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# **Social relationships and communication as key characteristics of social franchising in Africa**

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# **Social relationships and communication as key characteristics of social franchising in Africa**

## **Structured abstract**

Purpose: This paper, using a case study on *Jibu*, a water distribution chain that distributes bottled water in Africa, aims to underline the importance of social relationships and communication within franchise chains operating in the social sector in developing countries and their contribution to the clarification of the concept of social franchising.

Design/methodology/approach: The research is based on a case study of *Jibu*, a water distribution chain composed of 122 franchised units and 2,100 independent retailers. The primary data was gathered through an analysis of in-depth interviews with 67 people (*Jibu* co-founder, headquarters staff, franchisees, micro-franchisees and customers) in Uganda and Rwanda.

Findings: Findings showed that the extent and richness of social relationships and communication existing within the *Jibu* chain are not limited to top-down and build a feeling of belonging to a family. These social relationships and communication are key characteristics of social franchising.

Practical implications: This research can assist franchise experts, franchisors and franchisees to better assess the importance of social relationships and communication in social franchise chains in developing countries and help national and local governments better understand how franchising works in the social sector.

Social implications: Franchising is not limited to hotels, restaurants and retail businesses. Franchising can be applied to businesses that have social goals, in addition to profit goals. For example, the *Jibu* franchise is a relevant and efficient solution to providing the African people with access to drinking water at an affordable resale price. This paper thus contributes to increasing the awareness of this franchising phenomenon in social sectors in developing countries and in Africa, in particular.

Originality/value: Access to drinking water is an important issue in many developing countries, above all in African countries. Franchised water services are an innovation in terms of a business model in developing countries with micro-treatment plants run by franchisees and small units run by micro-franchisees or retailers, both franchisees and micro-franchisees being local entrepreneurs.

## **Keywords**

Franchising, social franchising, micro-franchising, social relationships, communication, social sector, water distribution, East Africa

## **Paper type**

Research paper

## 1. Introduction

The United Nations (UN) has adopted 17 Sustainable Development Goals (SDGs) comprised of goals to end poverty, protect the planet and ensure prosperity for all as part of a new sustainable development agenda. It is committed to achieving these goals by 2030 (UN, 2015). At the same time, in academic literature and the trade press, authors, such as Aliouche and Schlenrich (2015), Crawford-Spencer (2015), Crawford-Spencer and Cantatore (2016), Cumberland and Litalien (2018), Naatu and Alon (2019) and Perrigot (2018a), have analyzed the emergence, development and operations of franchised companies that attempt to meet, and often succeed in meeting, these social goals. They are called “social franchise chains.”

Included among these 17 SDGs is “clean water and sanitation.” Despite all efforts, by 2030 water scarcity will probably affect 40% of the world’s population. Indeed, access to water is a big issue in many developing countries, above all in African countries, whether used for drinking, cooking, laundry or bathing (Dinar *et al.*, 2016; Jackson, 2013; Pickering and Davis, 2012; Smiley, 2016). According to Gebauer and Saul (2014), franchising, or more specifically social franchising, considered as an innovative business model in this context, can help to solve issues dealing with clean water access in developing countries with micro-treatment plants run by franchisees who are local entrepreneurs.

Social franchising refers to a particular type of franchising that has social goals, as well as commercial or profit-making-goals (Smith, 2002; Du Toit, 2014). It is “the application of commercial franchising methods and concepts to achieve socially beneficial ends” (Temple, 2011, p. 3). Not surprisingly, social franchisors usually operate in social sectors, such as health, education, water and sanitation, energy and agricultural productivity. Social franchising consists of offering basic products and/or services of quality at affordable prices

to customers who would normally not have access to such products/services. The first social dimension of social franchising is thus related to the customers.

In addition, in these social sectors, social franchisors very often rely on micro-franchising, i.e., “a business model that, although adopting many of the business practices employed in mainstream commercial franchising, involves businesses that are affordable enough to be owned and operated by people living at the base of the economic pyramid” (Burand and Koch, 2010, p. 25). It enables people to create their own jobs as micro-franchisees. This is a way for entrepreneurs to exit from the informal sector to the formal one, as has been the case for other forms of retailing in Africa such as the spaza shop, “a shop with limited floorspace operated from a residence in a black township” (Terblanché, 1991). The second social dimension of social franchising is thus related to the micro-franchisees.

We consider that there is a third social dimension of social franchising and that it is related to the social relationships and communication existing within chains. We know that communication is important “in developing and maintaining good channel relationships in “quasi-integrated” channels such as franchising (Anderson & Narus [1990]; Mohr & Nevin, 1990)” as cited in Meek *et al.* (2011). We posit that social relationships and communication are even more important within the context of social franchising in developing countries than traditional franchising due to the importance of local entrepreneurs (who need a job) serving their communities, i.e., the customers (who need basic products and/or services).

Perrigot (2018a) began to explore relationships within a social franchise chain: *CFW* that operates in the healthcare sector in Kenya, and a broader project that set out to demonstrate that there is little difference between franchising in the social sector and franchising in more traditional sectors.

Our research aims to investigate in further detail the importance of social relationships and communication within franchise chains in the water distribution industry in Africa and their contribution to the clarification of the concept of social franchising. These topics have, as yet, not been covered in the nascent literature on social franchising. We consider that these social relationships and communication may constitute key characteristics of franchise chains operating in the social sector.

Our research question asks: How important are social relationships and communication in social franchise chains and how do they contribute to clarify the concept of social franchising? We believe this research question is of extreme importance in Africa with its collectivist culture in which “relationships with relevant others and group memberships constitute the primary unit of society, the foundation of self-concept, and the key values that should govern one’s life” (Sorensen and Oyserman, 2009, p. 1). Moreover, Gbadamosi (2003) insists on the need for African managers to pay attention to work relationships, clarity and flow of managerial communication and socio-cultural factors.

The empirical research is based on a case study of *Jibu*, a chain composed of 122 franchised units and 2,100+ independent retailers,<sup>1</sup> which has distributed about 174+ million liters of drinking water so far in African countries, more specifically in Burundi, the Democratic Republic of Congo, Kenya, Rwanda, Tanzania, Uganda and Zimbabwe. The case study approach is considered appropriate for this research, due to the novelty of franchising in the social sector and the need for understanding how franchise chains work within that sector, specifically in terms of social relationships and communication. The research is based on primary data gathered through an analysis of in-depth interviews with 67 people (Jibu co-

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<sup>1</sup> It is important to note that, since the time of data collection, Jibu has now evolved its expansion strategy. They used micro-franchisees when they entered into a new market, but when the market grew, the micro-franchise relationship evolved into a retail relationship and the micro-franchisees were no longer limited to only selling Jibu water in their units.

founder, headquarters staff, franchisees, micro-franchisees and customers), all in Uganda and Rwanda. It is supplemented with secondary data from publicly available sources, as well as internal data.

The contributions of this research are multifold. On the one hand, this paper adds to the stream of literature dealing with franchising in the social sector, franchising in developing countries and, more specifically, the African continent. On the other hand, this research can assist franchise experts, franchisors and franchisees to better assess the importance of social relationships and communication in social franchise chains in developing countries and help national and local governments better understand how franchising works in the social sector.

## **2. Literature review**

### ***2.1. Social and micro-franchising***

Until recently, the literature on social and micro-franchising has been limited (Cumberland and Litalien, 2018; Naatu and Alon, 2019). Naatu and Alon (2019) distinguished three streams dealing with motivations for social franchising, operations of social franchise chains and impact of social franchising. There is also another stream that attempts to clarify the concept of social franchising. For example, Cumberland and Litalien (2018) conducted a systematic review of the “past decade of literature” useful for informing “governments, non-governmental organizations (NGOs), philanthropists, social impact investors, corporations devoted to social goals and other key players who support the scaling up or replication of ventures that strive to address societal ills by creating pathways to health and prosperity” (p. 137). Du Toit (2014), in her examination of the literature, distinguished between social enterprise and social franchising, basing her study on replication mechanisms and the importance of standardization and brand. She also differentiated between commercial and social franchising and outlined key points in the implementation of social franchise chains.

The focus of Aliouche and Schlenrich's (2015) review was on the blend of social entrepreneurship and franchising. Crawford-Spencer (2015) set out to define what social franchising is, while examining the differences between social franchising, commercial franchising and social enterprises. Volery and Hackl (2010) proposed an integrated theoretical framework on social franchising based on agency theory and social capital theory.

## ***2.2. Social franchising and the importance of social relationships and communication***

Our research aims to build on the literature stream dealing with the clarification of the social franchising concept and the operations of social franchise chains with a focus on social relationships and communication. Indeed, as explained in the introduction, we consider that these social relationships and communication existing within chains contribute to the social dimension of social franchising. In the context of traditional franchising, Kang and Jindal (2018, p. 198) asserted that “effective communication in [franchise] relationships is critical in conveying motives, creating a shared brand identity, ensuring cultivation of shared values, providing a better understanding of each other’s contributions to the franchise system, sharing performance expectations and evaluation, and maintaining a healthy relationship during the entire period (Gassenheimer *et al.*, 1996; Watson and Johnson, 2010).” They explained that “[t]alking’ always helps; it helps even when things are bad, but it really delivers once things start going well” (p. 210). Franchisors should consider communication as a means of building long-term franchise relationships and enhancing relationship quality, satisfaction and performance (Chiou *et al.*, 2004; Mellewigt *et al.*, 2011; Morh *et al.*, 1996). Chiou *et al.* (2004, p. 21) added that “communication is a human activity that links people together and creates relationships (Duncan and Moriarty 1998).”



We thus raise the following research question: How important are social relationships and communication in social franchise chains, and how do they contribute to clarify the concept of social franchising?

### ***2.3. Top-down, bottom-up and horizontal relationships and communication***

Various aspects of communication have been studied in the literature on organizational communication, among which is its frequency, direction, modality and content (Morh and Nevin, 1990). In our research, we mainly focus on the direction of communication, that is, the vertical and horizontal movement of communication within the organizational hierarchy (Farace *et al.*, 1977). In the vertical context, communication can be “unidirectional” involving downward and upward communication or “bidirectional” involving both downward and upward communication and allowing thus for a better coordination of activities (Morh and Nevin, 1990). Vertical communication has been studied in various settings: superior/subordinate relationships (e.g., Athanassiades, 1973; Dansereau and Markham, 1987), manufacturers/resellers (e.g., Morh and Nevin, 1990), manufacturers/intermediaries (Sachdev *et al.*, 1995) and franchisors/franchisees (Dant and Nasr, 1998) in association with the role of upward information in international franchise chains. Regarding downward and upward communication, Wrench *et al.* (2015) provided the following definitions. On the one hand, downward communication “consists of messages that start at the top of the hierarchy and are transmitted down the hierarchy to the lowest rungs of the hierarchy” (p. 203), this is then a top-down approach of communication (e.g., from franchisor to franchisee, from franchisee to micro-franchisee). On the other, upward communication “consists of messages that start at the bottom of the hierarchy and are transmitted up the hierarchy to the highest rungs of the hierarchy” (p. 212). This is then a bottom-up approach (e.g., from franchisee to franchisor, from micro-franchisee to franchisee). Moreover, according to Baker (2002), horizontal communication “consists of messages that are transmitted to other individuals on

the same rung of the organizational hierarchy” (e.g., among franchisees, among micro-franchisees) (p. 230). In other words, it involves “communication among persons who do not stand in hierarchical relation to one another” (p. 9).

We thus build our empirical research on this conceptual framework, distinguishing top-down relationships/communication, bottom-up relationships/communication and horizontal relationships/communication that altogether lead to a feeling of belonging to a family.

Insert Figure 1 here

### **3. Methodology**

#### ***3.1. The case study of Jibu***

Our research is based on a case study. In line with Yin (2017), the rationales for the use of such a methodology are the following: first, our research question is a “How question,” i.e., “How important are social relationships and communication in social franchise chains, and how do they contribute to clarify the concept of social franchising?; second, we focus on an existent social franchise chain, *Jibu*, and cannot control events; third, the case study approach has often been used in the franchising literature (e.g., the cases of Marks & Spencer and Parfois for franchise chain internationalization, by Whitehead (1991) and Forte and Carvalho (2013), respectively, and the case of Subway for franchisor communication towards franchisee candidates by Perrigot *et al.* (2011).

The case study examines *Jibu*, the biggest franchise chain in the water distribution sector in Africa and in the world. This is a low-profit limited liability company (L3C) that is a hybrid form of a limited liability company that blends the attributes of a for-profit entity with those of a nonprofit entity. While established in North Carolina in the United States, *Jibu* operates in urban and peri-urban communities in seven African countries: Burundi, the Democratic

Republic of Congo, Kenya, Uganda, Rwanda, Tanzania and Zimbabwe. Since its launch in 2012, *Jibu* has opened 122 franchised units and has been working with 2,100+ independent retailers. It has distributed about 174+ million liters of drinking water, so far. The *Jibu* approach is to encourage economic growth and independence of franchisees and micro-franchisees so as to provide African communities with safe drinking water.

In the franchised units, franchisees and their employees produce commercial-quality drinking water by purifying it using eco-friendly ultra-filtration equipment that allows naturally occurring minerals to pass through. They fill reusable water bottles and apply a seal that guarantees the water has received government quality certification and is safe for drinking.

Franchisees can have up to twelve micro-franchisees who are independent retailers. These micro-franchisees buy bottles of water at wholesale prices from the franchised units and then sell the bottles of water with a margin at a specific location, usually close to the franchised units.

On their website, *Jibu* stresses that “[f]inding the right people and building the right relationships. Our business depends on finding strong partners [...]” Social relationships are then of high importance for *Jibu* franchisor and headquarters staff, as we will analyze in detail in our empirical study.

### ***3.2. Data collection and analysis***

In the summer of 2016, a series of 67 in-depth interviews was conducted over Skype and/or by phone. We selected most of the people to be interviewed by way of the snowball method (Miles *et al.*, 2014). For instance, after the first interview with the co-founder of *Jibu*, we asked for contact information for headquarters staff, like the Chief Operating Officer. An on-field consultant was also asked to provide the contact information for several franchisees. Franchisees, in turn, were asked for contact information for other franchisees, their micro-

franchisees and also their customers. In addition to this snowball method, *Jibu* headquarters also provided us with lists of franchisees and micro-franchisees. As a result, a total of 67 people in Uganda and Rwanda were interviewed: Jibu co-founder, six *Jibu* headquarters staff, 20 *Jibu* franchisees, 21 *Jibu* micro-franchisees and 19 *Jibu* customers. We achieved the saturation point with a total of around 50 interviews. Indeed, at this stage, no new themes emerged during the interviews. We nevertheless decided not to cease the interviews because people from *Jibu* had generously responded to our requests. We then went ahead and carried out interviews with those who had initially agreed to partake in the interview process and then with those who had been recommended to us and who also were willing to be interviewed (snowball effect). We attained an overall view of the social relationships and communication existing within the *Jibu* chain. Interviews were conducted with a variety of respondents at different levels (headquarters, franchised units, micro-franchised units), which resulted in gaining diverse perspectives and points of view on the topic addressed.

The in-depth interviews were conducted in English, except two that were conducted in French. They were treated as free and open discussions that addressed topics previously listed in an interview guide composed of the five following topics: 1) franchising at *Jibu*, 2) micro-franchising at *Jibu*, 3) *Jibu* customers, 4) *Jibu* competitors and 5) *Jibu*'s retailing mix. In total, the 67 interviews equaled 63 hours. Their average duration was 57 minutes, with a minimum of 17 minutes and a maximum of 2 hours 2 minutes. We conducted a thematic analysis of the interviews, manually and using a two-step process, as suggested by Saldaña (2015). In the first cycle coding, we proceeded with one of the elemental methods, descriptive coding, and “assign[ed] labels to data to summarize in a word or short phrase [...] the basic topic of a passage of qualitative data” (Miles *et al.*, 2014, p.74) in order to “summarize segments of data” (p. 86). The second cycle coding relies on pattern coding and is “a way of grouping

those summaries into a smaller number of categories, themes, or constructs” (p. 86). Table 1 illustrates this process with themes, categories, codes and illustrative verbatims.

Insert Table 1 here

We adopted a “within-method triangulation” with “multiple techniques within a given method to collect and interpret data” and thus “cross-[checked] for internal consistency or reliability” of our research (Jick, 1979, p. 602-603). In particular, we used 1) in-depth interviews, 2) examination of internal documents, 3) publicly available information on Jibu website and the Internet, and 4) informal discussions with Jibu executives and stakeholders. For instance, we noticed that, similarly to our findings, the term “family” is used in Jibu advertising on social media, e.g., “Happy New Year to the whole Jibu Family, our partners, and our clients!” (Facebook post, Jibu Burundi, 1<sup>st</sup> January 2021). Following Denzin (2001), we also relied on triangulation by data source (interviews of various people from various types in various contexts, interviews on different dates, etc.) and by researcher (data categorization checked by the author and her research assistants).

## **4. Findings**

### ***4.1. Complementary types of relationships/communication within the Jibu chain***

#### **4.1.1. Top-down relationships/communication within the Jibu chain**

*From the franchisor (and its staff) to their franchisees and micro-franchisees:* Franchisors usually use different means to interact with their franchisees: on-field consultant visits, regional meetings, conventions, Intranet, newsletters, emails, etc. (Mubleman, 1996). This is empirically confirmed in the case of *Jibu*. Indeed, according to several interviewees, the franchisor and headquarters staff often initiate interactions with franchisees and micro-franchisees, for instance, visiting the units, organizing meetings with franchisees and micro-

franchisees or using WhatsApp to provide them with answers to their questions.

Professional #8 explained that “there are separate meetings just for franchisees, and there are also meetings for only micro-franchisees.” Micro-franchisee #12 remarked, “We have meetings the first week of every month where they will inform [us] of the new products and how to sell them, as well as upcoming promotions.” Micro-franchisee #2 added, “[The headquarters staff] do call me to ask me how I’m doing, how the business is growing, how is the market, what challenges do I have. So, we have a good relationship.”

According to a couple of interviewed franchisees and micro-franchisees, more frequent visits by on-field consultants (who are key staff of the franchisor) would be welcomed and would complement the interactions during meetings. For instance, Franchisee #6 said, “I think we need to have [more] individual meetings, one-on-one meetings, not just one franchisee meeting. They [i.e., *Jibu* representatives] should come and meet individual franchisees and discuss how the store is improving, maybe once a quarter. [...] That [current] meeting is a general meeting, and you cannot discuss your private business problems or ways to improve your business in a staff meeting. I think they should analyze your monthly reports and give you feedback and that will help you to implement the report.”

*From franchisees (and their employees) to their micro-franchisees:* Franchisees communicate a lot with their micro-franchisees. According to many interviewed micro-franchisees, franchisees support them in their daily activities and sometimes recommend them to *Jibu* headquarters as potential franchisees. For example, Franchisee #5 explained that “[he and other franchisees] check problems and talk to them [i.e., micro-franchisees]. Why they are not selling water this week, just talk to them, find out their problems.” Micro-franchisee #3 completed, “With your franchisee, he or she can help you get the opportunity to become a franchisee yourself, because he will be reporting you to *Jibu*. He will be saying this is how the reseller in his location is doing and he’s doing well. He’s respecting everything that we agreed

on. So, if you get a [good] recommendation from the franchisee [...], then you get a franchisee.”

It was also revealed during the interviews that, in addition to supplying them with water, franchisees and their employees visit the micro-franchisees at their units to monitor their activities. Micro-franchisee #4 commented, “She [i.e., the franchisee] sometimes visits and talks with us. [...] We are not supposed to go beyond two weeks without any discussion. We communicate and share ideas regarding how business is going. [...] They normally come, and they ask us how we are doing and check that all our equipment is clean. They tend to know how the place is and they advise us about cleanliness and that’s it.” Franchisee #2 added that he and other franchisees visit their micro-franchisees “to check how they are doing and if there is anything that [we] can support them with.”

According to a few micro-franchisee interviewees, although there is already a lot of communication between franchisees and micro-franchisees, increasing such communication would be even better. Micro-franchisee #3 mentioned, “The thing that I would like done is [...] for franchisees to communicate and work more closely with the resellers. To have more communication with sellers and decide what more could be done from now on.”

Franchisee #6 said, “I think the visits should be increased. We should visit on a monthly basis and see how they are working, if they have any problems and if you can help them to resolve them.”

*From franchisees and micro-franchisees to their employees:* Employee management and organization of work are core issues in franchising (Cappelli and Hamori, 2008). In this direction, franchisees and micro-franchisees interact with their employees and provide them with information about unit business. Most interviewed franchisees have good relationships with their employees and organize regular meetings with them. This is in line with internal

marketing and, more specifically, its dimensions of formal interactions, feedback and internal procedures and policies pointed out by Panigyrakis and Theodoridis (2009). Franchisee #15, for instance, remarked, “My relationship with my employees is very good, because we sit and talk. [...] If they are not satisfied with something, we find a way of working on what they are not satisfied with. They are given a chance. We are very friendly, and we are friends.”

Franchisee #18 added, “Today we had a meeting. We have a meeting every week on Monday from 8am to 9am. We spend an hour in the meeting discussing how we are going to increase our sales, what we should do, what things have come from customers. [...] We discuss the issues that customers are complaining about. We discuss how to add more customers and we give targets.” Franchisee #6 explained that he meets monthly with his staff: “[We] decide how to deal with problems, work at growing in each department and then what [they] can improve next time.”

*From franchisees and micro-franchisees to their customers:* Franchisees, as well as micro-franchisees, also frequently interact with their customers. Several interviewed franchisees explained that they often provide their customers with advice. Franchisee #3 explained, “I really advise them a lot, because I have encouraged those who are boiling water to buy water from us. And those who are not boiling buy from different companies like our competitors. [...], I am able to convince them [to buy from us], because most of them are my immediate neighbors. In my area, many houses are buying from my store.” Franchisee #17 added, “We communicate with our customers very well. We show them a lot of customer care. When they call us, we treat them well and we welcome them. When they come with their cars, we carry the water to their cars. Every time a customer is not refilling, we try and communicate with them and [see] if they have any complaints about the water.” The same applies to the micro-franchisees. For instance, Customer #4 asserted that the micro-franchisees are “friendly and they can advise [the customers]. They can help people to choose which product to buy.”



Micro-franchisee #3 completed, “Because I use the *Jibu* brand and when you are doing the local marketing, you first meet them [i.e., customers] and explain to them about your products and your company and about your customer service and you respond to their questions. They will trust you.”

#### 4.1.2. Bottom-up relationships/communication within the *Jibu* chain

*From franchisees and micro-franchisees to the franchisor (and its staff):* According to Meiseberg *et al.* (2017, p. 1227), “information is supposed to primarily flow from the franchisor to the franchisee.” But Lafontaine (1992, p. 264) highlights a “continuing two-way communication” and so a flow from the franchisee to the franchisor. Interviewed franchisees and micro-franchisees said that they did not hesitate to contact the franchisor and headquarters staff. They explained that they can always communicate with *Jibu* headquarters through phone calls and WhatsApp, but also by going directly to *Jibu* headquarters. For instance, Franchisee #16 explained, “The friendship is there between me and corporate. If I want anything, if I want to ask anything, I can ask by either calling or emailing about anything I want. I will get the answer immediately, because it is a team.” Franchisee #17 added that “[they] communicate by phone and then social media, like WhatsApp. [They] communicate by email also.” Micro-franchisee #2 remarked, “We have a good communication because when I’m here in [City], I always stop by the office to see the headquarters staff. Like once per week [...]”

*From micro-franchisees to their franchisees:* According to many interviewed franchisees and micro-franchisees, micro-franchisees regularly go to the franchisee units, mainly to buy water but sometimes to get advice about their business. For instance, Micro-franchisee #8 said, “That is where I buy my water. That is my franchise. That is where I buy, so I am there twice a week.” Franchisee #14 mentioned, “They come [...] to my store and we discuss ways

forward. I am helping most of them to manage. That is to see they make a profit and pay their credit. We have a good working relationship with them.” Franchisee #2 explained, “We talk about the business, and we talk about their concerns, we discuss the *Jibu* brand and how they [...] do the marketing and all that. [...] They come at least once a week [...].”

*From customers to micro-franchisees and franchisees:* It is sometimes the customers who call on the franchisees and micro-franchisees. They have a close relationship, as highlighted by Franchisee #19: “Each month we discuss great numbers of new customers and I believe the relationship with them is good, because I know most of them personally. I know most of them by name and when they have a problem, they can call me personally. So, I am able to attend to them.” Micro-franchisee #6 added, “I know some of them. Others know *Jibu* maybe from advertisements. Yes, we are close to our customers. They can call us any time and if we are not open, we will open [...] to give them water.”

#### 4.1.3. Horizontal relationships/communication within the *Jibu* chain

*Among (micro-)franchisees:* As mentioned above, “information is supposed to primarily flow from the franchisor to the franchisee. Along these lines, the franchisee–franchisee relationship is seen to contribute marginally—if at all—to the success of the franchise organization. [...] Relationships among franchisees are often also thought of as difficult to establish, infrequent, and temporary, because of the natural tendency to view others as competitors [...] Interfranchisee relationships have received scarce attention from franchising scholars” (Meiseberg *et al.*, 2017, p. 1227). These interfranchisee relationships have been mostly considered to be competitive relationships (Perrigot *et al.*, 2015) or existing within the context of franchisee associations (Lawrence and Kaufmann, 2011). In our study, we observed horizontal relationships and communication among franchisees. Indeed, many franchisees explained that they were all in touch within the *Jibu* chain. For instance, according to

Franchisee #10, “We have monthly meetings among franchisees, and we have discussions on WhatsApp and Facebook. We really are close in terms of trying to know what is happening with other franchisees, their shortcomings, their successes. [...] We discuss that daily among franchisees. Then, we also have regular franchisee meetings once a month.” Franchisee #2 added, “We do meet at the *Jibu* office but also we meet at franchises and discuss among ourselves how to better work the network and how to support the brand and how to present *Jibu* better. All those meetings happen at least once per month.” Micro-franchisee #13 explained, “There is a WhatsApp group in place for micro-franchisees so we can communicate.”

According to Meiseberg *et al.* (2017, p. 1228), “interfranchisee cooperation can provide insights that complement the franchisor’s ‘blueprint’ of doing business: Relationships among franchisees can direct attention to franchisee-developed best practices, offer “strategic knowledge” on business opportunities, or transmit “knowledge of knowledge”, i.e., knowledge where specific advice can be found.” Several franchisees pointed out that *Jibu* has encouraged such horizontal relationships among franchisees. For instance, Franchisee #7 explained, “They encourage [that] because they find there is some communication between us every day in our group, on the phone, when a new franchisee comes. Like today we have added a new franchisee to our group. So, when they come, they add him and we say welcome to the new franchisee.”

## ***4.2. A feeling of family within the Jibu chain***

### **4.2.1. Feelings of belonging to a “family”**

In line with previous research on employee commitment in the specific case of Africa (Gbadamosi, 2003) and on the outcomes of franchisees’ affective commitment to their franchise organization (Mignonac *et al.*, 2015), several franchisees we interviewed described

*Jibu* as a big family that involves the franchisor and headquarter staff, franchisees and their employees, micro-franchisees and customers. Franchisee #15 explained, “My relationship with *Jibu* Corporate is [like] a family. When you come into *Jibu*, you have come because you are interested in obtaining clean water. We want to ensure clean water among our brand [...]. Even my customers have joined the *Jibu* family. I have to make sure that this person gets clean water and gets what they need. It is a combination of *Jibu* Corporate, *Jibu* franchisees, micro-franchisees and the customer himself, because the customer is the main person we are looking at. That customer is going to help me to market my products somewhere else, and he has connected me to someone else. That is how the family is and that is how the *Jibu* family keeps me going now. [...] It is like a friendship part of it.”

#### 4.2.2. Dyads of the “family”

*Franchisee/franchisee as a dyad of the “family”*: Franchisee #3 pointed out the family feelings at the franchisee/franchisee level, he stated: “[*Jibu*] do[es] encourage [such relationships among franchisees]. Relationships among franchisees are very good. [...] I can call it a family, sure. Because we are very, very close and we are every time communicating. [...] We behave and we work as a family, as a team together.”

*Micro-franchisee/micro-franchisee as a dyad of the “family”*: Franchisee #11 highlighted the family feelings at the micro-franchisee/micro-franchisee level. Referring to micro-franchisees, he explained that “[they] try to treat each other like a family. There is no real hierarchy. [They] are all working towards a common goal of success.”

*Micro-franchisees/micro-franchisees' employees as a dyad of the “family”*: Micro-franchisee #1 explained that he worked with a family member, he said: “My employee is also my brother, so I follow up the things he does with the store”.

*Franchisee/customer as a dyad of the “family”*: Concerning the customers, contrary to Perrigot et al.’s (2015) findings in more traditional sectors such as retailing and services that showed that franchisee/customer relationships are often perceived as superficial, we had the following comments from Franchisee #13 and Franchisee #8, respectively: “We are almost a family [i.e., with my customers]. We know them. They know us. It is on a personal level because we know them, we know their homes, we know their families.” and “[My customers] know me. They know my family. I have no problem with them. Yes, they know me. This is the place I grow up. I was in primary school.”

## **5. Discussion**

### *5.1. Summary of findings*

The extent and richness of social relationships and communication existing within the *Jibu* chain contribute to building a feeling of belonging to a family. The *Jibu* case study shows that within such a chain operating in the social sector in East Africa, social relationships and communication are very important and are not limited to top-down flow, as is often the case in many chains. Bottom-up and horizontal interactions are becoming more and more frequent in chains, as well. For instance, Meiseberg *et al.* (2017) demonstrated that franchisee-franchisee relationships built around sharing advice and know-how transfer have a positive impact on unit performance. As one of our interviewees explained, “Right now, I am satisfied with the way communication is done, but if there is anything that can be done to improve it, I welcome it. The better the communication is, the better the sales” (Micro-franchisee #13). Figure 2 illustrates the social relationships and communication that take place in the *Jibu* chain.

Insert Figure 2 here

Our findings suggest that social relationships and communication are key characteristics of social franchising. In social franchising, “social” does not only refer to the social sectors in which chains operate or the provision of a job to people in need. “Social” also refers to social relationships within the chain as well as with customers. It is important to add that to ensure sustainability and performance, these relationships have to rely on fairness and good faith (Perrigot *et al.*, 2019; Shaikh, 2016; Shaikh *et al.*, 2017) in order to build a strong culture and feel part of a family.

## 5.2. Contributions to the literature

This research offers several contributions to the literature. To begin with, we contribute to the nascent stream of literature dealing with franchising in the social sector (e.g., Aliouche and Schlenrich, 2015; Crawford-Spencer, 2015; Crawford-Spencer and Cantatore, 2016; Cumberland and Litalien, 2018; Naatu and Alon, 2019; Perrigot, 2018a) by showing that “social” in “social franchising” refers to social relationships, in addition to social aspects for customers (access to basic products and/or services) and micro-franchisees (access to a job). It is in line with the social exchange theory that is often used to understand the reasons why individuals and companies enter, maintain and exit relationships (Macneil, 1980; Meek *et al.*, 2011). While some research has shown the importance of franchisor/franchisee relationships (e.g., Meek *et al.*, 2011; Watson and Johnson, 2010) and franchisee/franchisee relationships (e.g., Meiseberg *et al.*, 2017; Mignonac *et al.*, 2015), we are not aware of any research that focuses on all these relationships, including micro-franchisees and customers in the same context. While most empirical studies in this field deal with the healthcare sector (e.g., Montagu, 2002; Perrigot, 2018a), we build on the literature on social franchising by focusing on water distribution in East African countries. This research thus clarifies the concept of social franchising and provides the following definition. Social franchise chains are franchise chains that have social goals, vis-à-vis two audiences: the customers who are offered basic

products and/or services of quality at affordable prices and who normally do not have access to such products/services; and franchisees and/or micro-franchisees who are offered jobs and that pay specific attention to social relationships and communication existing within the chain and with customers in order to create a feeling of belonging to a family.

Moreover, this paper enlarges the stream of literature dealing with franchising in developing countries and, more specifically, franchising in Africa. Though papers have dealt with the BRICS markets, that is, Brazil, Russia, India, China, and South Africa (Alon and Welsh, 2002), not much research has focused on franchising in African countries, although economic and population growth is expected in most of them, and with that the establishment of foreign and local franchising (e.g., Ige, 2013; Olotu and Awoseila, 2011; Perrigot, 2017; 2018a; 2018b; Tyre, 2013, 2014).

Furthermore, this research contributes to the literature on water distribution in developing countries. Many authors have pointed out how difficult it can be for African populations to access water (e.g., Boone *et al.*, 2011; Smiley, 2016). By showing that franchising, with its key characteristics and its focus on social relationships and communication, is a way to offer water access to the local communities in urban and peri-urban areas, we build on this stream of literature.

Finally, in terms of methodological approach, Fernández-Monroy *et al.* (2018) have commented that “it would be interesting to include the other [i.e., other than the franchisor’s perspective of the relationships] partners’ opinion (e.g., franchisees, suppliers), providing their own perceptions about the franchise partnership” (p. 1061). In this paper, we used a multi-level approach based on in-depth interviews with the franchisor and headquarters staff, franchisees, micro-franchisees and customers. This approach enables a better assessment of the importance of social relationships and communication in franchising in the social sector.

### 5.3. Contributions to the practice

This research offers several contributions to the practice. Firstly, it highlights the fact that franchising is not limited to hotels, restaurants and retail businesses and that franchising can be applied to businesses that have social goals, in addition to profit goals. *Jibu* is an example of a relevant and efficient solution to providing the African people with access to drinking water at an affordable resale price. This paper thus contributes to increasing the awareness of this franchising phenomenon in social sectors in developing countries, and in Africa in particular.

Secondly, the findings stress that in the water distribution sector, as in many other social sectors, social relationships and communication should be encouraged in various ways, including top-down, bottom-up and horizontally. Doing so gives franchisees and micro-franchisees, as well as customers, the feeling of being part of a big family. Operating in the social sector and in developing countries should not exempt franchisors from paying particular attention to these human aspects; it may be, in fact, more important than in traditional sectors like retailing and restaurants or in some developed countries where cultures are individualistic. Social relationships contribute to clarifying the concept of social franchising.

Thirdly, this case study points out the pyramidal organization that is possible in franchising and, more specifically, in franchising in the social sector with franchisees and micro-franchisees. There is a complementarity between franchisees who have equipment to purify water and bottle it and the micro-franchisees who sell the bottles of water to their local customers with the aim of providing them with convenience and proximity in a given territory.



Fourthly, this research can serve as a set of guidelines for entrepreneurs who want to launch a franchise concept in the social sector and successfully develop and manage their chain, keeping in mind the importance of social relationships and communication. This research can provide them with some relevant insights on how to deal with the social relationships and communication and how to select the best franchisee candidates who will interact and cooperate with others within the chain. In addition, this work can help franchisee candidates wanting to open a business in the social sector be cognizant of the fact that they will be part of a family and will have many interactions with chain headquarters, the other franchisees and micro-franchisees, as well as customers. They need to have this team spirit to succeed.

Fifthly, this research can aid national and local governments in developing countries to better understand how franchising works in the social sector and thus trust franchise chains to help them respond to basic needs of local communities, such as drinking water, energy or education and health.

#### *5.4. Limitations and tracks for future research*

This paper has some limitations that offer tracks for future research. The case study method itself has some shortcomings. The findings are based on an in-depth analysis of the *Jibu* chain only, operating in one social sector, the drinking water distribution, and in one continent, Africa. Quantitative research with a questionnaire-based survey given to franchisees and micro-franchisees to assess the extent and the importance of social relationships and communication within the *Jibu* chain could be relevant. This would measure their impact on various outputs, including financial and relational performance outputs. A questionnaire-based survey of customers would also enable researchers to verify their feeling that being a part of the *Jibu* family impacts their behavior in terms of purchase amount and frequency, loyalty to the brand and brand recommendation to their family members and friends. A focus

on *Jibu*'s internationalization process could also be a topic of high interest for future research; how to duplicate the success of *Jibu* in other African countries and/or outside the African continent. Another track could be to enlarge the business sectors covered in the research. Other business sectors, such as education, solar energy, sanitation, agriculture, provision of eyeglasses, would be worth exploring to see if social relationships and communication have the same importance. Service-based chains and retail-based chains having different modes of operations, social relationships and communication are perhaps of different significance.

## 6. Conclusion

In this paper, we clarified the concept of social franchising and studied a concrete case, *Jibu*, in the water distribution sector in East Africa. The use of social franchising in many sectors, including retailing and services, and in many developing countries as well as in some developed countries, is growing. The impact of social franchising on access to basic products and/or services for customers as well as to jobs for franchisees and micro-franchisees is significant. More research on social franchising is needed.

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Themes	Categories	Codes	Examples of data
Relationships/communication	Top-down relationships/communication	Franchisors => franchisees and micro-franchisees relationships/communication	“We have meetings the first week of every month where they will inform [us] of the new products and how to sell them, as well as upcoming promotions” (Micro-franchisee #12).
Relationships/communication	Top-down relationships/communication	Franchisees (and their employees) => micro-franchisees relationships/communication	“[He and other franchisees] check problems and talk to them [i.e., micro-franchisees]. Why they are not selling water this week, just talk to them, find out their problems” (Franchisee #5).
Relationships/communication	Top-down relationships/communication	Franchisees and micro-franchisees => employees relationships/communication	“Today we had a meeting. We have a meeting every week on Monday from 8am to 9am. We spend an hour in the meeting discussing how we are going to increase our sales, what we should do, what things have come from customers. [...] We discuss the issues that customers are complaining about. We discuss how to add more customers and we give targets” (Franchisee #18).
Relationships/communication	Top-down relationships/communication	Franchisees and micro-franchisees => customers relationships/communication	“I really advise them a lot, because I have encouraged those who are boiling water to buy water from us. And those who are not boiling buy from different companies like our competitors. [...], I am able to convince them [to buy from us], because most of them are my immediate neighbors. In my area, many houses are buying from my store” (Franchisee #3).
Relationships/communication	Bottom-up relationships/communication	Franchisees and micro-franchisees => franchisor relationships/communication	“We have a good communication because when I’m here in [City], I always stop by the office to see the headquarters staff. Like once per week [...]” (Micro-franchisee #2).
Relationships/communication	Bottom-up relationships/communication	Micro-franchisees => franchisees relationships/communication	“We talk about the business, and we talk about their concerns, we discuss the Jibu brand and how they [...] do the marketing and all that. [...] They come at least once a week [...]” (Franchisee #2).
Relationships/communication	Bottom-up relationships/communication	Customers => micro-franchisees and franchisees relationships/communication	“They can call us any time and if we are not open, we will open [...] to give them water” (Micro-franchisee #6).
Relationships/communication	Horizontal relationships/communication	(Micro-)franchisees <=> (micro-)franchisees relationships/communication	“We have monthly meetings among franchisees, and we have discussions on WhatsApp and Facebook. We really are close in terms of trying to know what is happening with other franchisees, their shortcomings, their successes. [...] We discuss that daily among franchisees. Then, we also have regular franchisee meetings once a month” (Franchisee #10).



Feeling of family	Feelings of belonging to a “family”	Jibu as a “family”	“My relationship with Jibu Corporate is [like] a family. When you come into Jibu, you have come in to strive for clean water. We want to ensure clean water among our brand [...]. Even my customers have joined the Jibu family. I have to make sure that this person gets clean water and gets what they need. It is a combination of Jibu Corporate, Jibu franchisees, micro-franchisees and the customer himself, because the customer is the main person we are looking at. That customer is going to help me to market my products somewhere else, and he has connected me to someone else. That is how the family is and that is how the Jibu family keeps me going now. [...] Jibu is a family, [...] we consider you as family. You have decided to work with us. You have decided to join with us in our struggle for clean water in our environment, so we consider you as family. It is like a friendship part of it.” (Franchisee #15).
Feeling of family	Dyads of the “family”	Franchisee/franchisee as a dyad of the “family”	“[Jibu] do[es] encourage. Relationship between the franchisees is very good. [...] I can call it a family, sure, because we are very, very close and we are every time communicating. [...] we behave and we work as a family, as a team together” (Franchisee #3).
Feeling of family	Dyads of the “family”	Franchisee/employee as a dyad of the “family”	“We try to treat each other like a family. There is no real hierarchy. We are all working towards a common goal of success. I believe if you have an environment that is very easy to operate in, you will get the best out of people” (Franchisee #11).
Feeling of family	Dyads of the “family”	Micro-franchisees/micro-franchisees' employees as a dyad of the “family”	“My employee is also my brother, so I follow up the things he does with the store” (Micro-franchisee #1).
Feeling of family	Dyads of the “family”	Franchisee/customer as a dyad of the “family”	“We are almost a family. We know them. They know us. It is on a personal level because we know them, we know their homes, we know their families” (Franchisee #13).

Table 1: Illustration of the coding process with themes, categories, codes and examples of data

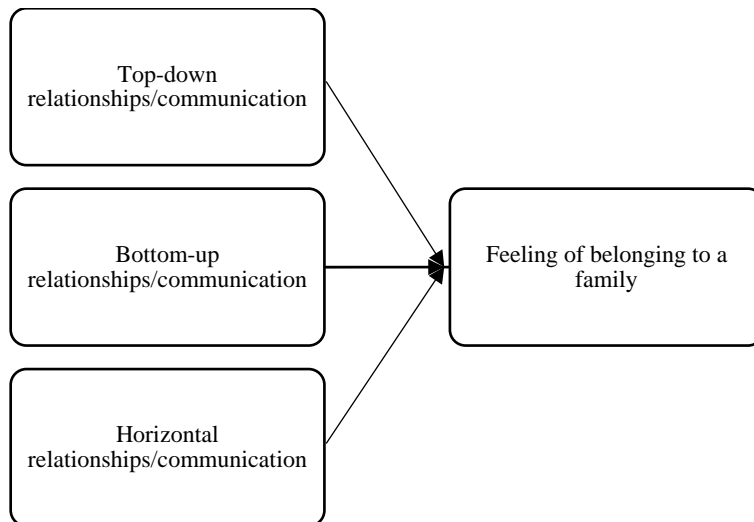


Figure 1: Social relationships, communication and the feeling of belonging to a family

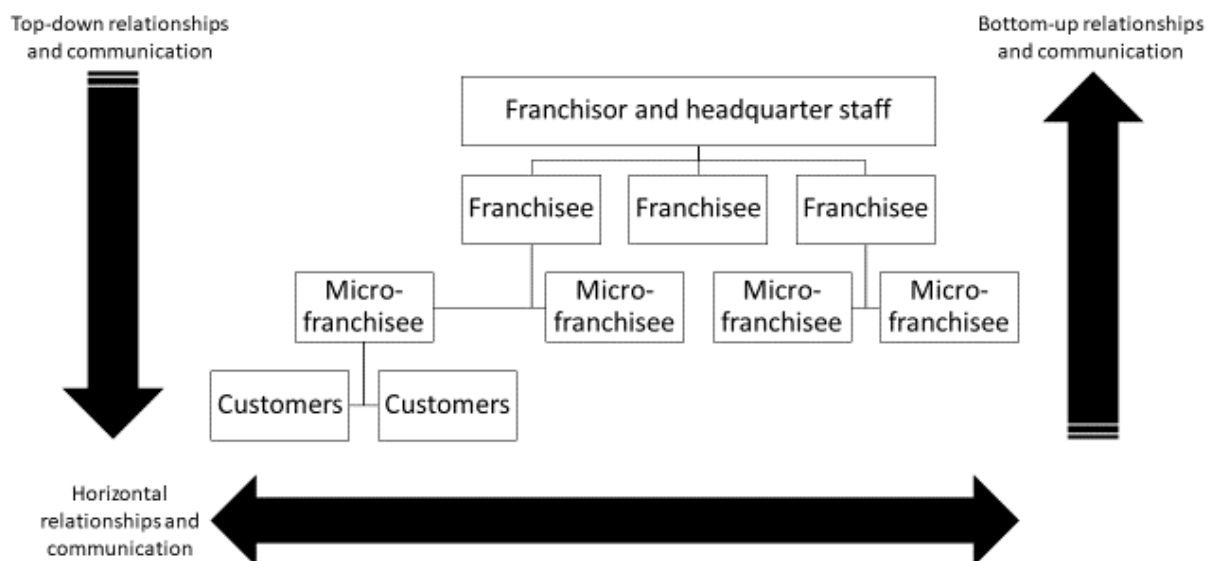


Figure 2: Social relationships and communication within the *Jibu* chain