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1. Market Coverage, Ownership, and Outlet Survival: Evidence from the U.S. Fast-Food Industry

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Understanding the success of business locations is valuable for entrepreneurs and researchers. The business location survival rate is crucial for the site owner and critical for the retailing and franchising systems. The existent studies on survival or failure often focus on the new independent firms (Abouzeedan & Busler, 2004) or franchisor firms (Shane, 2001; Shane & Foo, 1999; Lafontaine & Shaw, 1998). However, most scholars have ignored that franchising units also suffer from a high failure rate worldwide. From 2015 to 2020, KFC lost 440 stores, Pizza Hut lost 867 stores, and Subway lost 2,400 outlets. Moreover, independent KFC owners need 1.2 million to 2.2 million dollars to set up a new location and invest 45,000 dollars as an upfront fee to the KFC company. If one independent franchisee location failed, the startup cost would become the location owner's sunk cost. Simultaneously, the KFC franchisor also lost the royalties. The losses for KFC are not a unique case in the franchising industry, and many other franchise chains also face the same severe economic loss. Given the significant loss, this research paper aims to explore the factors affecting the franchise units' failure rate.

2. Effective Franchise Contracts: The Role of Contract Dimensions and Contractual Relational Norms

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Franchise system viability depends on franchisor's ability to design contracts that facilitate

the governance of the franchisor-franchisee relationship. However, research on the impact of contract design on franchisor performance is limited. We integrate research on contracts, transaction cost analysis, and relational governance and examine how contract dimensions influence franchisors' performance. We study the extent to which three contract dimensions – contingency adaptability, franchisees' roles and responsibilities, and franchisor decision control – are codified in a contract. Prior literature integrates noncontractual relational governance to complement the contracts. In this research, we examine the embedding of relational governance in the contract, i.e., contractual relational governance. We examine the moderating effect of the extent to which relational norms – information exchange and flexibility – are embedded in a legally enforceable contract. By doing so, this study provides a comprehensive investigation of the influence of contract dimensions and contractual relational governance on franchisors' performance.

3. Franchise Governance in Response to Covid-19: An Automated Text Analysis of Franchise Disclosure Documents

Benjamin Lawrence – Georgia State University, USA

Charlotte S. Alexander – Georgia State University, USA

We use automated text analytics to examine the Franchise Disclosure Documents (FDDs) of 180 of the 200 largest global franchise chains in 2020. More specifically, we examine changes made to these disclosures in response to the Covid-19 global pandemic across industries and ownership structures (e.g., private, public). We also examine the types of risks franchisors look to mitigate as they modify contractual agreements and disclosures. We highlight the unique governance tensions inherent in the franchise relationship and discuss future research that will help enrich understanding of the prolific but understudied governance structure embedded in franchise organizations.

4. How Well Do Outlets' "Early Days" Predict Future Performance? Evidence from a Franchise System's International Expansion

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International franchisors often rely on local franchisees to establish new outlets in host countries. Our study provides a better understanding of these outlets' life cycles.

Specifically, we seek to (i) ascertain the critical outlet transition points of takeoff (i.e., transition between the introductory and growth phases) and slowdown (i.e., transition between the growth and maturity phases), (ii) predict the outlet's sales in maturity as a function of its sales during its introductory phase, and (iii) emphasize the role of the host country-specific initial business environment to explain differences in how well outlets' sales in the introductory phase predict their sales in maturity.

We use monthly sales performance data from a Canadian franchise system for more than 400 outlets operated by nearly 300 local partners across 7 countries between 2003 and 2020. We integrate this data with additional information from six different databases for the same countries and over the same 18-year period on more than 100 indicators of host country-specific culture, economic freedom, ease of doing business, and political stability. We rely on Functional Data Analysis to capture the outlets' introductory phase sales trends as functional principal component scores (FPCs). FPCs are predictors of outlets' sales in maturity; their interactions with host-country-specific indicators represent the moderating role of the initial business environment.

In predicting outlet sales well in advance, our study would help managers' resource allocation and life cycle management efforts. Our study will also help both parties understand key factors impacting future performance, thus providing them with effective levers of control.

5. Valuing Governance in Franchise Retail Organizations

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It is commonly assumed that better governance provides strategic and operational benefits to the companies that adopt it. These benefits should result in superior financial performance. In franchising companies, empirical evidence of the effects of governance on financial performance is scarce and varied. This is a study of franchising company performance related to ownership governance—i.e., environmental, social, and governance—as a corporate governance mechanism. Furthermore, this paper answers the call for future work with quantitative studies of how the governance of the firm affects the franchise system. Therefore, this study seeks to fill these gaps by examining the role of governance and how that affects the franchise companies' returns.

The purpose of this paper is to further examine the empirical evidence of the impact of governance of public retail companies on a firm's financial performance by using performance metrics widely used in corporate finance. This study focuses on the U.S.-based

international public franchise retail sector. Total firms in the database included all NYSE 1,887 firms and all NASDAQ 2,692 firms, for a total of 4,579 firms, in the years 2010–2020. The results indicate evidence that high governance scores in franchising firms create higher returns and economic value.

6. Franchise System Failure – Revisited

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Frank Wadsworth – Indiana University – Purdue University Columbus, USA

Franchise system failure is an important issue to academics, practitioners, and policymakers. Franchising had an unregulated start and grew rapidly in the 1950s and 1960s. Complaints to legislators and state agencies grew during the same period because of unscrupulous persons selling franchises. Franchise registration began in the 1970s with then-Governor Ronald Reagan signing the first state-level legislation and continued into 1979 with the FTC Franchise Rule adoption at the national level in the United States.

Many academics have studied franchise failure only to finish with inconsistent results. As suggested by many researchers, those results may be due to a lack of a definite definition of franchise failure. Franchise failure has been defined in many ways, including not being listed in publications, failure to respond to requests for information, and discontinuing offering new franchises, among others. Some research has confounded franchise system failure with franchisee failure.

Variables used by researchers to explain franchise failure include franchise network age, size, royalty rate, franchise fee, and percent of the system owned by franchisees, among others.

This study investigated franchise system failure during an economic growth period, 2015–2020, using data from *Entrepreneur* magazine's *Franchise 500* issues. Results, consistent with prior research, show that percent franchised, years franchising, and franchise fee increase the likelihood of franchise system failure.

7. Two Peas in a Pod: Acquisitions In and Of Franchise Chains

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Franchise chains are an important organizational form. Yet, acquisitions involving franchise chains have largely been overlooked. We fill this gap. We construct a sample of 1,720

acquisitions by North American acquirers to study the performance of acquisitions involving either franchise acquirers, franchise targets, or both. We find that nearly 40% of acquisitions involve franchises, that acquisitions involving franchise targets outperform those that do not, and that acquisitions of franchises by franchises perform best. In so doing, we introduce franchise acquisitions as an important empirical phenomenon, and we bridge the literatures on acquisitions and on franchising to open up new research avenues. We also extend the discussion of acquisition performance by showing that research should account for the organizational forms of the acquirer and the target.

8. The Good, the Bad, and the Ugly: Franchising Has a Joint Employment and Independent Contracting Problem

Robert W. Emerson – University of Florida, USA

The current state of independent contractor and joint employment law is disorganized and often counterproductive. The confusion has only been exacerbated by e-commerce, the gig economy, and COVID-19.

One option for addressing the shortcomings of current independent contractor and joint employment law is to supplement existing U.S. law with successful foreign employment law concepts. This article examines exemplary approaches from Canada, Australia, Germany, France, and Norway.

A Congressional bill, the Protecting the Right to Organize Act (the “PRO Act”), codifies the ABC Test used in California. By narrowing the definition of “independent contractor” and expanding the definition of “joint employer,” the Act should decrease the uncertainty surrounding proper legal classification. Also, the PRO Act will serve as a federal employment law and as a model for state and local jurisdictions. While granting rights such as the right to unionize and a prohibition on mandatory arbitration will likely increase the costs of doing business in the short term, these changes can lead to a stronger, fairer franchise system.

9. Decentralization, Output Control, and Process Control in Franchise Networks

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Based on transaction cost theory and resource-based theory, this study extends a new perspective of franchisors for decentralization of decision-making and control and their impact on system performance in international franchise networks. All factors were

gathered through a standardized questionnaire from 162 global franchise systems headquartered in the US, UK, Germany, Austria, the Netherlands, Italy, France, and Spain.

The results emphasize the importance of environmental uncertainty, behavioral uncertainty, transaction-specific investment, franchising system-specific know-how, and local market assets on international franchise firms' control mechanisms. The study also introduces a novel vision of how higher decentralization of decision-making related to output control and process control affects system performance—an approach raised for the first time in the context of international franchise networks.

10. Contract Design and Maintaining Sales Leadership: Evidence from Franchise Systems

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Kamran Eshghi – Laurentian University, Canada

Hadi Eslami – University of New Brunswick, Canada

The annual sales revenue is one of the most important indicators of franchise performance—not only for business stakeholders but also for prospective franchisees who are exploring their options. Accordingly, *Franchise Times* ranks and reports the top franchises annually based on their sales levels. Historically, some franchise firms have successfully maintained their position among the top franchise firms for years in credible rankings such as *Franchise Times 200* or *Entrepreneurship 500*.

Understanding factors associated with such success in sales leadership is pivotal for the improvement and sustainability of franchise companies. However, the role of franchise contract provisions as antecedents to maintaining sales leadership for franchisors is yet to be investigated. In this research, we examine the details of contracts for ranked franchise firms over time to shed light on the contractual factors affecting their ability to stay among the top-ranking performers.

Using a survival analysis method, we empirically address this gap with an unbalanced panel dataset of 153 franchise firms tracked from 2013 to 2020. We find that the likelihood of maintaining sales leadership (i.e., remaining among the top sales performers) is higher for franchisors with contract designs specifying higher levels of royalty fees, the provision of financing to franchisees, granting of master-franchise-only rights, and the use of franchising as a principal means of expansion.

11. Franchises, Advertising, and Speech

Robert W. Emerson – University of Florida, USA

A business owner, including a franchisor or franchisee, may exercise the rights of an engaged citizen. The owner may speak on any number of issues affecting the world, the nation, the business community, or—closest to home—local concerns such as schools, zoning, and fees or taxes. In this public role, the businessperson must also allow others in the organization to freely speak their minds without fear of punishment, other than, perhaps, in the marketplace. Still, generally these speakers should limit their identification to their individual status or their function as a designee of the business owner.

As franchisors, franchisees, and their employees increasingly have commented on topics that are political and often controversial, disaffected parties may have to look beyond the franchise agreement to obtain damages awards or to distance themselves from the speaker. The logic behind free speech jurisprudence certainly does not require such separation. Likewise, merely changing a designation—e.g., employee or independent contractor—should not, by itself, take a party outside or within this protection for exercising one's rights. Still, the networks or diverse nature of franchised entities may render highly problematic the speaking on behalf of—or at least identified with—the franchised system. Problems include lost business, angry customers, and upset franchisees or suppliers. This area is more fluid, with fewer lines separating business from politics than there were previously. When it comes to franchise parties and political speech, the more the parties can disclose and then delineate their inclinations—both the range of acceptable expression and a firewall of proscribed “speech”—the more a franchise network can set reasonable, clear, mutually agreed upon standards that all could justly meet.

12. Every Age Has Its Problems: An Investigation of Litigation Motives in Franchise Contracts

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Marc Fréchet – Jean Monnet University, Lyon University, France

Conflict in franchise is a major topic. In some cases, the conflict between franchisors and franchisees can become so tense that the relationship ends up in litigation. In spite of the importance of litigation, the studies investigating the origins of lawsuits in franchising remain scarce. Our purpose is therefore to investigate the grievances that the franchisee formulates against the franchisor when litigation occurs, whichever of the franchisee or franchisor sues

the other. To build the hypotheses, we rely on two perspectives. First, we refer to a life-cycle approach as the needs, interpretations, and nature of conflicts between franchisors and franchisee may vary according to time. Second, we use the expectation disconfirmation perspective, as it considers that dissatisfaction stems from expectations that have not been met. Mobilizing this framework, we build our own disconfirmation typology by distinguishing between discrete transactional disconfirmation, fuzzy transactional disconfirmation and relational disconfirmation. We test our hypotheses on an original sample made up with 605 decisions issued by French Courts of Appeal. We find that the franchise relationship duration influences the probability of each grievance. The experience of the franchisee, in contrast, exhibit a more limited influence. As a whole, our paper offers both theoretical and empirical contributions. From a theoretical viewpoint, it advances the idea that expectations should be treated as regards to their disconfirmation regime. On empirical part, this study contributes to a better exploration of litigation between the franchisor and the franchisee.

13. Investigating Control Mechanisms in Franchising Relationships: Evidence from the Australian Automotive Industry

Adiba Fattah – University of the Sunshine Coast, Australia

Lorelle Frazer – University of the Sunshine Coast, Australia

The relational nature of franchising in the Australian automotive industry (AAI) has seen considerable disruption in recent years. With allegations of power abuse and questionable control mechanisms voiced by franchised dealers and their representatives, car manufacturers have recently undergone intense public scrutiny. Yet, one car manufacturer has attracted attention for putting forward best-in-class franchising practices for the industry to pursue. Whilst a couple of car manufacturers have recently disassociated from franchising, moving to a novel distribution model—the agent model, the large majority of car manufacturers remain dependent on franchising as the main marketing channel to distribute their products to consumers.

The purpose of this research is to investigate various forms of control mechanisms and sources of power exercised by franchisors in the AAI. The researchers particularly focus on comparing specific control mechanisms administered through operational manuals (sales targets, customer satisfaction target, warranty processes and warranty auditing, franchisee recruitment and managerial characteristics) that differentiate car manufacturers from the best-practice franchisor. The authors have adopted a qualitative approach, in the form of in-depth interviews with automotive franchising experts including lawyers, franchised dealers and dealers' representatives, and car manufacturers.

The overarching goal of this work is to understand how control mechanisms and sources of power, used independently and jointly, can lead to varying outcomes. The findings from this research offer practical and managerial assessment of current practices and uncover strategies to effectively implement control mechanisms and exercise sources of power to achieve positive relationships in the franchise network.

14. Consumers' Perception of Franchising: A Comparative Study of Nigeria and France

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Purpose: Most of the previous studies on franchising investigate franchisors' or franchisees' perspectives, there are a few studies that investigate franchising from the customers' point of view. Hence, there is a need to explore consumers' purchase intentions toward franchise brands. This study examines the influence of customers' perception of franchising in general, international franchises relative to local brands, the customers' distinction between franchise and non-franchise brands, and purchase intention.

Methods: A survey was conducted, including 319 customers in Nigeria and 262 customers in France, for a total of 581 customers, and a multiple regression analysis was carried out using SPSS 27.

Results: Customers' perception of franchising in general, international franchise brands, and the distinction between franchise and non-franchise brands have significant composite and relative influence on purchase intentions of customers of the two countries independently and combined. Varying effects of gender, age, and education level were observed in the purchase intention.

Conclusions: In considering the customers' purchase intention, brand awareness, brand image, and brand attributes are crucial to the performance of the franchising industry.

15. Pick Me! The Strategic Management of Signals During the Franchisee Recruitment Process

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Dr. Anna Watson – Edinburgh Napier University, UK

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During the recruitment process, franchisors and franchisee candidates must both attract and screen each other to determine whether the other prospect is a suitable match. To facilitate this, they may exchange a number of signals that will reduce information asymmetry and the risk of moral hazard. Our paper explores franchisors and franchisee candidates' strategic management of signals in order to better understand how they use and interpret signals to facilitate the decision-making process. We rely on data stemming from in-depth interviews with 29 franchisors and 34 franchisee candidates in the French market. Our findings emphasize the diversity of franchisors and franchisee candidates' signals, the main mechanisms used to send these signals, as well as the key considerations in transmitting and receiving effective signals. Our paper has theoretical and practical contributions and provides avenues for future research on franchisee recruitment and signalling theory.

16. Automated Text Applications in the Context of Franchise Disclosure Documents

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Yinghao Pan – University of North Carolina at Charlotte, USA
Charlotte S. Alexander – Georgia State University, USA

We present a proof of concept for automated text analytic techniques in B2B legal documents by applying BERT (Bidirectional Encoder Representations from Transformers), a machine learning based natural language processing framework. We identify Franchise Disclosure Documents (FDDs) as a fruitful avenue to examine three common legal documents; contracts, disclosures and litigation. Developing new computational text analytics methods, we successfully extract answers from FDDs and overcome the challenges applying BERT to large bodies of text. Question Answer techniques in the context of B2B relationships hold promise to increase transparency and clarity for prospective exchange partners, addressing the concerns of legal document readability that have been highlighted in the literature. Our discussion identifies promising contexts for future scholarship focused on automated text analytics presenting a research agenda for legal analytics in B2B research.

17. Franchising as a Business Model – Is It Dying Out or Still Going Strong in the 21st Century?

John M. Y. Ng – University of Management and Technology, USA

Franchising as a business model has been in use for many decades. Some scholars even claim it went back as far back as five centuries ago when the Crown appointed tax collectors to collect land rents and taxes for a fee. Many modern economic and business texts have written franchising as a co-operative venture between the franchisor (the brand owner) and the franchisee (the operator) were being adopted as a business model in United Kingdom at the turn of the last century, made more popular in the USA a decade later and began to blossom in the post-World War II era.

The COVID-19 pandemic has pulled down many businesses. This article investigates the effect of the pandemic on franchising as a business model and asks the question what effect the pandemic has on the development of franchising.

Despite the worldwide impact caused by the COVID pandemic, it is surprising to see few academic papers have been written and published on the subject. This article, subject to the shortage of availability of relevant academic papers and limitation of scope is by no means comprehensive review of the worldwide economic depression but hoping to cast some light to invite more attention from the academic world to look into the effect caused by the pandemic and offer possible solutions for the small business owners to survive this economic storm.

18. Multiple Identities in Franchising

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Anna Watson – Edinburgh Napier University, UK

Manuel González-Díaz – University of Oviedo, Spain

Olufunmilola (Lola) Dada – Lancaster University, UK

This paper investigates organizational identification when there are several identity levels in the same organization and when the franchisee faces multiple identities vying for its attention. We examine the antecedents and organizational outcomes of two particular forms of identification – franchisor and franchisee network identification. Both forms of identification are found to be positively related to the organizational affective commitment of franchisees, which in turn, shows positive effects on both franchisees' performance and their intentions to leave the system. These findings reinforce identification and organizational commitment as vital organizational attitudes for the sustenance of franchise

systems. Our findings also suggest that franchisor prestige may enhance franchisees' self-respect, and thus influence franchisor identification. Finally, an important contribution of our study is the confirmation of the existence of multiple levels of identification in franchise systems.

19. Franchising in the Gastronomic Sector: The Quest for an Equilibrium Between Chain Uniformity and Franchisee Autonomy

Dr. Rozenn Perrigot – Univ Rennes, and Rennes School of Business, France

Gastronomy and franchising have been attracting the attention of many researchers over the last years, but they have been examined separately. Gastronomy is often associated with unique experiences, and franchising is often associated with uniformity, i.e., non-unique experiences. This paper aims to understand how franchising can be applied to the gastronomic sector and how chef-franchisors can maintain their chain uniformity and, at the same time, grant autonomy to their franchisees so that they can offer unique gastronomic experiences to their customers. The empirical study employs a qualitative approach involving a series of 13 individual in-depth interviews with seven chefs and six experts in franchising in the restaurant industry, as well as a focus group with 13 franchise managers. While the common perception is that there can be no middle ground between gastronomy and franchising, in fact, our findings show that there is a way for chef-franchisors to preserve the uniformity of the chain while grant autonomy to franchisees in other aspects. Our research contributes to the literature and practice.

20. Dual Distribution: A Study for Franchising in Brazil

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Cintya Lanchimba – Escuela Politécnica Nacional, Ecuador

Eugênio José Silva Bitti – University of São Paulo, Brazil

Based on resource scarcity theory (RST), this study focuses on the plural form franchise system (or dual distribution), characterized by the coexistence of franchised and company-owned retail units in the same distribution network. The analytical part of the article surveys the vast literature devoted to franchising and dual distribution. Several testable propositions linking dual distribution to the life cycle model are derived from this framework. We address this issue empirically, alongside dual distribution, using a unique panel dataset on Brazilian franchise spanning 20 years, from 1990 to 2018. According to RST predictions, the findings

support the hypothesis of a negative relationship between the proportion of franchised units and system age, brand name value, and average payback. In contrast, the size of the system has a positive effect on the proportion of franchised units, contradicting RST's prediction. Furthermore, brand name value negatively moderates the effects of economic development on franchised units.

21. Not Seeing the Wood for the Trees? Standardising Mandated Disclosure in the Franchise Context – The Value of Standardising Mandated Disclosure in the Franchise Context

Michala Meiselles – University of Derby, UK

For disclosure to be effective, it is essential that individual buyers have the tools to evaluate comparable products on the marketplace, standardisation goes a long way towards streamlining this evaluation. To optimise the full value of the mandatory pre-contractual, the author argues that standardisation is vital. To demonstrate this point, the author refers to two regulatory tools used by lawmakers in the context of EU consumer regulation to facilitate the decision-making process, namely standardisation of content and layout of mandatory information. The author argues that together these regulatory tools could help enhance decision-making in the franchise context, providing buyers looking to buy or renew franchise with information that is easy to access, understand, locate and then compare. The author also argues that standardisation of mandated information (content and layout) not only goes a long way towards mitigating certain difficulties linked to mandatory disclosure in the franchise sector, but also has a central role to play in optimising decision-making by buyers faced with the purchase or renewal of the franchise. To this end, this paper assesses the role and problems associated with mandatory pre-contractual disclosure in the franchise sector (part 1) before considering the part played by such standardisation in the protection of consumers under EU law (part 2), and assessing the function of standardised content and layout in the franchise context, during the pre-contractual mandatory disclosure (part 3).

22. An Empirical Study on How Psychosocial Factors Impact on Franchisee Satisfaction

Greg Nathan – Franchise Relationships Institute, Australia

While the franchising sector has had a positive impact on the Australian economy, a Parliamentary Inquiry in 2018 raised criticisms about franchising's negative social and

financial impact on franchisees and their families. These conclusions were largely based on submissions from existing or ex-franchisees that mainly contained stories of unfair treatment, breaches of trust and unconscionable conduct, and personal hardship brought about by financial failure. The other submissions to the Inquiry were from franchisors arguing for the robustness of their business models, lobby groups supporting the interests of their members, and advisors making recommendations based on philosophical positions or theoretical models. An analysis we conducted of all the submissions reveals a lack of substantive empirical data or evidence to support the claims of stakeholders, regardless of their positions. Also, while a third of the concerns raised in the submissions were focused on psychosocial issues, including the mental health of franchisees, the ethical behaviour of senior franchisor executives, and a perceived unhealthy imbalance of power in the franchise relationship, the focus of subsequent Government recommendations and amendments to the Franchising Code remain largely legal and commercial. This paper seeks to highlight the important role of psychosocial factors in contributing to a healthy franchising sector, and argues for a more balanced approach to understanding the franchise relationship, which includes legal, commercial and psychosocial perspectives. We explain the psychosocial components of the franchise relationships in terms of a psychological contract which taps into instinctive behaviours genetically coded into the human brain, including the need for respect, belonging, autonomy, certainty, purpose, and fairness. We also report on two studies containing quantitative and qualitative data from a sample of over 7,000 franchisees, which elucidate the factors that drive a healthy franchise relationship. Using a psychometrically robust survey instrument with 58 items we have been able to identify the psychosocial factors that significantly influence the creation of an ACE Mindset in franchisees, defined as a state of mind where they feel predominantly positive about their involvement in the franchise. We have also analysed the responses of 1,684 franchisees who reported not trusting their franchisor, and we identify 11 behaviours that undermine trust in the franchise relationship. Using this data we provide specific evidence-based recommendations for franchisors, franchisees and other sector stakeholders that will create a socially and economically sustainable franchising sector with greater levels of mutual trust and commitment between all stakeholders.

23. Performance of Knowledge Transfer Mechanisms: The Case of Franchising

Miona Pajic – University of Vienna, Austria

Nina Gorovaia – Frederick University, Cyprus

Josef Windsperger – University of Vienna, Austria

Previous research in franchising has not investigated the performance impact of knowledge transfer mechanisms. By applying the knowledge-based and the relational governance

perspectives, we provide new insights into the efficiency of knowledge transfer mechanisms by investigating the performance implications of the use of knowledge transfer mechanisms in franchise networks. We test empirically the impact of low information-rich knowledge transfer mechanisms (such as documents, manuals, data), high information-rich knowledge transfer mechanisms (trainings, meetings, visits) and new media (video conferencing, intranet and social media – with a medium degree of information-richness) on franchise performance. Our findings highlight that high information rich knowledge transfer mechanisms increase performance by facilitating the transfer of tacit knowledge, while low and medium information rich knowledge transfer mechanisms efficiently support the transfer of more explicit knowledge. In addition, our results show that under explicit knowledge new communication media have a stronger positive effect on franchise performance than low information-rich media.

24. A Case Study of Inter-Institutional Collaboration to Support Diversity in Franchising

Denise M. Cumberland – University of Louisville, USA

Kathleen Gosser – University of Louisville, USA

As the external environment puts pressure on institutions to transform, cross-college collaboration becomes a strategy by which institutions can align themselves with the expectations of their external environment. In this way, the value of collaboration derives from its being a strategy for universities to transform. Further, specific types of inter-institutional collaboration could inform curriculum and encourage the development of enterprising behaviors, skills, and attitudes amongst social groups that have been under-represented in terms of entrepreneurial activity (O'Brien & Cooney, 2019).

The franchise business model is an established route that can open doors for women and underrepresented populations to achieve the dream of business ownership (Rast, et al., 2017). The purpose of this Higher Education Institutions (HEI) case study of an inter-institutional program that teaches franchising is three-fold. First, it will fill a gap in the research regarding what value inter-institutional collaboration creates, who may be involved in that creation, and how it creates value. Second, it will link research to practice identifying how universities might collaborate with one another to increase their entrepreneurial efforts. This knowledge is relevant to anyone invested in the university's value, whether they be those who use university offerings or those who deliver them. Finally, franchise practitioners will also benefit from learning the basic principles and applications for sponsoring accelerator programs designed to unlock potential for women and underrepresented communities.

25. The Impact of Franchising Courses within Higher Education Institutions

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Benjamin Thomas – University of Louisville, USA

Kathleen Gosser – University of Louisville, USA

John P. Hayes – Palm Beach Atlantic University, USA

This study examines whether undergraduate franchising courses enhance students' knowledge and increase students' interest in a franchising career. Over the long term, the study will also consider the impact of demographic variables amongst students, including gender and race. These latter variables address the call for research to explore whether exposure to entrepreneurship can influence career pathways for higher education students (HEIs) amongst under-represented communities (O'Brien & Cooney, 2019). Currently, the results reported are based on a small sample size and reflect only two courses. More data is being gathered. The results will have important implications for HEIs, specifically colleges of business that teach entrepreneurship. These HEIs are expected to create awareness and knowledge for how to build and grow business enterprises as well as provide career preparation for their students. Since there are a limited number of U.S. colleges that teach franchising (Cumberland et al., 2019), the findings may encourage more HEIs to introduce franchise curriculum. From a practitioner perspective, franchisors and franchisees continually seek to attract young and diverse talent to grow the business model. Potentially, our results may encourage franchise practitioners to partner with HEIs to educate and attract younger and more diverse talent to their brands. At the broader societal level, more understanding of franchising may encourage students to become franchisees and grow the number of employer-owned firms. This forward-looking outcome could result in the creation of job opportunities that positively change local communities.

26. Teaching Case Study: Comfort Dental – Franchising in Dental Care

Nina Gorovaia – Frederick University, Cyprus

The case provides a decision dilemma for a graduate dentist on whether to look for employment or to join a franchise system. Considering the high educational debt and the necessity to make a high investment on joining a franchise, the decision requires careful assessment of costs and benefits.

While franchising as a business model is not typical for healthcare, it brings efficiency and economies of scale to franchised clinics. Efficiency in the management of the clinics translates into cost reductions for patients making expensive dental treatments more

affordable. A dentist joining a franchise system must consider in which ways a franchise contract will impose restrictions on his/her autonomy.