

FACTORS INFLUENCING COSMETICS FRANCHISE IN CHINA

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ABSTRACT

Franchising can effectively meet the development needs of the market and has become a management mode that is pursued and practiced by many enterprises. The beauty industry in China also feels pressured to expand the market in the short term, and as a result, several Chinese cosmetics brands have chosen to franchise. Franchising, in comparison to direct sales, also bears risks. From the risk perspective, this research found that franchising faces challenges. This research evaluates the satisfaction of franchisees and end-consumer customers and proposes managerial recommendations for the long term. This research collected data through 500 questionnaires distributed to both franchisors and end consumers and analyzed data using factor analysis. The optimization and development path of the cosmetics franchise is analyzed from the obstacles and puts forward the optimization and development path. It was found that four key factors influence cosmetics franchising in China as follows: the threshold of franchise authorization; auxiliary operation support system combining brand direct operation and franchise operation; uniform standards and requirements for franchisees from the head office; and strengthening maintenance management of end customers.

Keywords: Franchising, Chinese Cosmetics

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