

Comparison Of Franchise And Partnership Management Strategies For Online Business: A Case Study Of Kliknclin Laundry

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Abstract: This paper presents the results of qualitative study of comparison of franchise and partnership management strategies for laundry online business to provide online business owners guidance how to manage franchise and partnership. The data was collected by interviewing from the three-difference perspective which are management of company, franchisee and partner. This study used the approach of SWOT (strength, weakness, opportunity and threat) analysis. The key findings indicate that any different treatment to managing franchise and partnership within one company. The differences are in criteria to be parties, level agreement, term and fee of contract, how to get online customers, marketing, SWOT analysis, and future plan.

Index Terms: Business, Online Business, Laundry, Franchise, Partnership, Strategy, Management.

1. INTRODUCTION

1.1 Background and Problem Statement

ALONG with the progress of information and technology in Indonesia, the development of internet users is increasing. Data from the website of Ministry of Communication and Information 2017, internet users in Indonesia are 143.26 million, of which 54.68% of the total population of Indonesia. Internet users carry out various kinds of activities on the internet, including searching for various kinds of information, shopping online, online banking, online marketing, social online, online lectures, online advertising. One of the activities in the online world that is starting to be done is an online business. Data from IlmuOne (analytic consultant) on average marketplace growth is close to 100 percent, while e-commerce reaches 289 percent in 2017. Data from Statista (September 2018) mention that Indonesia Total Transaction Value in the Digital Payments segment amounts to US\$26,575m in 2019. In the same source also mentioned In the Mobile POS (Point of Sales) Payments segment, the number of users is expected to amount to 69.2m by 2022 in Indonesia. According to Jungleworks who one of mobility solution company, the development of online business also creates new business models such as Uber. The success of Uber – the on-demand cab company, has motivated entrepreneurs in different industry verticals to replicate Uber's business model and enter the on-demand space. The laundry and dry-cleaning sector are one such industry which has radically mixed well with the on demand and Uber for X trends. Business owners need to put some high light on how the 'Uber for Laundry' trend evolved and what are the various possible business models in the on-demand laundry sector. The basic strategy of that new business model is by collaborating with other parties. This collaboration can be in the form of a franchise or partnership. Franchising as a business or legal apparatus back dates to the middle ages, when franchises are granted to tax / tithe collectors (Purvin 1994). Later, business franchises were utilized in the 1700s as a way to control the distribution of their product through beer halls (Hoffman and Preble: 1991). Franchising can be said to have enjoyed its greatest success within the United States and has been characterized as the fastest growing method of distribution in this country since World War II (Posch: 1988). Franchise systems are represented in virtually every business field (Stem, El-Ansary,

and Brown: 1989). By doing business with the franchise system, business owner gets a profit, but in the other hand there is the weaknesses that they have to face. In addition to the franchise system, other forms of collaboration are partnerships. Partnerships are more meaningful in more intimate cooperative relationships. The partnership in The Copenhagen Center (2003) states that business partners in law are personally responsible for what the partnership does in their name. The partnership was defined by section 1 of the Partnership Act 1980 ("the Act") as "the relation which subsists between persons carrying on a business in common with a view of profit". The "persons" may be companies or individuals, or any combination of the two. The form of partnership cooperation also has advantages and disadvantages, seen from the management side of the company and from the partner side. Various studies have discussed a lot about franchise and partnerships in various sectors of the economy, but that research on franchises and partnerships is limited to offline and retail businesses. Among them is Grundey (2009) which discusses partnership in internal marketing. Deards (2001) discusses partnerships in terms of law. Tuten and Urban (2001) discuss the Formation and Success Partnership on B2B. Research of Partnership Versus Public Ownership of Accounting Firms is written by Pickering (2012). While research that discusses the franchise is done by Wang (2013) about the comparison of franchise from the online and offline side in relation to supply chain. Then, research of Determining pros and cons of franchising by using swot analysis is written by Salar (2014). In Indonesia, research on franchises from the perspective of franchisee is written by Sanny, Abdurrachman, Simatupang, Heriyati (2017). That existing research just explained about franchise or partnership themselves, not the comparison. The only research comparing management techniques was written by Koleva (2002), namely Comparison between Alliances, Networks, and Joint Ventures and it is not online business base. Researchers still have not found previous research on the management comparison of franchise and partnership, so this study will discuss the comparison of managing partnership and franchise cooperation in online businesses, especially in the online laundry business. Research of comparison of strategy which is franchise and partnership in online laundry business in Indonesia is not exist, it makes the gap stronger.

1.2 Research Question and Research Objective

Based on the discussions above, research question of this study is "how franchise differs from partnership in managing online business, especially in laundry online business?" And from the above question, research can be concluded the purpose of providing online business owners guidance how to manage franchise and partnership. This study also gives the framework for future researchers for next research about similar topics.

1.3 Scope of Research

The scope of this research is limited to franchise and partnership collaboration with one of the online laundry business company, KliknKlin. The research will focus on comparing the management of franchise and partnership collaboration using KliknKlin as a sample to gain more insights in online business. Management comparisons are limited strength, weakness, opportunity and threat approach that connected to membership, marketing, quality evaluation, and behaviour. The data of this study included primary data, which is interview data with the subject of the study sample and secondary data is some documents like contract, standard operation procedure, profit and marketing promotion from management of KliknKlin.

2 LITERATURE REVIEW

2.1 Online Business

There is various definition of online business. Online business consists of two words namely business and online. Business is the exchange of goods, services, or money for mutual benefit or profit (Skinner and Ivancevich: 1992). Business may be defined as any form of commercial activity to satisfy the economic wants of people at a profit (Davis: 1996). Whereas Online according to Dictionary of British and World English is (of an activity or service) available on or performed using the Internet or other computer network. So, it can be concluded that online business is an activity or activity carried out on the internet to make money (Kalakota and Whinston: 1997). Online business is defined as a business activity that part or all of its activities are carried out through internet media (Loudon: 1998). The results of the Payment Solution survey of countries around the world show that Indonesia is the country with the highest online transactions in Asia Pacific, said Iim Fahima Jachja, CEO of Virtual Consulting (in female.kompas.com, 2012). In addition, in 2010, the value of online spending of Indonesian people is currently only around 0.1 percent of Gross Domestic Product (GDP) or around Rp 2 trillion (US \$ 230 million). So, there are still many business opportunities that can be taken advantage of online business (in female.kompas.com, 2011). This can also be beneficial in terms of cost and financial because the internet does not require too much expense to promote products door to door or launch products, they only need to use the internet network to make information related to their products on a website, this will affect the company's opinion because it is more profitable to achieve competitive advantage. The website has information that is an important media that plays a role in decision making. Fast information can help a company's performance to remain stable in controlling the market. Advances in digital telephone networks, interactive cable television, personal computers, online services / services, and the internet make information faster and easier to obtain (Paul:

1996). Internet social media is the most widely used source of information in companies. Because the internet can reach all regions, it is potential and fast to deliver a variety of information universally, quality, and almost does not require costs (Adelaar, Talha et al.: 2000). The internet also has appeal and excellence for consumers and organizations or communities for example in comfort, access 24 hours a day, alternative efficiency of space and choices that are relatively unlimited, personalization, potential information sources, etc. (Chandra: 2001). Wijdjakusuma and Yusanto (2003) argue that SWOT analysis is a company external and internal instrument that has been widely used. This analysis focuses on the database of the development of the organization or company using the 3-1-5 pattern, meaning that the pattern is an organization three year before analysis, then the analysis is carried out and post-analysis for the development of the next five years. This analysis activity is carried out so that the strategies taken by the organization can be accounted for based on facts and a solid foundation. According to Robinson and Pearce (1997) SWOT analysis is one of the important components in strategic management. This SWOT analysis includes internal companies, which will later produce a company profile while understanding and identifying weaknesses and strengths of the organization. This weakness and strength is the basis for generating other options or alternative strategies. Awais and Samin (2012) describe the SWOT (strength, weakness, opportunity, threat) analysis of e-commerce that can be adopted to SWOT analysis of online business. The strengths that mentioned are: E-commerce can be dealt globally as no specific boundary is required. It enables all the companies to expand them to global level. It saves time and transportation. Because there is no need to go anywhere physically. Reduces logistical problems and puts a small business on a par with gains. Social network sites, online advertising network can be mediums to buzz about online store. Things can be automated in a well implemented online store. If online download facility is available, then distribution cost can be cut off. In the other hand, the weaknesses of e-commerce are: security matter confuses customer especially about the integrity of the payment process, delivery time can be in day or weeks which one cannot wait for, online products cannot be touched, wear or sit on the products, fake website can not only disgrace e-commerce but bring bad name to e-commerce also, hardly online businesses offer discounts and bargaining cannot be possible. The third point is about the opportunities, are: market segment is clear, e-commerce is fast and effective even financial transactions can be made from any part of the world. In the future, people will more comfortable to buy products through internet only. E-commerce can be operated anywhere and anytime without any interruption. Daily number of internet users is increasing people feel more comfortable to make online transaction. The threats are: competitors are increasing day by day in this field. They are making people habitual at the cost of their companies, customer now a day are always in a search of innovation product. Innovation can be either in product, place, promotion, and even price, nature of fraud and risk is different because when a customer relies on un seen set up, he trusts and makes transactions. In such a way he is ready to face risk, persons using unfair means to operate e-commerce can damage the confidence and faith of common people.

2.2 Franchise

The franchise is a means to set up one's own business under a well-known brand. At the time of the franchise, both parties rolled out an agreement containing information about their partners. The franchisor is responsible for licensing the brand and providing knowledge during the term of the agreement. Franchises must follow general rules from franchise owners to do business and pay franchise fees. Franchising not only applies to brands, but also the entire business operating system (Krzyszaniak: 2016). The benefits of franchising are that they can rely on many benefits such as well-known trademarks, support from franchise owners such as helping when franchisees are inexperienced and reducing the risk of loss (Sherman: 2011). Some obstacles when franchising is that the franchisor may want to take control of the franchisee, the cost (too high), difficulty breaking, the franchisor's fault (Sherman: 2011). Principles that must be considered when conducting a franchise such as a franchisor are the owners of the franchise brand and trademark; franchisees finance a substantial portion of the investment compilation and purchase of goods; the franchisor is the property owner of his business facilities; franchise owners provide franchisees with knowledge of how to do business properly; franchisee pays license fees and monthly fees for the use of knowledge; franchisee determines the price of goods or services at its facilities (Sherman: 2011). SWOT analysis is used to identify profits, losses, threats and franchise opportunities (Salar & Salar: 2014). Those included in strengths analysis of franchising are brand recognition, lower risks for failure, easy setup, ready customer portfolio, and easy to find financial support. The weaknesses analysis of franchising includes high cost which includes initial cost and ongoing costs, dependency, and strict rules (Salar & Salar: 2014). What is included in opportunities analysis of franchising is that entrepreneurs have a chance to become their own boss and it offers some market opportunities like discovery and exploitation. Threats analysis of franchising is continuing growth of existing franchised competitors, other franchise competitors entering the market place, the decline of branding in markets, and the publication of new business models (Salar & Salar: 2014). The weaknesses analysis of franchising includes high cost which includes initial cost and ongoing costs, dependency, and strict rules (Salar & Salar: 2014). Buying a franchise has some costs such as start-up expenses, utilities, rent, franchising fees, employees and taxes. Initial cost means non-refundable initial franchise fee. Franchisees pay the franchisor a one-time fee upon joining the system and subsequently pay a percentage of their gross sales as royalties (Coughlan et al.: 2003). Another problem is dependency which means franchisees have own business, but franchisor has their own business independently. The other problem is strict rules, it means franchisees have an own business, but it governed by franchisor. Which is included in opportunities analysis of franchising is that entrepreneurs have a chance to become their own boss and it offers some market opportunities like discovery and exploitation. Threats analysis of franchising is continuing growth of existing franchised competitors, other franchise competitors entering the market place, the decline of branding in markets, and the publication of new business models (Salar & Salar: 2014).

2.3 Partnership

“(A) partnership is a collaboration among business, non-profit organisations, and government in which risks, resources and

skills are shared in projects that benefit each partner as well as the community” (Stratton: 1989). There is confusion around the definition and terminology of partnership working, with many other labels—collaboration, coordination, co-operation, joint working, interagency working, networking and others—being used (Huxham: 2000 and Powell: 2002). Lowndes describes it as ‘a variety of arrangements with different purposes, time-scales, structures, operating procedures and members. Common to the definitions are: between organizations, groups, agencies, individuals, disciplines (Lowndes: 2001). Huxham has adds to this, stating that collaboration achieves what ‘would be difficult or impossible for an organization to do on its own’—collaborative advantage. Partnership in Action (2001) sees the need for formal joint working at three levels: ‘strategic planning, service commissioning and service provision’. Formal partnerships will also include joint budgets. Informal partnerships will have staff working alongside one another, mainly in the community (Powell: 2003). For the benefits of doing partnership, Gray (1989) identifies, among a number of possible benefits, improved quality of solutions and increased capability of and capacity for response. The improved relationships between the stakeholders is a benefit in itself. The Audit Commission (1998) p.41 identifies similar benefits: ‘aligning services more closely with users’ needs’; ‘making better use of resources’; stimulating more creative approaches to problems; wielding more influence on others. Rosenau (1999) said Partnership may, at least in the short term, decrease costs, if costs and efficiency are defined narrowly and externalities are discounted. In the other side, partnership also has weaknesses. They do not exhibit superior performance in the criteria of equity, access, and democracy. The major disadvantages to a partnership are: All earnings allocated to a partner involved in the business are subject to self-employment taxes; and the flexible structure can make accounting for transactions and preparing tax returns more complex (Swanson and Sansone: 2010). The SOA, global professional organization for actuaries is looking to partner with organizations/individuals that are leading-edge, distinctive, innovative, and add something fresh and dynamic to our curriculum plan. These partnerships should raise their visibility collectively and contribute to the development of our members. It means partnership opportunities are a means to address needs within the organization. As Covey and Brown (2001: 8) argue, “Partners do not have to be of equal power - but they do have to recognise each other as capable of imposing significant costs or providing valuable benefits”. Partnerships may potentially be one vehicle to address pressing social and environmental issues. However, if collaboration linkages are to be effective the mechanisms underpinning them have to be carefully considered. Central to this are principles of the protection of public interest, inclusiveness and stakeholder participation that ensures a clear voice for all partners. From the many theories about online business, franchise and partnership, then this study will explain comparison the management of franchise and partnerships in online business. Approach of SWOT analyses will be used with a case study in one of the online laundry business company, KliinKlin.

3 RESEARCH METHODOLOGY

3.1 Approach

This research is qualitative research. Researcher using approach of qualitative because research in this area is still scant, thus the authors opt for qualitative research to provide more in-depth analysis. So, for the first of researcher that comparing franchise and partnership strategy, researchers decide to use qualitative to make framework for the next study. According to Moleong (2005), qualitative research is research that intends to understand the phenomenon of what is experienced by the subject of research such as behaviour, perception, motivation, action, etc. holistically, and by way of description in the form of words and language, in a context specifically natural and by utilizing various natural methods. This research is researchers' the first-hand observation provides more analysis for building theories in the future.

3.2 Research Strategy

In this study, the strategy research used is a case study. According to John W. Creswell (2008) a case study is a research strategy in which researchers carefully investigate a program, event, activity, process, or group of individuals. Case is limited by time and activity. The researcher collects complete information by using various procedures for collecting data based on a predetermined time. Case study in this study are limited to managing franchise and partnerships KliknKlin company. This study examines the comparison of manage franchise and partnerships with natural research environmental conditions and minimal extent of researcher interference. The case study in this study is a non-contrived type. The unit of analysis in this study is the KliknKlin company.

3.3 Sampling Process

Population is the whole object that fulfils certain conditions related to the problem under study. The population in this study were all KliknKlin management, franchise member and partnership member. Meanwhile, the determination of the sample in this study is to use a purposive sampling technique that is judgment sampling where the selection of samples based on certain criteria in accordance with the objectives of the study, where the sample is used when meeting the criteria. Criteria that are suitable to be a source or sample are all collaborators involved in KliknKlin management, franchisees and partnership members. Qualitative analyses typically require a smaller sample size than quantitative analyses. Qualitative sample sizes should be large enough to obtain enough data to sufficiently describe the phenomenon of interest and address the research questions. Creswell (1998) recommends 5 – 25 and Morse (1994) suggests at least six. KliknKlin is a start-up company that have no big management. So, the sample from management perspectives, researcher pick number of 4. From Franchise and Partner perspectives, researcher pick number of samples 5 each. The total of samples are 14 samples.

The sample's profile is below:

Category	Profile
Management of KliknKlin	Name: M. Raka Destama Agra Putra Position: President Director Length of work: 3 years

	Name: Mohammad Valdy Arya Akbar Sitepu, S.H. Position: Legal Executive Length of work: 1 year 7 months
	Name: Teguh Arga Putra Position: Account Executive Length of work: 2 years 5 months
	Name: Angelina Chen Position: Marketing Executive Length of work: 1 year 2 months
Franchisee of KliknKlin	Owner of: LaundryKlin – Kalibata Tower Cendana C-ALO5, Aparteme Kalibata City
	Owner of: LaundryKlin – Salam Raya Jl. Salam raya No. 21, RT/RW: 006/006, Sukabumi Utara – Jakarta Barat
	Owner of: LaundryKlin Plus – Sunter Jl. Sunter Agung Utara Blok C1, No. 2C
	Owner of: LaundryKlin – Pasar Baru Jl. Gereja Ayam, Kel. Pasar Baru, Kec. Pasar Baru, Jakarta Pusat
	Owner of: LaundryKlin Express – Karbela Jl. Karbela Barat No. 09, Setiabudi – Jakarta Selatan
Partner of KliknKlin	Owner of: Laundry House Jl. Dr. Susilo V, No. 51, Grogol – Jakarta Barat
	Owner of: Giant Laundry Jl. Wijaya 1, RT/RW: 11/5, No. 3940, Kebayoran Baru – Jakarta Selatan
	Owner of: Megalise Laundry Gang Moehamad Ali IV, No. 06, RT/RW: 009/003, Kel. Tanah tinggi, Kec. Johan Baru
	Owner of: Blue Clean Jl. Karet Belakang Raya No. 29, RT/RW: 004/004, Setiabudi – Jakarta Selatan
	Owner of: Paris Gold Laundry Jl. Pahlawan, Rempoa, Ciputat Tim, Kota Tangerang Selatan, Banten

3.4 Type and Source of Data

The type of data in this study are primary data and secondary data. The primary data in this study is the interview data. The interview conducted was a type of semi-structured interview. Semi-structured interview is not only an interview technique where the interviewer (in this case the researcher) has prepared a list of questions so that the interview process will be directed properly according to what information the researcher wants to get but researchers also might find out more insights later on by the answer of interviewees. List of questions during interviews are questions related to managing franchise and partnerships collaboration in KliknKlin. The

interviews have been conducted in Indonesian and will be translated to English for data analysis. While secondary data in this study is in the form of internal documents from KliknKlin company. This secondary data can be in document contract, standard operation procedure, profit and marketing promotion from management of KliknKlin.

3.5 Data Analysis Technique

The researcher analyses the data in three steps. First, because narrative analysis requires a rich understanding of the context in which the narrative is produced (Hardy, Palmer, & Phillips, 2000), the researcher seeks to develop a thorough understanding of managing franchise and partnerships and develops a description of that information and identifies what becomes main information (Ventresca & Mohr: 2002). Second, researchers analyse by combining both information from primary data and secondary data. Finally, the conclusion is to get the meaning of primary and secondary data sources so that it can be used to answer the problems formulated in the study. The relationship between semantics is very important because in qualitative analysis, researchers do not use numbers as in quantitative analysis. The main principle of qualitative data analysis techniques is processing and analysing collected data into systematic, orderly, structured and meaningful data. Validity in qualitative research means "appropriateness" of the tools, processes, and data. Whether the research question is valid for the desired outcome, the choice of methodology is appropriate for answering the research question, the design is valid for the methodology, the sampling and data analysis is appropriate, and finally the results and conclusions are valid for the sample and context. For data extraction and analysis, several methods were adopted to enhance validity, including 1st tier triangulation (of researchers) and 2nd tier triangulation (of resources and theories), well-documented audit trail of materials and processes, multidimensional analysis as concept- or case-orientated and respondent verification.

3.6 Interview Questions

For managements of KliknKlin:

1. What are the requirements to become a franchisee?
2. What are the requirements to become a partner?
3. How do you evaluate the quality of the franchisee?
4. How do you evaluate the quality of the partner?
5. What is the typical length of partnership agreement when you sign a contract with a franchisee? Why?
6. What is the typical length of partnership agreement when you sign a contract with a partner? Why?
7. How is the profit of franchisee?
8. How is the profit of partner?
9. How many franchisees do you have at the moment?
10. How many partners?
11. Which one is more? Why?
12. What are the opportunities of this business model?
13. What are the threats of this business model?

For franchisee of KliknKlin:

1. What is the difference before and after joining with KliknKlin?
2. What are the advantages of being a franchisee with KliknKlin?
3. What are the disadvantages of being a franchisee with KliknKlin?

4. How is the profit in one month from online order?
5. What are the opportunities from franchise side?
6. What are the threats from franchise side?

For partner of KliknKlin:

1. What is the difference before and after joining with KliknKlin?
2. What are the advantages of being a partner with KliknKlin?
3. What are the disadvantages of being a partner with KliknKlin?
4. How is the profit in one month from online order?
5. What are the opportunities from partner side?
6. What are the threats from partner side?

4 RESULTS

The interviewees from management KliknKlin were asked to talk about how to treat and manage between franchise and partnership. At the same time, franchisee and partner also asked how they manage their own business. The results showed that the differences found in several themes like in criteria to be parties, level agreement, term and fee of contract, marketing, SWOT analysis, and future plan.

4.1 Criteria to be Parties of KliknKlin

Management of KliknKlin mention three factors that has to be fulfil if someone or business entity want to be cooperating with KliknKlin:

"...three factors are form of company, location, and market survey."

The explanation of these three factors is below:

1. Form of company (Individual, business entity, legal entity)
2. Location. Location permits are important, considering the place will be used as a place of business, thus avoiding residential areas and green open areas. Other consideration is water quality in the area.
3. Market survey. The purpose is to find out the market conditions in the area that will be the location of the laundry business. It will be easier to survey the market if there is already a laundry business in the area, so the management just needs to analyse the competitors.

After the three criteria are met by the partner, the cooperation agreement can be implemented immediately.

4.2 Level Agreement

Franchise is a trademark licensing collaboration where the brand used is a brand owned by PT KliknKlin Digital Nusantara namely LaundryKlin. In addition to using the LaundryKlin brand, entrepreneurs also join an online application developed by PT KliknKlin Digital Nusantara, the KliknKlin application. Franchise collaboration is divided into two: active franchise and passive franchise. An active franchise is a franchise that manages its own laundry business so that all management matters in the laundry place are handled by the franchising party, while the passive franchise, where the management in the laundry is directly carried out by the company from KliknKlin Digital Nusantara, and the franchisee just be a pure investor. Partnership is cooperation with business owner who already have a laundry business that is already running where the business owner has his own brand name for his laundry business so that he does not use the name Laundry, but business owner only joins online applications developed by PT

KliknKlin Digital Nusantara, the KliknKlin application. Both franchisees and partners, at the beginning of the cooperation will be given training in how to wash clothes, use of chemicals, and the use of their own online applications and systems. In the franchise system, all complaints will be helped to overcome by KliknKlin management. But for partners, complaints that will be assisted are only complaints from customers who order online. Customers from offline orders is the responsibility of partners. Furthermore, the number of franchise and partner is around 56 and 200 outlets. Franchise cooperation has more advantages for management with bringing the LaundryKlin brand to better revenue. But there are many requests to become partners, and corporate goals to empower home laundry, so that there are bigger numbers of partners. For making higher number of franchises, management of KliknKlin said that they always offer franchisee than partner for business owner that want to join the business. But with any of reason, many of them still want to join as partner. If some day partner wants to be franchise, KliknKlin management has the rules of partners are allowed to switch to a franchise, which means that the brand that will be used from their own brand into LaundryKlin and fee will also match the franchise contract. This brand purchase is done by means of partners paying a sum of money of 5 million for brand purchases. But any other requirements that has to matched with the brand, such as types of designs, either outlet design, washing machine standards etc. must adjust the rules of the franchise contract in force.

4.3 Term and Fee of Contract

In franchise, the cooperation contract is carried out for 3 years. In the beginning, franchisees will provide a deposit of 10million rupiah to KliknKlin. Fee of franchise is depending on type of outlet, which are basic, point, express or plus. While for monthly income, the franchisee must share income depending on the results obtained in that one month. The point of sharing income is below:

Income in that month (in Rupiah)	Share income to KliknKlin
15.000.000 – 25.000.000	5%
25.000.000 – 35.000.000	6%
35.000.000 – 50.000.000	7%
More than 50.000.000	8%

The passive franchise must add a number of costs 3 million for monthly management costs for additional.

For partners, the cooperation is limited in application agreement. The application used will be given free for 2 months, then after 2 months if the partner wants to continue the collaboration (still using the application) must pay a fee of 3 million per year and some of deposit.

Furthermore, the interviewer which is one of the managements of KliknKlin also explain the other income of KliknKlin beside of the fee of contract and sharing income with franchise. The additional income is coming from selling raw materials in the form of detergents, fragrances and other chemicals to the franchise and partners. If franchise and partners make some purchase of raw material to KliknKlin management, they could get 5% discount.

4.4 How to Get Online Customers

In ordering via application, customers can choose outlet by bidding or select the outlet directly. With the new system that allow customers to select the outlet they want to be served, it can be a more appraisal for outlets to increase rating and

service to win customers' hearts, which will certainly have an impact on revenue. So that the outlet will increasingly provide maximum service to the customer. This term is applied for franchise and partner. After getting the customer, any Standard Operating Procedure that outlet has to be do that consists of: pickup, laundry process, and delivery: "The pickup and delivery time have been determined by the customer through an online application, so that both the franchise and partners must comply with the time rules and provide couriers according to the application." This rule is a must, franchise and partner cannot change the rules.

4.5 Marketing

Marketing here is related to promotion marketing. In franchise, promotions are usually done through social media or email. For special case, promotions usually given based on outlets, for example outlet promocode. This promotion only can apply for serve by the specific outlet, cannot apply for the other outlet. If there is a new franchise outlet, management will do promotion for brand awareness outlet for 3 months. Marketing Executive of KliknKlin management said that in the beginning of opening new outlet of franchise, management will hold the grand opening to public. The grand opening purpose to awareness to neighbourhood: "Usually in the start of launching new outlet, we held the grand opening. The event is about to make awareness for neighbourhood. In grand opening there are big neon box, clown, and ceremony of "cut the cone".

4.6 SWOT Analysis Strengths

The system is online and computerized, so any transaction and activity recorded by system. According to franchise and partner, this is the good point:

"The system using POS (Point of Sales), which is a kind of online cashier, it is used to avoid cheating."

Several of partner also feel the strength of joining the system. They said that their market become wider:

"... customers come from any place that wider than the radius before we join the applications."

Weaknesses

From the online system itself, if the system down, it could be problem for a while. Some of weakness that complaint from partner is direct offline customers to online systems:

"Many customers are still lazy to use online applications."

According to fee and cost, the franchise is needing more money than partnership, but it is worth it:

"So far there have not been any significant losses, the obstacles that arise can still be blocked, and can still be discussed with KliknKlin."

Opportunities

For franchise, the opportunities for a franchise with this cooperation is the business more focused, because there is a large management behind the laundry business, not stand alone. The brand also familiar in public. Use of technology make this business have many opportunities to develop. A clear business and market at beginning of agreement gives the franchisee big opportunities from this collaboration.

In the other hand, being a partner has big opportunities to enter big market of KliknKlin. At the beginning of the cooperation, management KliknKlin will give training in how to wash clothes, use of chemicals, and the use of their own

online applications and systems. This knowledge can absorb and adapt to develop their business. Use of technology make this business have many opportunities to develop, but again, for development in application, partner just be the follower, cannot decide.

Threats

Threat faced by franchise is about customers who are still reluctant to move from offline order to use online applications. Other threat if from the employee that lack of knowledge of using the application or system online. In addition, there are also obstacles when the system is down, although this is very rare. For the global network is appearance of copycat that use the same business model.

Thread faced by partner is no much different with thread faced by franchise. Threat faced is about customers who are still reluctant to move from offline order to use online applications. Other threat if from the employee that lack of knowledge of using the application or system online. In addition, there are also obstacles when the system is down, although this is very rare. Entering new markets means entering new challenges. The new challenges that are competing with other online laundry applications (example: Go-Laundry).

4.7 Future Plan

The agenda of marketing development conduct with procurement of workshop for prospective investors and laundry owners, collaborating with digital marketing to improve SEO (Search engine optimization), and collaboration with laundry organizations for the introduction of online applications. The confident about sustainability in this business is because laundry is everyone's basic needs, and the use of technology that can make it easier. In the future, management of KliknKlin having plan about service development, such as LaundryBox in the form of a self-service located at a gas station or laundry service that can be controlled via application smartphone.

5 CONCLUSIONS

This research mean for other online business owners is business owners could see great opportunities in online business along with digital development. In addition, online business owners can see their business needs and see their capabilities. Then they can make business according to the goals they will achieve. Besides, this research can be a reference in choosing a business system. Explanations about franchises and partners can be taken into consideration in doing business. The advantages and disadvantages of doing a franchise system and partners can be the basis of knowledge about business. The suggestion for the next research is to be able to conduct case studies on several online business companies or sectors other than laundry. The limitations of this research are only on two types of strategies, namely franchise and partners. There are still many other types of collaboration that can be discussed by the next researcher. In addition, the cases studied were also limited to one company. Finally, based on a wide research, there are differences in managing franchise and partnership collaboration in laundry online business, especially in laundry online business. Managing franchise is consider on the brand of trade, market plan, need a higher investment because it is including management and special promotion. While managing partnership is need lower investment, can introduce own brands, manage own business.

But in the same time partner can enter into a larger market through the application. The mutual of obtaining are the training in beginning of cooperation and using application online in the business. Below is the comparison presented in table:

Factors	Franchise	Partner
Term of contract	3 year	1 year
Fee	More	Less
Brand	KliknKlin brand	Self-brand
Online Market	Fair	Fair
Online Application	Fair	Fair
Standard of Procedure	Fair	Fair
Training in beginning	Yes	Yes
Management	By management KliknKlin	By self
Market plan	By management KliknKlin	By self
Marketing Promotion	By management KliknKlin	By self

6 END SECTIONS

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