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Effect of Entrepreneurial Passion and Positive Emotions on Customer Responses: Mixed Methods Approach*

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Abstract

Purpose: In the highly competitive franchise market, the perceived entrepreneurial passion and emotions of customers are very important, because it impacts on the success of companies. Thus, the purpose of this paper is to suggest how the impact of the franchise entrepreneurial passion and positive emotions on the brand trust and loyalty of customers. **Research design, data and methodology:** This study analyzes data was collected through questionnaires on customer(n=480) who had visited franchise restaurants. Analysis of used collected data was based on the mix method using quantitative and qualitative comparative analysis. **Results:** The quantitative analysis results showed inventing passion, developing passion, positive emotions that perceived by customers have a positive impact on brand trust. On the other hand, founding passion did not have an impact on loyalty in quantitative analysis. but when combined with developing passion in qualitative comparison analysis, but when combined with developing passion in qualitative comparison, that became the sufficient condition of high loyalty of customers. **Conclusions:** The franchisor of the Korean franchise industry is indiscriminately overusing the founding franchisees, causing social problems. In this situation, founding passion can have a negative impact on customers. Therefore, the franchisors must have management capabilities by strictly managing the founding rules of the franchisee and disclosing the corporate vision.

Keywords : Entrepreneurial Pssion, Psitive Eotion, Band Tust, Lyalty, fs/QCA

JEL Classification Code : M10, M14, M31

1. Introduction

Passion is a typical characteristic of successful entrepreneurs(Breugst, Domurath, Patzelt, & Klaukien, 2012). Entrepreneurs experience fears and threats of low performance due to uncertainties and ambiguities such as rapid changes in the external environment, information asymmetry, and obstacles in the market environment while entrepreneurship activities. Entrepreneurs strive to overcome these negative feelings experiences and to

achieve results in related fields. In particular, an entrepreneur consciously attempts to give himself a strong role and identity as the entrepreneur and to have positive feelings. This is called Entrepreneurial Passion(Cardon, Gregoire, Stevens, & Patel, 2013).

Entrepreneurial passion is a major source of success in all phases of corporate management including, business start-up and following business activities (Alstete, 2008; Baum Locke, & Smith, 2001; Patel, Thorgren, & Wincent, 2015). Thus, Entrepreneurial passion controls the survival and growth result of the company (Breugst et al., 2012; Cardon, Wincent, Singh, & Drnovsek, 2009).

In especial, Entrepreneurial passion is a positive feeling in common of entrepreneurs (Cardon et al., 2013) which can affect all the stakeholders, such as employees, investors, and consumers of the company (Chen, Yao, & Kotha, 2009).

These effects vary depending on the individual characteristics, experience, environment of the entrepreneur and how the stakeholders accept them (Cardon et al., 2013;

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Spence & Essoussi, 2010). Therefore, Entrepreneurial passion can be a major research topic in an enterprise's success. However, research on business performance does not address the role of the entrepreneur's emotional/psychological elements, such as Entrepreneurial passion, focusing on rational and logical elements of business performance (Kaur, Sambasivan, & Kumar, 2013).

The Franchise is a business relationship in which the franchiser provides support and training with the franchisee and receives franchise fees. However, a relationship between franchisor and the franchisee should be defined as the relationship which they depend on each other and cooperate as partners in terms of the win-win and Creating Shared Value(CSV) engage in business activities continuously. The role of the franchisor is especially important to do so(Han, 2019).

The franchise industry is more likely to inspire Entrepreneurial passion than any other industry group because it not only drives the company's growth through the development of goods and services but also provide new business opportunities for franchisees through the franchise business expansion. In particular, granted that franchise business is a key activity of franchise company, conceptualizing and analyzing the passion of the entrepreneur of the franchisor, in other words, Franchise Entrepreneurial Passion (FEP) could provide major practical implications for the franchise industry.

In the case of the franchise industry in Korea, quality improvement is rapidly taking place along with quantity improvement. In the franchise industry, in particular, it is very important to take a closer look at how customers view the Entrepreneurial passion of franchisors, the FEP, as customers can be potential the franchisees at the same time(investor, employee), and how this affects trust or emotion in the enterprise(Park, Han, & Kim, 2017).

Most studies of entrepreneurial passion have been focused on the performance of the employee(Breugst et al., 2012; Cardon et al., 2013; Kaur et al., 2013). However, the entrepreneurial passion for the emotion and response of the customer that can be potential in the franchisee(investors, employees) may play an important role in the performance of the franchise business. Thus, it is very important to study the emotions and reactions of consumers on entrepreneurial passion in the franchise sector.

Therefore, this study analyzed the structural relationship between FEP, positive emotion, brand trust, and loyalty by conceptualizing the FEP as Perceived Passion for Inventing, Perceived Passion for Founding and Perceived Passion for Developing(Cardon et al., 2013).

Meanwhile, entrepreneurial passion is a very difficult phenomenon to predict as it is a complex combination of empirical and psychological factors, as much as an entrepreneur feels positive about having ego identity of a

meaningful and important role through management activities(Cardon et al., 2009; Cardon et al., 2013).

Therefore, it is difficult to explain either quantitative or qualitative research methodology. Thus, in this study, the relationship between FEP, positive emotion, brand trust, and loyalty was identified through the structural equation modeling(Smart PLS) in advance and based on the results, the relationship was identified as a combination of the relative binding of complex cases using the fuzzy-set qualitative comparative analysis(fs/QCA).

At this point, fs/QCA is based on the Complexity Theory of the view that it is not correct to Identify social phenomena as a single focus since they are formed as the relationship of very complex phenomena(Urry, 2005). In particular, fs/QCA describes outcomes as a combination of the more than one condition rather than the quantitative analysis method of a single focus that analysis the effects of variance differences(Ragin, 2014; Woodside, 2013; Woodside, 2019).

Therefore, fs/QCA can effectively explain social phenomena that are complicated by the combination of empirical and psychological factors, such as entrepreneurial passion. This study seeks to establish a differentiated strategy through the quantitative and qualitative hybrid study of future FEP.

2. Research Background

2.1. Franchise Entrepreneurial Passion: FEP

Entrepreneurial Passion brings a deep emotional commitment that leads to "recognition" and "action" according to the entrepreneur's personal values of the company and whole management(Chen et al., 2009). Entrepreneurial Passion has been recognized as an important source of success during the life cycle of the enterprise from business start-up to management activities(Alstete, 2008; Baum et al., 2001; Patel et al., 2015) and is the factor that enables an entrepreneur to engage in stable and sustainable business activities even in the face of various difficulties. It is also a strong motivation to engage in management activities, to sacrifice and to lead to changes(Fesharaki, 2019).

Entrepreneurial Passion, constantly found in the course of entrepreneurship, can be divided into three dimensions: the Perceived Passion Inventing to develop new products and services, Perceived Passion Founding to establish an organization, Perceived Passion Developing to grow an organization(Cardon et al., 2013).

The perceived passion for inventing refers to the entrepreneurial passion to discover new market opportunities in the business start-up environment and

develop new products and services during his management activities. Entrepreneurs having a passion for inventing tend to present new procedures and methods as solutions for many problems arising in the market, and seek new things and further explore management than others (Cardon et al., 2009; Cardon et al., 2013). This can be said to be an important source of developing competitive advantages for the survival and growth of businesses in the fast-changing franchise industry.

The perceived passion for founding relates to providing the economic, human and social resources which are necessary to establish a new enterprise (Cardon et al., 2009; Cardon et al., 2013), and the entrepreneur with strong desire to establish a company enjoys the process of setting up and developing (Cardon et al., 2009). In the franchise industry, where the establishment of the franchisee store is the main business, the perceived passion for founding is an important motivator for entrepreneurs (Yim, Tse, & Chan, 2008).

The Perceived Passion for Developing is a necessary factor for entrepreneurs in terms of better management activities to develop existing organizations than to establish new ones with a high risk of failure and bankruptcy. Specifically, it reflects the entrepreneur's passion to nurture and grow businesses after establishing an organization and includes all activities for current business growth, including marketing for companies and managing new human resources (Cardon et al., 2009).

The management activities of franchise companies can be explained by the business establishment for franchisees at the same time as the growth of the headquarters. Thus, in the franchise industry, it is likely that entrepreneurship passion, which is conceptualized in three dimensions (innovation, growth, and establishment), will be expressed. In particular, FEP can be a representative success factor for the franchise company since business establishment for franchisees which is a representative core activity of franchise company is described as FEP.

Table 1: Summary of Prior Entrepreneurial Passion Research

Reference	Research Method	Research Context	Key Finding
Breugst et al. (2012)	Empirical	Entrepreneurial Ventures	Impact of entrepreneurial passion on employee commitment based on theories of emotional contagion and goal setting: (i) Perceived passion for inventing and developing enhance commitment, (ii) Perceived passion for founding reduces commitment.
Cardon et al. (2009)	Conceptual	Entrepreneurial Role Identities	Entrepreneurial passion has different mechanisms depending on the role of the entrepreneur's identity: (i) Opportunity (ii) Problem solving (iii) Goal setting (iv) Absorption. Through this mechanism process, the entrepreneur's passion can be a meaningful role with strong positive emotions
Chen et al. (2009)	Laboratory & Field Study	Venture Capitalist Investment Decision Making	Preparedness information, not entrepreneurial passion, positively impacted decisions to fund ventures.
Park et al. (2017)	Empirical	Franchise Corporate	The perceived entrepreneurial passion of franchisees effect on customer responses: The perceived passion for inventing and developing a positive impact on trust and identification

2.2. Positive Emotion

Emotions are positive feelings (good, comfortable, etc.) / negative feelings (nervous, irritating, etc.) that humans feel (Lee, Back, & Kim, 2009). Unlike general feelings that are close to mood, consumption emotion in the relationship between companies and customers is deliberately generated in that there is purpose or target. This is a customer-recognized emotional response to some of the attributes that constitute the performance of products and services of the company because it requires more importance, ability to motivate, situational characteristics, and psychological

urgency than felt emotions in general (Menon & Dubé, 2000).

Consumption emotion has a significant impact on quality perception, repurchase behavior and loyalty of products and services, and is one of the key factors in the consumption decision-making (Lee et al., 2009; Oliver, 1997; Westbrook & Oliver, 1991).

On the other hand, entrepreneurial passion is a positive emotion common to enthusiastic entrepreneurs (Cardon et al., 2013), and is felt through self-identity that plays a meaningful and important role in the entrepreneur's management activities (Cardon et al., 2009; Cardon et al.,

2013). Perceptible high entrepreneurial passion has a positive effect on the behavior of stakeholder such as customers (Chen et al., 2009).

They could be viewed on the same level in that both perceived emotion by customers and entrepreneurial passion has a positive impact on the behavior intention of stakeholders. Therefore, the aim of this study was to explore how entrepreneurial passion and emotion have a structural relationship with customer response.

2.3. Brand Trust

Brand trust is the consumer's will to rely on the expectation about the brand's continuous ability when they make purchase decisions for the brand (Chaudhuri & Holbrook, 2001; Ganesan & Hess, 1997). In particular, trust can be formed through the emotional stability that the customer feels from having a brand responsible for customer interests and welfare (Delgado, Munuera & Yague, 2003).

This brand trust shapes a brand commitment, which is the core of the ongoing business relationship between the company and the customer (Morgan & Hunt, 1994), and allows the customer relationship to continue (Lee, Moon, Kim, & Yi, 2015). Therefore, brand trust plays a vital role in franchise systems where the continuous relationship between the company and the customer, the franchisor is important (Moorman, Zaltman, & Deshpande, 1992).

2.4. Customer Loyalty

Loyalty means that the customer has a high degree of attachment to a particular brand (Chaudhuri, 1999). Customer loyalty is developed following a series of steps, in order of cognitive loyalty, affective loyalty and behavioral loyalty. First, consumers prefer a particular brand because they recognize that the attribute information that a particular brand has is preferable to that of other alternatives. Since then, high satisfaction with the brand has been repeated resulting in building loyalty by good feelings, and the commitment which you want to purchase the brand's products or services appears with inertia and leads to repurchase behaviors (Oliver, 1997).

Customers with a high level of loyalty to a particular brand are more likely not to switch to another brand even if their competitors engage in attractive marketing activities, and also repeat purchases to become regular customers to maintain deeper and long-standing relationships with the preferred brand (Cronin, Brady, & Hult, 2000; Oliver, 1999).

Furthermore, it is important for the company to elicit customer loyalty because it is likely to maintain a relationship with a deeply attached brand even when customers have to pay more than a competitor's product or

service (Lee, Hsu, Han, & Kim, 2010). Loyalty can be measured by the sum of the revisiting (re-purchase) intention and the recommendation word of mouth intention (Wangenheim & Bayón, 2007).

3. Research design

3.1. Research Model

This study set up a research model to analyze the impact of the perceived Franchise entrepreneurial passion, founding passion, growth passion and positive sentiment, brand trust and loyalty of franchise customers (Refer to Figure 1).

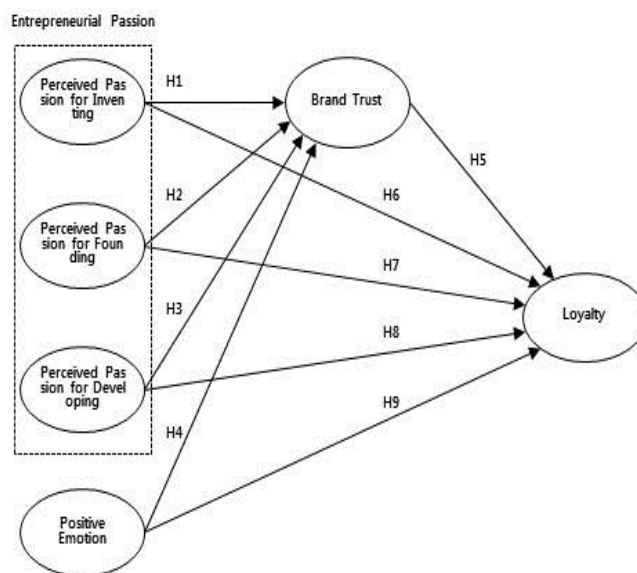


Figure 1: Research Model

3.2. Hypotheses

3.2.1. Franchise Entrepreneurial Passion, Positive Emotion and Brand Trust

Customers have trust in the company when they are continuously provided with the expected capabilities or perceived during the entire transaction (Chaudhuri & Holbrook, 2001; Ganesan & Hess, 1997). This trust is mainly formed in complex relationships, such as attributes, images, and situations for products and services.

At this time, economic and social perspectives on companies such as corporate reputation can play an important role in building customer trust by reducing uncertainty in the companies (Benjamin & Podoly, 1999; Rindova, 2005). In particular, the confidence displayed by

entrepreneurs increases customer trust by reducing the risk judgment on corporate performance and product or service quality (Morgan & Hunt, 1994). It shows the possibility that consumer trust about the company would be increased when entrepreneurial passion is perceived by consumers like reputation and confidence. Franchise entrepreneurial passion will affect building consumer trust especially since the image and reputation of the brand, such as the quality of its products and services, are important elements of the positive behavior of consumers.

Consumers also trust based on the positive feelings about the company and brand (Johnson & Grayson, 2005). At this moment trust is perceived as a predisposing factor building a relationship to immerse (Garbarino & Johnson, 1999; Morgan & Hunt, 1994). Therefore, the following hypotheses of our study were established based on previous studies.

H1: Perceived franchise entrepreneurial passion for Inventing has a positive impact on brand trust.

H2: Perceived franchise entrepreneurial passion for founding has a positive impact on brand trust.

H3: Perceived franchise entrepreneurial passion for developing has a positive impact on brand trust.

H4: Positive emotion a positive impact on brand trust.

3.2.2. Franchise Entrepreneurial Passion, Positive Emotion and Loyalty

Loyalty is the friendly manner of the customer that leads to repeat purchase behavior (Anderson & Srinivasan, 2003). Loyal customers are very important in terms of corporate competitiveness and economics. Since then, high satisfaction with the brand has been repeated resulting in building loyalty by good feelings, and the commitment which you want to purchase the brand's products or services appears with inertia and leads to repurchase behaviors (Oliver, 1997).

In particular, the passion of franchise entrepreneur brings loyalty with a sense of unity about the brand to customers (Park et al., 2017). Therefore, the hypotheses were established based on previous studies in this study.

H5: Perceived franchise entrepreneurial passion for Inventing has a positive impact on loyalty.

H6: Perceived franchise entrepreneurial passion for founding has a positive impact on loyalty.

H7: Perceived franchise entrepreneurial passion for developing has a positive impact on loyalty.

H8: Positive emotion a positive impact on loyalty.

3.2.3. Brand Trust and Loyalty

It is important to gain customer trust in order to eliminate risk factors and build customer loyalty in the rapidly

intensifying competitive market (Reichheld & Scheffer, 2000). Ribbink, Van, Liljander, and Streukens (2004) said that trust formed by customers directly affects loyalty, while Sun and Lin (2010) said that trust in companies has a stronger impact on loyalty than satisfied with the company and brand. In other words, trust is another decision of well-built loyalty (Ganesan & Hess, 1997; Morgan & Hunt, 1994). Therefore, based on these previous studies, the following hypotheses were established in this study.

H9: Brand trust has a positive impact on loyalty

3.3. Definition and Measurement of Variables

All the items of analysis are measured in the 7 point Likert scale in this study.

3.3.1. Franchise Entrepreneurial Passion

Entrepreneurial passion is defined as the strong motivation of the change resulting from emotional commitment according to personal values in the activities of entrepreneurs. At that time, the perceived passion for inventing was defined as an effort to develop new products, the perceived passion for founding was defined as an effort to make various brands and form companies, and the perceived passion for developing was defined as the effort to develop the company. In this study, All the questions were modified to suit this research and measured in five questions based on the previous study by Cardon et al. (2009).

3.3.2. Positive Emotion

Positive emotion was defined as feeling arising from the intended purpose in the relationship between the company and the customer. Based on the studies of Babin, Darden, and Babin (1998), Lee, Lee, Lee, and Babin (2008) in this study, all the questions were modified to fit this study and measured in four items.

3.3.3. Brand Trust

In this study, business trust was defined to the extent that customers believed in the franchise company. Thus, all the questions were modified and measured in five items based on prior studies by Yim, Tse, and Chan (2008), Park et al. (2017).

3.3.4. Loyalty

Loyalty was defined as a behavior intention to continuously use a particular company as a measure of customer attachment to a franchise company, and continued commitment and loyalty in the previous study by Allen and Meyer (1990) were modified and measured in three items, adjusted to suit this research situation.

4. Research Method

4.1. Sample Design and Analysis Method

The survey was conducted on 480 adults, over 20 years old who had visited the restaurant franchise store more than once a month over the past year to verify the research model. Based on the collected data, two stages of analysis were conducted for verification and qualitative analysis of the research model. First, Structural Equation Modeling(SEM) using SmartPLS 3.0 was employed to verify the structural causal relation between the variables of the research model. Especially, PLS is a research method based on a partial least squares algorithm logic, and relevant for the study that lacks precedent literature, unlike CB-SEM's maximum likelihood estimation method. Therefore, this study was used smartpls3.0 for an exploratory study of lacks FPE precedent literature. Next, fuzzy-set qualitative comparative analysis using fs/QCA 3.0 was conducted for contextual understanding and qualitative analysis of the research model based on the analysis results of SEM.

4.2. Profile of Respondents

The demographic characteristics of 480 respondents in this study were shown in Table 2.

Table 2: Demographic Profiles

	Category	Frequency	%
Gender	Male	236	49.2
	Female	244	50.8
Age	20-29 years	115	24.0
	30-39 years	127	26.4
	40-49 years	132	27.5
	50-59 years	106	22.1
Education	Under High School	91	19.0
	Two-Year College	70	14.6
	Four-Year College	278	57.9
	Graduate School	41	8.5
Income	<100	16	3.3
	101-200	42	8.8
	201-300	84	17.5
	301-400	88	18.3
	401-500	96	20.0
	501-700	95	19.8
	701-1000	45	9.4
	1001<	14	2.9

Slightly more female(50.8%) than male respondents (49.2%) were interviewed in terms of gender, and the most respondents(28.5%) were in 40s in terms of ages, followed by respondents in 30s(26.4%), in 20s(24.0%), and in 50s(22.1 %).

4.3. Assessing Validity and Reliability

The survey was conducted on 480 adults, over 20 years old who had visited the restaurant franchise store more than once a month over the past year to verify the research model. Based on the collected data, two stages of analysis were conducted for verification and qualitative analysis of the research model. First, Structural Equation Modeling(SEM) using SmartPLS 3.0 was employed to verify the structural causal relation between the variables of the research model. Especially, PLS is a research method based on a partial least squares algorithm logic, and relevant for the study that lacks precedent literature, unlike CB-SEM's maximum likelihood estimation method. Therefore, this study was used smartpls3.0 for an exploratory study of lacks FPE precedent literature. Next, fuzzy-set qualitative comparative analysis using fs/QCA 3.0 was conducted for contextual understanding and qualitative analysis of the research model based on the analysis results of SEM.

4.3. Assessing Validity and Reliability

SmartPLS 3.0 was employed to verify the single dimension of all the research units in the research model(Hair, Sarstedt, Ringle, & Mena, 2012; Park, Kim, Jeon, & Lee, 2016).First, the reliability coefficient analysis to check Cronbach's alpha and Composite Reliability(CR) analysis was conducted to verify the reliability of all research units. As a result, the reliability of Cronbach's α and composite reliability was verified since the values of Cronbach's α (.840-.919) and CR(.904-.939) was larger than .7, demonstrating high levels of internal consistency reliability. Next, convergent and discriminant validity were assessed as a validity test. As a result, the factor-loading value (.829-901) was greater than the acceptable threshold of .7, and the average variance extracted (AVE: .722-.770) was greater than the acceptable threshold of .5, so convergent validity is confirmed. Discriminant validity is assessed if the square root of AVE in the Fornell-Larcker is larger than other correlation values among the latent construct in Table 4. As shown in Table 4, the square root of AVE(>.871) was larger than all the correlation coefficient values(<0.755), thus, discriminant validity is well established(Hair, Black, Babin, & Anderson, 2009).

4.4. Hypotheses Testing

4.4.1. Assessment of Structural Model

The structural model was assessed to validate all hypotheses in this study by the following criteria with SmartPLS 3.0. The analysis results are presented below.

First, the revised R^2 (200 respondents or more) which is coefficient of determination of explanatory power about the dependent variables are measured at brand trust(.638), loyalty(.569) has high explanatory power (Cohen, 1998).

Next, the cross-validated redundancy (Q^2) of the dependent variables was tested. cross-validated redundancy is used as an index of predictive relevance. As shown in Table 4, Q^2 values of brand trust(.449), loyalty(.049) are higher than zero, indicating the prediction relevance of the model is achieved. In addition, the predictive power of the model was assessed as the root mean square

residual (SRMR) is .040, which is less than .08 considered as acceptable levels.

4.4.2. The Hypotheses Testing Result of Structural Model

The SEM results of entrepreneurial passion and positive emotion perceived by consumers on brand trust and loyalty are presented in Table 5. First, hypotheses H1-H3 indicates the relationship between perceived passion for inventing, perceived passion for founding, and perceived passion for developing, which are factors of entrepreneurial passion, on brand trust. The results show that perceived passion for inventing ($\beta=.172$, $t\text{-value}=3.808$, $p<.001$, $f^2=.028$), perceived passion for developing ($\beta=.263$, $t\text{-value}=5.507$, $p<.001$, $f^2=.073$) have significant effects on brand trust. Thus H1 and H3 are supported. However, perceived passion for founding does not influence on brand trust ($\beta=-.045$, $t\text{-value}=1.082$, $p>.05$, $f^2=.003$), therefore H2 is not supported.

Table 3: Measurement Model

	Factor Loadings	α	rho_a	CR	AVE
Passion for Inventing		.872	.872	.912	.722
This company (CEO) strives to find new ways to resolved unmet market needs.	.842				
The company(CEO) enjoys finding new ideas for products/services to sell.	.867				
This company (CEO) actively strives to develop prototypes of products.	.854				
This company(CEO) tries to figure out how to make existing products/services better	.836				
Passion for Founding		.904	.908	.933	.777
This company (CEO) is excited to establish a new company.	.879				
This company (CEO) is energized by (making a new brand) owning its own company.	.897				
This company (CEO) likes to create new companies (new brands).	.887				
This company(CEO) is excited to create something out of nothing.	.863				
Passion for Developing		.840	.844	.904	.758
This company (CEO) organizes the right people to work for the business.	.843				
The company enjoys the launch of new products/services.	.867				
This company (CEO) works with its employees to create better products/services.	.901				
Positive Emotion		.896	.896	.928	.762
I 'm happy to use this company's services/products.	.891				
I 'm happy to use this company's service/product.	.872				
I feel good about using this company's services/products.	.896				
I feel good about using this company's services/products.	.830				

Brand Trust			.919	.920	.939	.755
I am confident in the quality/service provided by the company.	.879					
This company(CEO) provides reliable quality/service.	.889					
This company(CEO) is sincere.	.845					
I think this company(CEO) is professional.	.840					
Overall, I think this company () is certain about quality/service.	.891					
Loyalty			.897	.898	.928	.764
I will talk to others about the good things about this franchise company.	.885					
I would recommend this company if other people asked me for advice on it.	.895					
Overall, I will choose this franchise company first when I choose it in the future.	.887					
I intend to use this franchise company next year.	.829					

Table 4: Fornell-Larcker Criterion, Mean, and Standard Deviation

		1	2	3	4	5	6
1	Passion for Inventing	0.850					
2	Passion for Founding	0.700	0.882				
3	Passion for Developing	0.740	0.641	0.871			
4	Positive Emotion	0.627	0.512	0.632	0.873		
5	Brand Trust	0.646	0.498	0.675	0.748	0.869	
6	Loyalty	0.617	0.468	0.640	0.745	0.755	0.874

Note; Bold numbers indicate the square root of AVE.

Hypothesis H4 states the impact of positive emotion perceived by consumers on brand trust. The result shows that positive emotion($\beta=.497$, $t\text{-value}=12.169$, $p<.001$, $f^2=.371$) have significant effects on brand trust, supporting H4.

Hypotheses H5-H7 posit the impact of perceived passion for inventing, perceived passion for founding, and perceived passion for developing on loyalty, which are factors of entrepreneurial passion perceived by consumers and the test result shows that only perceived passion for developing($\beta=.128$, $t\text{-value}=2.178$, $p<.05$, $f^2=.017$) has significant effects on loyalty, excluding perceived passion for inventing($\beta=.095$, $t\text{-value}=12.169$, $p<.001$, $f^2=.371$) and the perceived passion for founding($\beta=-.044$, $t\text{-value}=.969$, $p<.001$, $f^2=.003$). Thus H5-H6 are not supported and H7 is supported.

Hypothesis H8 shows the impact of positive emotion perceived by consumers on loyalty. The result shows that

positive emotion($\beta=.355$, $t\text{-value}=7.009$, $p<.001$, $f^2=.146$) has positive effects on loyalty. Therefore, H8 is supported. Finally, hypothesis H9 is supported since brand trust ($\beta=.363$, $t\text{-value}=5.765$, $p<.001$, $f^2=.139$) has significant effects on loyalty.

4.4.3. Testing the Mediating Role

As the result of testing mediating role using bootstrapping(Refer to Table 6) brand trust in the relationship between perceived passion for inventing of perceived entrepreneurial passion and loyalty could be regarded as a full mediator, and brand trust plays a partial mediating role in the relationship between perceived passion for developing and loyalty and between positive emotion and loyalty.

4.4.4. The Result of Fuzzy Set Qualitative Comparative Analysis(fs/QCA)

The quantitative analysis focuses either on checking the interaction effects between variables or revealing the significance of the relationship such as measuring covariance after making a research model based on the theoretical considerations and phenomena in advance.

However, there is a disadvantage that logical deduction is limited through statistical relationships between variables(Kent & Argouslidis, 2005).

The fuzzy set qualitative comparative analysis(fs/QCA) can be interpreted from various aspects, not verifying the quantitative significance of the study's variables, but explaining the cases of the combination of causal condition and the relationship of outcome conditions.

The combination of cause and effect examples and extent of the set can be measured to minimize losses through fuzzy numbers evolved from an existing qualitative

comparison analysis which is confirmed by 0 and 1 in the past (Ragin, 2000; Ragin, 2009; Woodside & Zhang 2013; Woodside, 2019).

In particular, a case of the outcome condition of a logical analysis of social phenomena can be identified as necessary and sufficient condition using a fuzzy set. Necessary condition (a result is a partial group of causes) is simple or complex causal relationships that are essentially found in all cause cases of social phenomena results.

On the other hand, Sufficient condition (cause is a partial group of results) is that a particular result always occurs when there is a cause condition because the result may or may not occur when the cause case does not appear.

This logic allows us to identify necessary and sufficient conditions for the phenomenon and the combined causal conditions for the result condition (Woodside, 2019).

Fs/QCA was employed based on the result of SEM in this study. The combination of perceived passion for inventing, perceived passion for founding, and perceived passion for developing as the cause condition was compared and analyzed.

First, the maximum value was set to 1 and the minimum value to 0 with the cross over point (.5) as the median. The main reason to use the median as a cross over point in social science research is to ensure objectivity by clearly excluding the researchers' waywardness.

Table 5: Structural Estimates (PLS)

	Paths	Estimate	t-value	p	f ²	Results
H1	Passion for Inventing → Brand Trust	.172	3.808	.000***	.028	Supported
H2	Passion for Founding → Brand Trust	-.045	1.082	.279	.003	Non Supported
H3	Passion for Developing → Brand Trust	.263	5.507	.000***	.073	Supported
H4	Positive Emotion → Brand Trust	.497	12.169	.000***	.371	Supported
H5	Passion for Inventing → Loyalty	.095	1.867	.062	.009	Non Supported
H6	Passion for Founding → Loyalty	-.044	.969	.333	.003	Non Supported
H7	Passion for Developing → Loyalty	.128	2.478	.013*	.017	Supported
H8	Positive Emotion → Loyalty	.355	7.009	.000***	.146	Supported
H9	Brand Trust → Loyalty	.363	5.765	.000***	.139	Supported
		R²		adj R²		Q²
Brand Trust		.638		.635		.449
Loyalty		.658		.655		.472

*p<.05, **p<.01, ***p<.001,

Table 6: Bootstrapping for Mediation Effects

Paths	Direct effect	t-value(p _{value})	Indirect effect	t-value(p _{value})	Mediation Effects
Passion for Inventing → Brand Trust → Loyalty	.095	1.867(.062)	.062	3.208(**)	Full
Passion for Founding → Brand Trust → Loyalty	-.044	.969(.333)	-.016	1.038(.299)	-
Passion for Developing → Brand Trust → Loyalty	.128	2.478(*)	.095	3.715(***)	Part
Positive Emotion → Brand Trust → Loyalty	.355	7.009(***)	.180	0.733(0.464)	Part

*p<.05, **p<.01, ***p<.001

Furthermore, the number of items per variable was multiplied to make the exact difference in the fuzzy set score (Chang, Tsang, & Woodside 2013). For example, in

the case of perceived passion for inventing, it a variable on a seven-point scale consisting of four questions that the minimum value is 1 and the maximum value is 2401 (=7⁴),

and a central value would be 1201. Therefore, the fuzzy score is converted to $2401=1$, $1201=.5$, and $1=0$.

The results of the fs/QCA analysis are presented below.

The combination cases of perceived passion for inventing, perceived passion for founding, and perceived passion for developing, positive emotion and brand trust were derived concretely if customer loyalty is high as shown in Table 7. First of all, fs/QCA's goodness of fit was measured and confirmed (solution coverage: .655, solution consistency: .826) corresponding to explanatory power (R^2) of the linear analysis method and the correlation (r), since both values were greater than the acceptable threshold (solution coverage $>.2$, and solution consistency $>.8$) (Olya, Lee, Lee, & Reisinger, 2019; Ragin,

2009).

In addition, in fs/QCA XY plots, the causal combination cases have been confirmed as sufficient conditions for the resulting case cases because the case combinations of causal condition are distributed at the top of the diagonal criteria of plots in all cases (Olya et al., 2019; Ragin, 2009; Refer Figure: 2).

Combinations cases are: First, it was measured that the consistency of loyalty was the highest among the derived cases when the age was relatively old, the income was relatively low, perceived passion for founding, and perceived passion for developing, positive emotion, and the combination of brand trust were high.

Table 7: Set Membership Findings Using fsQCA for Explaining Customer Loyalty

Frequency Cutoff: 1, Consistency Cutoff: 0.95684				
Models: Loyalty = f(gender•PI•PF•PD•PE•BT)		Raw Coverage	Unique Coverage	Consistency
M1	Age•~Income•PF•PD•PE•BT	0.351	0.018	0.977
M2	Gender•~Age•PI•PD•~PE•BT	0.246	0.083	0.967
M3	~Gender•Age•PF•PD•PE•BT	0.247	0.003	0.967
M4	~Gender •Age•Income•PI•~PF•PE•BT	0.234	0.001	0.962
M5	~Gender •PI•PD•PE•BT	0.257	0.001	0.956
M6	~Gender •Age•Income•PI•~PF•PD•BT	0.237	0.002	0.95
Solution Coverage		0.655		
Solution Consistency		0.826		

Overall solution coverage: 0.574/ Overall solution consistency: 0.947

note, ~gender=male, gender=female, Passion for inventing = PI, Passion for founding = PF, Passion for developing = PD,

Positive emotion = PE, Brand trust = BT

e.g. ~A = indicates a low score of A, A•B = A and B,

Next, the loyalty was highly prized when the target is female, the age was relatively young, perceived passion for inventing, perceived passion for developing, positive emotion, and brand trust was high (M2). In addition, in terms of M3, it was measured that the loyalty scores were high when the target was male, the age was relatively old, perceived passion for founding and perceived passion for developing, positive emotion, and brand trust were high (M3). In the case of M4, loyalty was high when the age was relatively high, the income was high, the perceived high passion for inventing, positive emotion and brand trust were high, while the perceived passion for founding was low (M4). In the case of M5, a combination of perceived high passion for inventing, perceived high passion for developing, high positive emotion, and high brand trust scores were shown as conditions for high loyalty. Finally, it was found that men, relatively high age, high income, perceived passion for inventing, perceived low passion for

founding, perceived high passion for developing and high brand trust were the conditions for high loyalty (M6).

Overall, the basic condition of customer loyalty for perceived entrepreneurial passion was shown based on brand trust, and perceived high passion for developing the condition for loyalty in most cases (M1-M3, M5-M6). Based on the factors of entrepreneurial passion, the following is true: the condition for loyalty was high brand trust in case of the combination of perceived high passion for developing and perceived high passion for inventing (M2, M5), the combination of perceived high passion for founding perceived high passion for developing (M1, M3), the combination of perceived high passion for inventing and perceived low passion for founding (M4, M6), and the combination of perceived high passion for inventing, perceived low passion for founding and perceived high passion for developing (M6).

Especially, in terms of perceived passion for founding, it was shown that it has a positive impact on loyalty when combined with perceived high passion for developing (M1, M3) even if it doesn't have an effect on brand trust as the results of the SEM.

Model 1: $Loyalty = f(\text{Age} \sim \text{Income} \bullet \text{PF} \bullet \text{PD} \bullet \text{PE} \bullet \text{BT})$

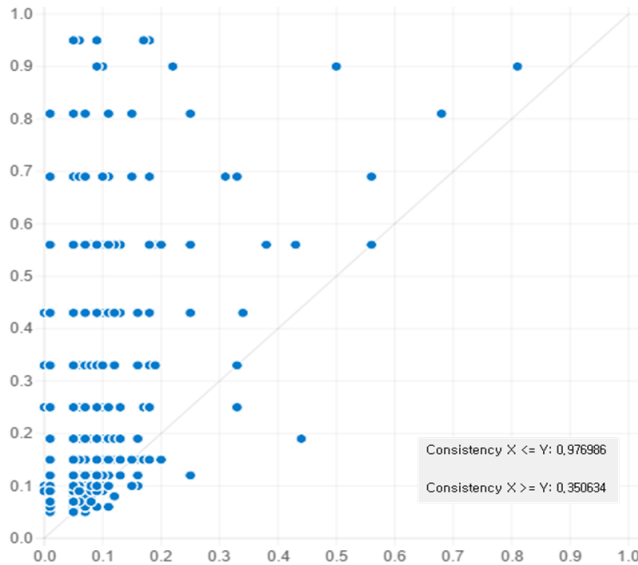


Figure2: Set Membership Model's fs/QCA XY Plots

5. Conclusions

5.1. Discussion and Implications

Entrepreneurial passion is important because it causes positive outcomes in most processes of company management. The feeling of customers in the franchise industry, in particular, varies with the company depending on the attitudes of the perceived franchisor as well as the franchise stores that they visit. Thus, in the franchise market, the entrepreneurial passion of the franchisor can be a very interesting variable.

In this study, we examine the customer response for entrepreneurial passion focusing on the brand emotion perceived by customers. First, quantitative analysis was conducted to identify the influence and mechanism of franchise entrepreneurial passion (perceived passion for inventing, perceived passion for founding, perceived passion for developing and brand emotion on loyalty through brand trust as a medium). Then, qualitative comparison analysis was conducted using quantitative analysis results for the logical verification of the research results.

As a result, it was confirmed that the perceived passion for inventing of franchisors and the perceived passion for developing about developing and managing services and products can be positively perceived by customers. Therefore, it is important for the franchisors to disclose its plans for the development and management of related services and products to customers. Customers will trust companies in the hope of improving the quality of their products and services through it.

On the other hand, the perceived passion for founding did not affect the positive consumer response about the company. The important thing is that the key function of the franchise company is highly related to a perceived passion for founding through the franchise business. In other words, the perceived passion for founding is an important condition of the franchisors. Therefore, it is not necessary to intentionally disclose the will of franchisors about the establishment of franchise stores since the perceived passion for the founding of the franchisors does not have a positive effect on consumers.

As mentioned above, however, the passion for the founding of the franchise store is an important condition of the franchisor. Therefore, it is important for the franchisor to expose its passion for founding to consumers strategically/voluntarily. At this time, the passion for developing was found to be a sufficient condition to allow the passion for founding to be strategically exposed to consumers. Specifically, the results of the quantitative analysis show that the passion for founding does not have a significant impact on brand trust, however, the results of qualitative comparative analysis show that consumers can be trusted if they are perceived by the combination of the passion for founding, passion for developing and passion for inventing.

This is related to the fact that the franchisors of the Korean franchise industry where there are many small businesses to make a living for their families are indiscriminately overusing the establishment of franchise stores, causing social problems. Under these circumstances, the passion for founding can have a negative impact on consumers. Therefore, franchisor need to strictly establish and disclose the requirements for franchise business and to be able to develop management capacity through the passion for developing of the franchisor itself (Han, 2019). Therefore, the role of the passion for developing franchisors is very important.

In conclusion, the franchise company should strengthen the requirements for the establishment of the franchise store that consumers can understand, the management plan for the company, and the development process and plan of the services and products provided to increase the management ability. This requires strategic exposure because the passion

of franchisors discriminates against customer trust and positive responses.

5.2. Limitations and Future Research

This study conducted a quantitative analysis of SEM to see how consumers' brand trust, positive emotion about the entrepreneurial passion of the franchisors affected loyalty, and conducted qualitative comparison analysis based on the results of quantitative analysis. The results of this study showed the implications of various perspectives according to the mixed analysis method. Nevertheless, the following limitations were derived: Therefore, the future direction of research is presented as follows.

First, this study analyzed the passion of franchise company by dividing them into the passion for inventing, passion for founding and passion for developing, however, it is necessary to identify other passion variables which have to be considered based on the franchise market environment.

Second, this study examined entrepreneurial passion limited in the Korean franchise market, but it needs to be investigated to compare franchise companies in other countries with different cultures and environments.

Third, in this study, quantitative analysis was conducted based on entrepreneurial passion and qualitative comparison was conducted. However, further qualitative analyses, such as FGI and IDI, are needed to identify and apply specific comments from consumers who are aware of Entrepreneurial passion.

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