

**“DO FRANCHISE FIRMS INFLUENCE THE ECONOMY? AN EMPIRICAL
STUDY OF INDIAN FRANCHISORS AND MACROECONOMIC
INDICATORS”**

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ABSTRACT

Franchising has emerged as a vital driver of economic growth in India, influencing employment, investment, and consumption patterns. This study investigates the impact of the financial performance of top Indian franchisors on key macroeconomic indicators such as GDP, inflation, interest rates, and exchange rates. The research focuses on five prominent franchise companies: Domino's Pizza (Food & Beverage), McDonald's India (Quick Service Restaurant), FirstCry (Baby & Kids Retail), DTDC Courier (Logistics & Delivery), and Lakme Salon (Beauty & Wellness). Using ROE (Return on equity) and ROA (Return on asset) from 2015 to 2025 (10 years) as measures of firm performance, this study employs quantitative analysis to examine correlations and causal relationships with macroeconomic variables. The findings aim to provide policymakers, investors, and franchise operators with insights into how the success of franchising networks can influence India's broader economic environment and inform strategies for sustainable growth.

Keywords : Return on Equity, Return on Asset, Macro-economic Indicators, firm performance, sustainable growth.

INTRODUCTION

The study was made to know “Relationship of Macro- Economic Indicator- gdp, interest rates, exchange rates, and inflation—a and Top 5 companies performance in India.”. Performance Analysis is the process of reviewing and analyzing a company's financial statements to make better economic decisions. Financial statements are formal records of a company, individual, or other entity’s financial actions and condition. The required financial information is presented in a systematic and easily understandable style. They usually include a balance sheet, income statement, equity statements, and cash flow statements. It gives a clearer picture of the company’s financial status, performance, and stability. It acts as a source of information for most decision makers.

1.2. Meaning of Franchise

A franchise is a business model where one party (the *franchisor*) grants another party (the *franchisee*) the right to operate a business using its established brand name, trademark, products, and operational system — in exchange for a fee or royalty. A franchise allows a person to own and run a branch of an established brand while following its proven business system.

Example:

- **McDonald’s India** – operates through local franchisees who follow the McDonald’s brand standards, menu, and operations.

Key Features of a Franchise System

Feature	Explanation
1. Legal Agreement	A formal contract (Franchise Agreement) defines the rights, obligations, and period of partnership between franchisor and franchisee.
2. Brand Name Usage	The franchisee operates under the franchisor’s brand, logo, and marketing identity.
3. Standardized Operations	Every outlet follows the same procedures — from interior design to customer service — ensuring consistency across locations.

Feature	Explanation
4. Initial Franchise Fee	The franchisee pays an upfront fee to use the brand and system.
5. Royalty Payments	Franchisee pays regular (monthly/quarterly) royalty — usually a percentage of sales — to the franchisor.
6. Training & Support	Franchisor provides technical training, marketing, supply chain support, and operational guidance.
7. Territorial Rights	Some franchisors grant exclusive rights to a franchisee in a specific geographic area (like Coimbatore, Chennai, etc.).
8. Quality Control	The franchisor ensures that products/services meet brand standards to maintain reputation.
9. Proven Business Model	Franchises offer lower risk since they follow an established business format that has already succeeded elsewhere.
10. Shared Marketing & Advertising	National or regional marketing is often done by the franchisor, supported by local promotional efforts from franchisees.

1.3 Why franchising is growing in India¹

Growing middle class and disposable income: More households are happy to spend on branded food, education, wellness, and retail.

Aspiration for entrepreneurship: Most people desire to have their own business but with reduced risk, hence franchising is appealing

Government support: Government initiatives support MSMEs and startups, enhancing growth.

¹ <https://www.franchisebazar.com/blog/top-10-franchise-in-india-2026>

Digital adoption: Online learning, food delivery and e-commerce have created new franchise models .

Franchise models provide budding entrepreneurs lower risk and exposure to proven business process hence they are venturing out from metros to Tier 2 and Tier 3 cities.

2. REVIEW OF LITERATURE

Dr.M.Anbukarasi and R. Prasanth (2022)¹ attempts to study the financial performance and collected overall performance, with the aid of the usage of secondary information amassed from the once a year reviews of ONGC and other secondary sources which analyses are done with the assist of statistical tools like descriptive analysis, ratio analysis, correlation, and regression. It was concluded that there is an effect and relationship among the selected variables.

Farhan Saputra (2022)² aimed to determine the effect of return on assets (ROA), return on equity (ROE), and price earning ratio (PER) on the stock prices of coal companies listed on the Indonesia Stock Exchange (IDX) for the period 2018-2021. The results of the study using the F test simultaneously show that ROA, ROE, and PER affect Stock Prices by 39%, while the T-test shows that Return on Assets (ROA) does not affect Stock Prices and Return on Equity (ROE), and Price Earning Ratio (PER) has no effect on Stock Prices.

Osoro Cliff1c& Ogeto Willy (2014)³ examined-the effect of macroeconomic factors on the performance of the agricultural sector which was however insignificant at 95% confidence level and the effects of macroeconomic factors was inconclusive and thus requires further research.

Priyanka Aggarwal (2013)⁴ has examined the study which was concentrated on the Impact of Sustainability performance of company on its Financial Performance of listed Indian companies.The purpose of this paper is to find “whether sustainable companies are more profitable”. Various researches were conducted in past for examining this relationship. Results, however, have been mixed and inconclusive. Moreover, most of the studies have been conducted in context of developed countries.

3. Statement of the Problem

While franchising companies contributes significantly to India’s business landscape, the extent to which the financial performance of individual franchisors

positively affects macroeconomic indicators remains unclear. Understanding this relationship is crucial for policymakers, investors, and business leaders seeking to leverage franchising for economic growth. This study addresses the gap by investigating whether key financial metrics of top Indian franchisors ROE and ROA have measurable impacts on GDP, inflation, interest rates, and exchange rates. By focusing on leading companies across different sectors, the study provides empirical evidence of franchising's broader economic influence and examines the cause-and-effect relationship and Impact between Return on Equity and Return on Asset of top 5 franchise companies in India such as Domino's Pizza- Food & Beverage, McDonald's India -Quick service restaurant, FristCry -Baby & kids retail, DTDC Courier - Logistics & Delivery, Lakme salon - Beauty & Wellness of macroeconomic Indicators (GDP) in India.

- ✓ Is there Macro-economic Indicators impact of Top 5 franchise companies in India such as Domino's Pizza- Food & Beverage, McDonald's India -Quick service restaurant, FristCry -Baby & kids retail, DTDC Courier - Logistics & Delivery, Lakme salon - Beauty & Wellness performance ?

4. Objectives of the Study

- ❖ To examine the impact of franchisors performance on India's macroeconomic environment.

4.1 Hypotheses for the Study

H₀₁ : There is no significant impact of ROE and ROA of top Indian franchisors on India's GDP, Interest rate, Inflation, Exchange rate

5. Research Methodology

5.1 Source of Data

The data is collected from company annual report and official website from Top 5 companies in India Domino's Pizza, McDonald's India, FristCry , DTDC Courier, Lakme salon. From RBI source macro-economic indicators were collected. The study is conducted for Ten years from 2015 to 2025. The above mentioned companies were selected by top performance. Here, purposive sampling technique was used for this study.

6. Analysis and Interpretation

Regression Analysis of Indian Franchisor performance on Macro-economic Indicators : Evidence from India.

H₀₁ : There is no significant impact of ROE of top Indian franchisors on India's GDP.

Table 6.1.1

Regression Analysis Model Summary of the ROE of top Indian franchisors on India's GDP for the Period of 2015 to 2025

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	.815 ^a	.665	.246	1.0739378	2.965

Source: Compiled from SPSS

The above Table 6.1.1 displays the model summary for the impact of ROE among Macro-Economic Indicators - GDP .When the GDP is Dependent Variable, R is .815 which means that there is a very strong correlation. R-Square is .665 which indicated 66.5% of impact is accounted. It shows the ROE (Independent variable) is influenced the Macro-Economic Indicators (dependent Variable). Adjusted R Square Value is .246 , implying that the model has accounted for 24.6% of variance in the dependent or criterion variable. The value of Durbin-Watson Statistic is 2.965 representing that the model is not suffering from auto correlation.

Table 6.1.2

Regression Analysis Anova of the ROE of top Indian franchisors on India's GDP for the Period of 2015 to 2025

ANOVA ^a						
Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	9.155	5	1.831	1.587	.337 ^b
	Residual	4.613	4	1.153		
	Total	13.768	9			
a. Dependent Variable: GDP						

b. Predictors: (Constant), ROE-LAKME, ROE-Fristcry, ROE-DTDC, ROE-MCdonalds, ROE-Dominos

Source: Complied from SPSS

The Table 6.1.2 Clarifies the ANOVA for ROE and Macroeconomic Indicators- GDP shows the significant value of .337 Which is greater than 0.05 level of significant. So, it can be concluded that ROE and the Macro-economic Indicators - GDP is not Significant. Hence, the null hypothesis is accepted at 5% level of significant in the Study Period.

Table 6.1.3

Regression Analysis Coefficient of the ROE of top Indian franchisors on India’s GDP for the Period of 2015 to 2025

Model		Unstandardized Coefficients		Standardize d Coefficients	t	Sig.	Collinearity Statistics	
		B	Std. Error	Beta			Toleranc e	VIF
1	(Constant)	5.654	1.348		4.195	.014		
	ROE-Dominos	.072	.064	.734	1.115	.327	.193	5.177
	ROE-MCdonalds	.000	.003	-.044	-.098	.927	.404	2.472
	ROE-Fristcry	.011	.085	.047	.130	.903	.628	1.592
	ROE-DTDC	-.033	.039	-.343	-.859	.439	.527	1.899
	ROE-LAKME	.315	.197	1.118	1.594	.186	.170	5.875

Source: Complied from SPSS

The above Table 6.1.3 displays the coefficient for impact of ROE and Macroeconomic Indicators- GDP are not significant at 5% Level. Hence, the null hypothesis is accepted.

H₀₂ : There is no significant impact of ROA of top Indian franchisors on India’s GDP.

Table 6.1.4

Regression Analysis Model Summary of the ROA of top Indian franchisors on India’s GDP for the Period of 2015 to 2025

Model Summary ^b					
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	.978 ^a	.956	.901	.3886388	2.890

Source: Compiled from SPSS

The above Table 6.1.4 displays the model summary for the impact of ROA among Macro-Economic Indicators - GDP .When the GDP is Dependent Variable, R is .978 which means that there is a very strong correlation. R-Square is .956 which indicated 95.6% of impact is accounted. It shows the ROA (Independent variable) is influenced the Macro-Economic Indicators-GDP (dependent Variable). Adjusted R Square Value is .901 , implying that the model has accounted for 90.1% of variance in the dependent or criterion variable. The value of Durbin-Watson Statistic is 2.890 representing that the model is not suffering from auto correlation.

Table 6.1.5

Regression Analysis Anova of the ROA of top Indian franchisors on India’s GDP for the Period of 2015 to 2025

ANOVA ^a						
Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	13.164	5	2.633	17.431	.008 ^b
	Residual	.604	4	.151		
	Total	13.768	9			
a. Dependent Variable: GDP						
b. Predictors: (Constant), ROA-Lakme, ROA-DominoS, ROA-DTDC, ROA-FristCry, ROA-McDonald						

Source: Compiled from SPSS

The Table 6.1.5 Clarifies the ANOVA for ROA and Macroeconomic Indicators- GDP shows the significant value of .008 Which is Less than 0.05 level of significant. So, it

can be concluded that ROA and the Macro-economic Indicators - GDP is Significant. Hence, the null hypothesis is rejected at 5% level of significant in the Study Period.

Table 6.1.6

Regression Analysis Coefficient of the ROA of top Indian franchisors on India's GDP for the Period of 2015 to 2025

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.	Collinearity Statistics	
		B	Std. Error	Beta			Tolerance	VIF
1	(Constant)	5.374	1.649		3.258	.031		
	ROA-DominoS	-.218	.046	-.638	-4.783	.009	.617	1.620
	ROA-McDonald	.621	.103	.966	6.053	.004	.431	2.321
	ROA-FristCry	.181	.073	.355	2.499	.067	.542	1.845
	ROA-DTDC	-.281	.033	-1.208	-8.631	.001	.560	1.786
	ROA-Lakme	74.516	21.122	.587	3.528	.024	.396	2.527

Source: Compiled from SPSS

The above Table 6.1.6 displays the coefficient for impact of ROA and Macroeconomic Indicators- GDP are not significant at 5% Level. Hence, the null hypothesis is Rejected. Dominos and DTDC shows that negative significant level and Mcdonalds and Lakme show that Positive significant level. The multi- Collinearity analysis is showing that is suitable for this study because the variance inflation factor (VIF) value is below 5. It Shows that the data is not suffering from multi-Collinearity problem for this study period. Hence, the null hypothesis is rejected.

H₀₃ :There is no significant impact of ROE of top Indian franchisors on India's Interest rate.

Table 6.2.1

Regression Analysis Model Summary of the ROE of top Indian franchisors on India's Interest rate for the Period of 2015 to 2025

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	.953 ^a	.908	.794	.3892479	2.749

Source: Complied from SPSS

The above Table 6.2.1 displays the model summary for the impact of ROE among Macro-Economic Indicators - Interest rate .When the Interest Rate is Dependent Variable, R is .953 which means that there is a very strong correlation. R-Square is .908 which indicated 90.8% of impact is accounted. It shows the ROE (Independent variable) is influenced the Macro-Economic Indicators - Interest rate (dependent Variable). Adjusted R Square Value is .794 , implying that the model has accounted for 79.4% of variance in the dependent or criterion variable. The value of Durbin-Watson Statistic is 2.749 representing that the model is not suffering from auto correlation.

Table 6.2.2

Regression Analysis Anova of the ROE of top Indian franchisors on India's Interest rate for the Period of 2015 to 2025

ANOVA ^a						
Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	6.008	5	1.202	7.931	.033 ^b
	Residual	.606	4	.152		
	Total	6.614	9			
a. Dependent Variable: INTERESTRATE						
b. Predictors: (Constant), ROE-LAKME, ROE-Fristcry, ROE-DTDC, ROE-MCdonalds, ROE-Dominos						

Source: Complied from SPSS

The Table 6.2.2 Clarifies the ANOVA for ROE and Macroeconomic Indicators- Interest Rate shows the significant value of .033 Which is Less than 0.05 level of significant. So, it can be concluded that ROE and the Macro-economic Indicators - GDP is Significant. Hence, the null hypothesis is rejected at 5% level of significant in the Study Period.

Table 6.2.3

Regression Analysis Coefficient of the ROE of top Indian franchisors on India's Interest rate for the Period of 2015 to 2025

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.	Collinearity Statistics	
		B	Std. Error	Beta			Tolerance	VIF
1	(Constant)	4.201	.488		8.599	.001		
	ROE-Dominos	.009	.023	.134	.389	.717	.193	5.177
	ROE-MCdonalds	.001	.001	.125	.525	.627	.404	2.472
	ROE-Fristcry	-.003	.031	-.017	-.087	.935	.628	1.592
	ROE-DTDC	.077	.014	1.140	5.466	.005	.527	1.899
	ROE-LAKME	.236	.072	1.210	3.297	.030	.170	5.875

Source: Compiled from SPSS

The above Table 6.2.3 displays the coefficient for impact of ROE and Macroeconomic Indicators- Interest Rate are significant at 5% Level. Hence, the null hypothesis is Rejected. DTDC and Lakme Significantly influenced Interest rates .ROE of franchisors has a positive significant impact on Interest Rate. Hence, the null hypothesis is rejected.

H₀₄ :There is no significant impact of ROA of top Indian franchisors on India's Interest rate.

Table 6.2.4

**Regression Analysis Model Summary of the ROA of top Indian franchisors on
India's Interest rate for the Period of 2015 to 2025**

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	.850 ^a	.722	.375	.6775164	2.644

Source: Complied from SPSS

The above Table 6.2.4 displays the model summary for the impact of ROA among Macro-Economic Indicators - Interest Rate .When the Interest Rate is Dependent Variable, R is .850 which means that there is a very strong correlation. R-Square is .722 which indicated 72.2% of impact is accounted. It shows the ROA (Independent variable) is influenced the Macro-Economic Indicators - Interest Rate (dependent Variable). Adjusted R Square Value is .375 , implying that the model has accounted for 37.5% of variance in the dependent or criterion variable. The value of Durbin-Watson Statistic is 2.644 representing that the model is not suffering from auto correlation.

Table 6.2.5

**Regression Analysis Anova of the ROA of top Indian franchisors on India's
Interest rate for the Period of 2015 to 2025**

ANOVA ^a						
Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	4.778	5	.956	2.082	.249 ^b
	Residual	1.836	4	.459		
	Total	6.614	9			

Source: Complied from SPSS

The Table 6.2.5 Clarifies the ANOVA for ROA and Macroeconomic Indicators-Interest Rate shows the significant value of .249 Which is greater than 0.05 level of significant. So, it can be concluded that ROA and the Macro-economic Indicators -

Interest Rate is not Significant. Hence, the null hypothesis is accepted at 5% level of significant in the Study Period.

Table 6.2.6

Regression Analysis Coefficient of the ROA of top Indian franchisors on India's Interest rate for the Period of 2015 to 2025

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.	Collinearity Statistics	
		B	Std. Error	Beta			Tolerance	VIF
1	(Constant)	3.548	2.875		1.234	.285		
	ROA-DominoS	-.119	.079	-.503	-1.501	.208	.617	1.620
	ROA-McDonald	.335	.179	.752	1.873	.134	.431	2.321
	ROA-FristCry	-.195	.126	-.553	-1.546	.197	.542	1.845
	ROA-DTDC	.013	.057	.080	.228	.831	.560	1.786
	ROA-Lakme	71.782	36.822	.816	1.949	.123	.396	2.527

Source: Compiled from SPSS

The above Table 6.2.6 displays the coefficient for impact of ROA and Macroeconomic Indicators- Interest rate are not significant at 5% Level. Hence, the null hypothesis is accepted. The multi-Collinearity analysis is showing that is suitable for this study because the variance inflation factor (VIF) value is below 5. It Shows that the data is not suffering from multi-Collinearity problem for this study period. Hence, the null hypothesis is accepted.

H₀₅ :There is no significant impact of the ROE of top Indian franchisors on India's inflation.

Table 6.3.1

Regression Analysis Model Summary of the ROE of top Indian franchisors on India’s Inflation for the Period of 2015 to 2025

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	.796 ^a	.634	.177	1.8511753	2.053

Source: Compiled from SPSS

The above Table 6.3.1 displays the model summary for the impact of ROE among Macro-Economic Indicators - Inflation .When the Inflation is Dependent Variable, R is .796 which means that there is a strong correlation. R-Square is .634 which indicated 63.4% of impact is accounted. It shows the ROE (Independent variable) is influenced the Macro-Economic Indicators - Inflation (dependent Variable). Adjusted R Square Value is .177 , implying that the model has accounted for 17.7% of variance in the dependent or criterion variable. The value of Durbin-Watson Statistic is 2.053 representing that the model is not suffering from auto correlation.

Table 6.3.2

Regression Analysis Anova of the ROE of top Indian franchisors on India’s Inflation for the Period of 2015 to 2025

ANOVA ^a						
Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	23.782	5	4.756	1.388	.387 ^b
	Residual	13.707	4	3.427		
	Total	37.489	9			
a. Dependent Variable: INFLATION						
b. Predictors: (Constant), ROE-LAKME, ROE-Fristcry, ROE-DTDC, ROE-MCdonalds, ROE-Dominos						

Source: Compiled from SPSS

The Table 6.3.2 Clarifies the ANOVA for ROE and Macroeconomic Indicators-Inflation shows the significant value of .387 Which is greater than 0.05 level of

significant. So, it can be concluded that ROE and the Macro-economic Indicators - Inflation is not Significant. Hence, the null hypothesis is accepted at 5% level of significant in the Study Period.

Table 6.3.3

Regression Analysis Coefficient of the ROE of top Indian franchisors on India's Inflation for the Period of 2015 to 2025

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.	Collinearity Statistics		
	B	Std. Error	Beta			Tolerance	VIF	
1	(Constant)	4.300	2.323		1.851	.138		
	ROE-Dominos	.105	.111	.648	.943	.399	.193	5.177
	ROE-MCdonalds	.000	.006	.020	.042	.969	.404	2.472
	ROE-Fristery	-.096	.146	-.252	-.659	.546	.628	1.592
	ROE-DTDC	-.103	.067	-.645	-1.547	.197	.527	1.899
	ROE-LAKME	.367	.340	.789	1.077	.342	.170	5.875

Source: Compiled from SPSS

The above Table 6.3.3 displays the coefficient for impact of ROE and Macroeconomic Indicators- Inflation are not significant at 5% Level. Hence, the null hypothesis is accepted.

H₀₆ :There is no significant impact of ROA of top Indian franchisors on India's inflation.

Table 6.3.4

Regression Analysis Model Summary of the ROA of top Indian franchisors on India's Inflation for the Period of 2015 to 2025

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	.943 ^a	.888	.749	1.0222927	2.348

Source: Compiled from SPSS

The above Table 6.3.4 displays the model summary for the impact of ROA among Macro-Economic Indicators - Inflation .When the Inflation is Dependent Variable, R is .943 which means that there is a very strong correlation. R-Square is .888 which indicated 88.8% of impact is accounted. It shows the ROA (Independent variable) is influenced the Macro-Economic Indicators- Inflation (dependent Variable). Adjusted R Square Value is .749 , implying that the model has accounted for 74.9% of variance in the dependent or criterion variable. The value of Durbin-Watson Statistic is 2.348 representing that the model is not suffering from auto correlation.

Table 6.3.5

Regression Analysis Anova of the ROA of top Indian franchisors on India's Inflation for the Period of 2015 to 2025

ANOVA ^a						
Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	33.309	5	6.662	6.374	.048 ^b
	Residual	4.180	4	1.045		
	Total	37.489	9			
a. Dependent Variable: INFLATION						
b. Predictors: (Constant), ROA-Lakme, ROA-DominoS, ROA-DTDC, ROA-FristCry, ROA-McDonald						

Source: Compiled from SPSS

The Table 6.3.5 Clarifies the ANOVA for ROA and Macroeconomic Indicators- Inflation shows the significant value of .0048 Which is Less than 0.05 level of

significant. So, it can be concluded that ROA and the Macro-economic Indicators - Inflation is Significant. Hence, the null hypothesis is rejected at 5% level of significant in the Study Period.

Table 6.3.6

Regression Analysis Coefficient of the ROA of top Indian franchisors on India's Inflation for the Period of 2015 to 2025

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.	Collinearity Statistics	
		B	Std. Error	Beta			Tolerance	VIF
1	(Constant)	13.265	4.339		3.057	.038		
	ROA-DominoS	-.226	.120	-.401	-1.888	.132	.617	1.620
	ROA-McDonald	.027	.270	.025	.100	.925	.431	2.321
	ROA-FristCry	.114	.191	.136	.600	.581	.542	1.845
	ROA-DTDC	-.356	.086	-.928	-4.159	.014	.560	1.786
	ROA-Lakme	38.446	55.560	.184	.692	.527	.396	2.527

Source: Compiled from SPSS

The above Table 6.3.6 displays the coefficient for impact of ROA and Macroeconomic Indicators- Inflation are significant at 5% Level. Hence, the null hypothesis is Rejected. DTDC shows that negative significant level. The multi-Collinearity analysis is showing that is suitable for this study because the variance inflation factor (VIF) value is below 5. It Shows that the data is not suffering from multi-Collinearity problem for this study period.

H₀₇ :There is no significant impact of the ROE of top Indian franchisors on India's Exchange rate.

Table 6.4.1

Regression Analysis Model Summary of the ROE of top Indian franchisors on India's Exchange rate for the Period of 2015 to 2025

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	.995 ^a	.990	.978	1.3317538	2.701

Source: Complied from SPSS

The above Table 6.4.1 displays the model summary for the impact of ROE among Macro-Economic Indicators - Exchange Rate .When the Exchange Rate is Dependent Variable, R is .995 which means that there is a very strong correlation. R-Square is .990 which indicated 99.0% of impact is accounted. It shows the ROE (Independent variable) is influenced the Macro-Economic Indicators- Exchange Rate (dependent Variable). Adjusted R Square Value is .978 , implying that the model has accounted for 97.8% of variance in the dependent or criterion variable. The value of Durbin-Watson Statistic is 2.701 representing that the model is not suffering from auto correlation.

Table 6.4.2

Regression Analysis Anova of the ROE of top Indian franchisors on India's Exchange rate for the Period of 2015 to 2025

ANOVA ^a						
Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	710.289	5	142.058	80.097	.000 ^b
	Residual	7.094	4	1.774		
	Total	717.383	9			
a. Dependent Variable: EXCHANGERATE						
b. Predictors: (Constant), ROE-LAKME, ROE-Fristery, ROE-DTDC, ROE-MCdonalds, ROE-Dominos						

Source: Complied from SPSS

The Table 6.4.2 Clarifies the ANOVA for ROE and Macroeconomic Indicators- Exchange Rate shows the significant value of .000 Which is Less than 0.05 level of significant. So, it can be concluded that ROE and the Macro-economic Indicators - Exchange Rate is Significant. Hence, the null hypothesis is rejected at 5% level of significant in the Study Period.

Table 6.4.3

Regression Analysis Coefficient of the ROE of top Indian franchisors on India's Exchange rate for the Period of 2015 to 2025

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.	Collinearity Statistics	
		B	Std. Error	Beta			Tolerance	VIF
1	(Constant)	60.743	1.671		36.345	.000		
	ROE-Dominos	.729	.080	1.033	9.127	.001	.193	5.177
	ROE-MCdonalds	.006	.004	.108	1.377	.241	.404	2.472
	ROE-Fristery	-1.040	.105	-.620	-9.889	.001	.628	1.592
	ROE-DTDC	-.224	.048	-.320	-4.676	.009	.527	1.899
	ROE-LAKME	3.230	.245	1.589	13.189	.000	.170	5.875

Source: Compiled from SPSS

The above Table 6.4.3 displays the coefficient for impact of ROE and Macroeconomic Indicators- Exchange Rate are Highly significant at 5% Level. Hence, the null hypothesis is Rejected. Dominos and Lakme shows that Positive significant level and Fristery show that Negative significant level.ROE of franchisors has a strong impact on exchange rate with varying positive and negative effects depending on the franchise.

H₀₈ :There is no significant impact of the ROA of top Indian franchisors on India's Exchange rate.

Table 6.4.4

Regression Analysis Model Summary of the ROA of top Indian franchisors on India's Exchange rate for the Period of 2015 to 2025

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	.935 ^a	.873	.715	4.7639058	2.238

Source: Compiled from SPSS

The above Table 6.4.4 displays the model summary for the impact of ROA among Macro-Economic Indicators - Exchange Rate .When the Exchange Rate is Dependent Variable, R is .935 which means that there is a very strong correlation. R-Square is .873 which indicated 87.3% of impact is accounted. It shows the ROA (Independent variable) is influenced the Macro-Economic Indicators- Exchange Rate (dependent Variable). Adjusted R Square Value is .715 , implying that the model has accounted for 71.5% of variance in the dependent or criterion variable. The value of Durbin-Watson Statistic is 2.238 representing that the model is not suffering from auto correlation.

Table 6.4.5

Regression Analysis Anova of the ROA of top Indian franchisors on India's Exchange rate for the Period of 2015 to 2025

ANOVA ^a						
Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	626.604	5	125.321	5.522	.061 ^b
	Residual	90.779	4	22.695		
	Total	717.383	9			
a. Dependent Variable: EXCHANGERATE						

b. Predictors: (Constant), ROA-Lakme, ROA-DominoS, ROA-DTDC, ROA-FristCry, ROA-McDonald

Source: Complied from SPSS

The Table 6.4.5 Clarifies the ANOVA for ROA and Macroeconomic Indicators- Exchange Rate shows the significant value of .061 Which is Less than 0.05 level of significant. So, it can be concluded that ROA and the Macro-economic Indicators - Exchange is borderline insignificant (not Significant) Hence, the null hypothesis is accepted at 5% level of significant in the Study Period.

Table 6.4.6

Regression Analysis Coefficient of the ROA of top Indian franchisors on India’s Exchange rate for the Period of 2015 to 2025

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.	Collinearity Statistics	
		B	Std. Error	Beta			Tolerance	VIF
1	(Constant)	88.171	20.218		4.361	.012		
	ROA-DominoS	-.504	.558	-.204	-.902	.418	.617	1.620
	ROA-McDonald	-.049	1.257	-.010	-.039	.971	.431	2.321
	ROA-FristCry	-1.573	.889	-.428	-1.770	.151	.542	1.845
	ROA-DTDC	-1.341	.399	-.798	-3.358	.028	.560	1.786
	ROA-Lakme	485.552	258.911	.530	1.875	.134	.396	2.527

Source: Complied from SPSS

The above Table 6.4.6 displays the coefficient for impact of ROA and Macroeconomic Indicators- Exchange rate are borderline significant at 5% Level.

Hence, the null hypothesis is rejected. DTDC shows that negative significant level. ROA has some impact on exchange rate, primarily driven by DTDC's performance. The multi-Collinearity analysis is showing that is suitable for this study because the variance inflation factor (VIF) value is below 5. It Shows that the data is not suffering from multi-Collinearity problem for this study period.

FINDINGS AND SUGGESTION

- ✧ From the Regression analysis revealed that ROE of the top Indian franchisors does not significantly influence GDP and ROA of the top franchisors significantly influence GDP. Among the companies McDonald and Lakme showed a positive significant relationship, while Domino's and DTDC showed negative relationship with GDP. This indicated that asset utilization efficiency plays a stronger role in economic growth than shareholder returns.
- ✧ The ROE of franchisors significantly affects interest rates in India. DTDC and Lakme showed significant positive contribution towards interest rate movement and ROA of franchisor's does not significantly influenced interest rates. This implies the equity-based performance affects monetary conditions more than asset-based performance.
- ✧ The analysis showed that ROE does not significantly influenced inflation and ROA has significant impact on inflation, particularly DTDC which showed a negative relationship. This suggest that efficient asset utilization in franchising businesses may help moderate inflationary pressures.
- ✧ ROE of top Indian franchisors has highly significant impact on exchange rate. Domino's and Lakme positively influence exchange rate, while FristCry ad DTDC show negative influence. ROA showed moderate impact, with DTDC significantly influencing exchange rate. This indicated the franchise financial performance contribute to currency fluctuations indirectly through business expansion and foreign investment flows.

CONCLUSION

The study examined the impact of financial performance of top Indian franchisors on key macroeconomic indicators including GDP, interest rate, inflation, and exchange rate for the period 2015–2025. The results indicate that franchising plays a

meaningful role in influencing macroeconomic conditions in India. While ROE (return on equity) shows significant impact on interest rate and exchange rate, ROA (return on asset) demonstrates stronger influence on GDP and inflation. This suggests that operational efficiency and asset utilization of franchisors contribute more to economic growth and price stability than equity returns. The findings highlight that franchising is not only a micro-level business strategy but also a macroeconomic driver. Different franchisors exhibit varying degrees of influence, reflecting sector-specific contributions to the economy. Overall, the study concludes that improving financial performance of franchisors can support macroeconomic stability and economic growth in India. Policymakers, investors, and business leaders should therefore consider franchising as a strategic component of economic development.

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