resulted in this: Incongruity of expectancy($\beta=-.358$) and autonomy and regulation($\beta=-.130$) factors in

<Table 13> Regression analysis of relation of beauty salon franchise conflict factors to solidarity

	unstandardized coefficient		standardized coefficient	t-value	significant probability
	B	standard error	Beta		
(Constant)	3.188	.040		79.391	.000
incongruity of expectancy	-.231	.040	-.358	-5.746	.000*
autonomy and regulation	-.084	.040	-.130	-2.087	.038*
incongruity of roles	-.078	.040	-.121	-1.944	.053
dependent variable : satisfaction					
R Square=.15942 df=3 F=13.71830 P=.000					

*p=.01

the category of beauty salon franchise’s conflict showed a significant influence on a satisfaction of solidarity.

③ Multiple regression analysis between conflict factors and confidence

In order to test the hypothesis 4 that conflict factor in beauty salon franchise will affect relationship solidarity, a multiple regression analysis is run. R Square value and F- and P-values come out as significant. Independent variable of conflict factor explained a change in customer’s confidence to the limit of 18%. Autonomy and regulation($\beta=-.4299$)in beauty salon franchise’s conflicts showed a significant influence on confidence leading to solidarity.

<Table 14> Regression analysis of relation of beauty salon franchise conflict factors to solidarity

	unstandardized coefficient		standardized coefficient	t-value	significant probability
	B	standard error	Beta		
(Constant)	3.175	.035		91.832	.000
incongruity of expectancy	.028	.0374	.049	.793	.429
autonomy and regulation	-.243	.0374	-.4299	-7.015	.000*
incongruity of roles	.021	.0374	.037	.604	.546
dependant variable: confidence R Square=.18788 df=3 F=16.73368 P=.000					

*p=0.1

④ Multiple regression analysis between conflict factors and confidence

In order to test the hypothesis 5 that conflict factor in beauty salon franchise will affect relationship solidarity, a multiple regression analysis is run. R Square value and F- and P-values come out as significant. Independent variable of conflict factor explained a change in customer’s confidence to the limit of 18%. Autonomy and regulation($\beta =-.4299$)in beauty salon franchise’s conflicts showed a significant influence on opportunism for solidarity.

<Table 15> Regression analysis of relation of beauty salon franchise conflict factors to solidarity

	unstandardized coefficient		standardized coefficient	t-value	significant probability
	B	standard error	Beta		
(Constant)	3.188	.040		79.391	.000
incongruity of expectancy	-.231	.040	-.358	-5.746	.000*
autonomy and regulation	-.084	.040	-.130	-2.087	.038*
incongruity of roles	-.078	.040	-.121	-.1944	
dependant variable: opportunism R Square=.15942 df=3					

* p=0.1

(5) A Summary of Tests of the Hypotheses

This study tested 4 hypotheses on conflictual factors and solidarity in a franchise system in beauty salons. In the hypothesis 1, there appeared a difference between qualities in the difference-analysis depending on demographic qualities, i.e., sexes, ages, academic career and all of them are accepted. In the hypothesis 2, in a view of the result of the analysis of a difference from the conflictual factors according to an experience, there appeared a difference according to the term of running a beauty salon(s), the term of engagement in a beauty salon(s), and whether to run another shop or not and so they are accepted partially, but on the case of an past experience in a beauty business, there appeared no difference and so it is rejected. In the analysis of a difference from the conflictual factors according to the characteristics of a member shop in the hypothesis 3, the clauses of types of buildings, member shop or under a direct management, positions, terms of a contract were accepted partially but the clause of a question of renewing terms was rejected. The hypothesis 4 was a part of a correlative test of the conflictual factors and solidarity in the franchises in beauty salons. From an canonical correlative analysis, it is resulted that the conflictual factors give an significant influence to all over satisfaction, confidence and opportunism and it is accepted.

IV. Conclusions

1. A Summary of Results of This Study and Suggestions

In this study , the franchise system in beauty salons are defined as an entity of political-economy paradigm as stern and Reve did(Stern & Reve, 1980), and uttered that the outcomes of a system should be regarded as the economic and the behavioral. And by means of investigating influences and conflicts which is political, this study tried to measure influences on a solidarity which is an outcome of a system.

The Main Points which This Study of the Relevant Literatures on the Influence Factors of Solidarity of the Franchise System have Discovered are These: At first, the influence in the franchise channel was studied since the last years of 1960s. The concept of influence by Hunt & Nevin in 1974 was referred continuously and dominantly. From the middle of 1980s the studies on the behavioral contents of influence followed the study on concept of influence. Second, by means of the strategy in a process of forcing member shops to reach a goal which a head office made, a conflict between them occurs. That is, amount of conflict of member shops which belong to a head office having direct/the compulsive strategy are much more

than the other. Third, the direct/compulsive strategy affect member shops negatively, and on the contrary, the indirect/compulsive influence strategy affect them positively. The tendency toward opportunism become higher when they perceive the direct strategy, and becomes lower when they perceive the indirect strategy of influence. Forth, the conflicts of member shops influence confidence and satisfaction negatively, and increase the tendency toward opportunism.

This Paper Studied on Conflict of Beauty Salon Franchise on Solidarity Empirically. The Results of the Empirical Analysis are These: At first, For the demographic characteristics, the incongruity of roles showed a much more differences in the factors of conflicts. Second, an experience in running a shop showed a lot of a difference from the factors of conflict. Third, for entrance characteristics each of the incongruity of expectancy and the incongruity of roles showed a lot of difference, the factor of conflict affected satisfaction and confidence negatively(-) and influenced opportunism positively(+).

The Suggestions of This Study on the Influence of a Difference of Conflict and a Factor of Conflict on Solidarity are These: At first, the demographic qualities, i.e., the personality of a runner of a beauty shop, etc, are giving an influence to factors of conflict. His willingness is regarded as important to the policy for a management guidance by a head office. Second, the experience of running a beauty salon increase friction against franchiser especially when he is to open new shop. Third, the factors of conflict in the franchises of the beauty salons affect opportunism for a solidarity the most. A franchise of beauty salons is formed by the mutual definite confidence and transaction. If an opportunism gain in influence owing to an intensification of a conflict, there would be no steady formation of a relationship. Therefore the head office should develop a management system of member shop by a more scientific and technical method and prevent in advance member stores from seeking for negative opportunism.

2. Limits of This Study and Future Study

This study have some limits. At first the characteristics of franchiser and influence factors generated from relationship between franchiser and its agents are not studied. Second, the solidarity-level is classified as merely 3 categories ,i.e., satisfaction, confidence, opportunism. It is not realized to measure the factors of conflict of the franchise system of beauty salons over the whole country. Therefore, in the future study, concrete variables which have influence on conflicts of franchise systems and factors of conflict which appear in a relationship of an agent to another agent need to be analyzed and to be tested in various perspectives.

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