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1. **Revisiting the Rationality Assumption of Disclosure Laws: An Empirical Analysis**
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Disclosure laws are based on one central assumption: that disclosees are, by their very nature, rational actors. This article questions the validity of this theoretical assumption. Focusing as a case study on franchisees, who are often perceived as sophisticated and rational disclosees, this article empirically shows that franchisees are unrealistically optimistic about major disclosed risks. In this empirical study, US franchisees (N = 205) completed an online research questionnaire, in which they compared their own chances of experiencing disclosed risks with the chances of their colleagues. It was found that franchisees were optimistically biased. Franchisees believed that the chances that their franchisor might opportunistically terminate their franchise are significantly lower than that of an average franchisee in their chain and state. The broad theoretical and practical implications of overconfidence in the franchise business are discussed.

2. **To Be or Not to Be a Franchisee? Explaining Individuals' Intentions to Join Franchise Networks**
Evelien Croonen – University of Groningen, Netherlands
Rozenn Perrigot – University of Rennes 1, France
Olivier Herrbach – University of Bordeaux, France
Assâad El Akremi – Toulouse 1 Capitole University, France

Recruiting franchisees is a crucial and challenging task for franchisors. Nevertheless, this issue has received relatively little research attention. This paper focuses on the franchisee's perspective and adopts and extends the theory of planned behavior (TPB) to develop and test a theoretical framework explaining individuals' intentions to join franchise networks. Building on TPB, we hypothesize that an individual's attitude, subjective norms and perceived behavioral control regarding franchising affects its intention to join a franchise network. Moreover, we extend TPB by positing that the relationships between these three main TPB constructs, on the one hand,

and intentions to join a network, on the other hand, are moderated by individuals' entrepreneurial motivations. We conducted a survey among 880 individuals to test our theoretical framework. Our results confirm the applicability of TPB in this specific entrepreneurial context: we found significant positive effects of individuals' attitudes towards franchising, subjective norms and perceived behavioral control on their intentions to join franchise networks. Moreover, we extend TPB by confirming that entrepreneurial motivations (i.e. need for competitive achievement and risk-taking propensity) moderate some of these relationships. Our results have several practical implications for franchisors regarding franchisee recruitment.

3. **Franchisee Associations: How Mentoring Programs Impact Psychological Capital and Franchisee Engagement**
Denise M. Cumberland – University of Louisville, USA
Jason D'Mello – Loyola Marymount University, USA
Brad Shuck – University of Louisville, USA
Rajashi Ghosh – Drexel University, USA
Megan Church-Nally – Bellarmine University, USA

While the franchisor-franchisee relationship has been extensively investigated, there has been much less focus on the franchisee-franchisee relationship. The community of franchisees and how they relate to one another is particularly evident in those franchise systems where independent franchisee associations operate. Beyond promoting the legal rights of franchisees, these entities serve as a communication conduit for news, provide cooperative services to reduce purchasing costs for insurance or supplies, monitor legislation impacting franchisees, and provide mentoring, training, and other legal support services to franchisees. The interest in this study is to examine the impact of an independent franchisee association's mentor program on franchisees' psychological capital and franchisee engagement in the association. We were also interested in the interactive effect of higher levels of talking frequency between the dyads versus lower levels of talking frequency. A pre-post survey design was used. We found that post the mentoring program, scores on psychological capital and franchisee engagement modestly increased. Furthermore, franchisees that talked more than six times over the year significantly improved psychological capital as opposed to those who talked less than six times over the year. While higher frequency of talking over the year also had a significant interaction on the mentor quality ratings, it did not significantly impact franchisee engagement with the independent franchisee association.

4. **Thanks for the Memories: Compensating Franchisee Goodwill after Franchise Termination**
Robert W. Emerson – University of Florida, USA

Franchises serve as a potential avenue through which direct investment can be made into new markets. However, the current state of franchise law and related concepts such as the franchisor's or franchisee's goodwill are still underdeveloped. This article reviews the franchise laws in key jurisdictions throughout the world. It considers, among other things, the treatment of goodwill upon termination of the franchisor-franchisee relationship. The article argues for reforms, such as mandated pilot units prior to franchising. Most importantly, this article proposes the adoption of a presumption favoring goodwill compensation for the franchisee. The presumption could be rebutted by express contract provisions and, certainly, by wrongful behavior on the part of the franchisee, but a clear default standard in favor of franchisees would lead to a fairer, more efficient approach to franchise networks and investments.

5. **Franchise Independence: Still Awaiting Customer Recognition**
   Robert W. Emerson – University of Florida, USA

Under the doctrine of apparent authority, even when the franchisee acts without any actual authority from the franchisor, an injured third person may successfully sue the franchisor for the franchisee's wrongs. While 'common knowledge' has long been a defense to such claims, several surveys specifically undertaken for this article show how little the public actually knows about franchising. Therefore, this article calls for a more realistic and efficient approach to franchising vicarious liability. The courts should abandon the 'common knowledge' doctrine - an erroneous notion of a marketplace consisting of informed customers. Instead, legislation should require franchisors to establish a form of actual knowledge, with postings and an information campaign. Commentary, case law and the surveys indicate the need for consumers to recognize franchisee independence and to understand the basic legal implications thereof. A franchisee's consumers should know with whom they are dealing and what that means for the prospective liability of franchisees and franchisors.

6. **Pre-Contractual Due Diligence by Franchisees and Independent Small Business Buyers**
   Lorelle Frazer – Griffith University, Australia
   Jenny Buchan – University of New South Wales, Australia
   Scott Weaven – Griffith University, Australia
   Binh Tran-Nam – UNSW & RMIT Vietnam
   Anthony Grace – Griffith University, Australia

The role of pre-commitment due diligence in small business has received little academic attention to date. This is of particular concern given the reported high rate of failure in small business which is often attributed to a lack of adequate pre-contractual assessment of the particular small business opportunity. Data collected from a sample of 610 current and former franchisees and independent small business owners in Australia was used to empirically examine relationships between due diligence effort, business performance, owner satisfaction and relationship health. The analysis reveals different patterns of behaviour between current and former franchisees and independent business owners. In particular, franchisees spend more time and commit greater effort than their independent counterparts when conducting due diligence. Implications for theory and practice are discussed.

7. **DO FRANCHISORS FOLLOW PORTER'S (1980) APPROACH TO COMPETITIVEADVANTAGE?AN EXPLORATORY TEST**
   VINAY K. GARG, Missouri State University, USA

Given the proliferation of franchising all over the world, it is crucial that franchisors pay significant attention to gaining competitive advantage in order to achieve and maintain successin their increasingly crowded fields. Porter's seminal work on competitive advantage, surrounding the theme that lowcost and differentiation are two distinct generic approaches to competitive advantage, should have been very useful in this respect.This paper examines whether it indeed is. Using cluster analysis on primary, perceptual data obtained from 36 restaurant franchisors, this paper found evidence that franchising firm executives discriminate between the two generic approaches to competitive advantage, but a clear majority (78%) employ tactics to a far higher degree that aid differentiation. Perhaps, they believe that differentiating the franchised format will more likely attract new franchisees and allow charging premium for the brand name capital than would cost minimization. No evidence was found that the remaining minority (22%) choose cost leadership instead. Rather, they simply try less to differentiate. Implications of the findings for practice and researchand limitationsof this paper are discussed.

8. **How the Choice of Contract Length Impacts Performance of Franchise Companies**
   Nina Gorovaia – Frederick University Cyprus, Cyprus

Transaction costs theory argues that aligning transactions with governance structures leads to better performance. In this paper, I explore the performance outcomes of franchise contract length. I hypothesize that franchisors choose contract length based on transaction cost and resource-based arguments. According to the transaction costs theory contracts have a safeguarding function, and franchisors will offer longer contracts when franchisees' transaction-specific investments are high, and environmental uncertainty is low. According to the resource-based theory contracts have a knowledge leverage function, and franchisors will offer longer contracts when brand name assets and intangible knowledge assets are high to encourage franchisees' commitment to the brand and joint value creation. Franchise companies that design contract length in accordance with theoretical predictions will perform better. The choice of franchise contract length, misalignment and comparative performance of franchise contracts are explained by estimating two-stage least-squares regression and Heckman two-stage procedure that control for endogeneity and self-selection. The empirical data from the German franchise sector supports the hypotheses.

9. **Detecting Franchisee Fraud Early: An Exploratory Empirical Investigation**
   Anthony R. Grace – Griffith University, Australia

This paper explores franchisee deception: focusing on royalty fraud and staff underpayments. The franchising sector in Australia has recently witnessed a major scandal involving 7-Eleven franchisees grossly underpaying their staff. The ramifications have been felt throughout the organisation and also prompted existing systems to take a closer look at potential fraud in their own system. The empirical investigation involved group interviews with 55 franchisor executives across 42 franchise brands. Two major themes emerged from the qualitative data: a suggested systematic procedure for detecting franchisee fraud early. Second, the importance of an agile communication style when addressing this sensitive issue with franchisees. The initial findings from this exploratory empirical research assisted in the development of a theory on detecting franchisee fraud early. This theory relies heavily on agency theory and five hypotheses are proposed for future research.

10. **Multi-Brand, Multi-System and Multi-Role Franchising: A Diversification Framework**
    Marko Grünhagen – Eastern Illinois University, USA
    Manuel González-Díaz – University of Oviedo, Spain

Multi-unit franchising has been investigated quite frequently in past research, but largely within single systems. Industry reality, however, shows that franchisees often engage beyond a single brand or system. We propose a systematic framework of multi-brand, multi-system and multi-role franchising. The emerging concept offers scenarios of different trade-offs between brand-specific risk diversification and exploitation of synergies, paired with increasing loss of control by the original franchisor. We issue a call for future research to validate this framework empirically.

11. **Determinants of Vertical Restraints in Franchise Contracts**
    Ilir Hajdini – University of Vienna, Austria
    Aveed Raha – University of Vienna, Austria
    Josef Windsperger – University of Vienna, Austria

The objective of this study is to investigate the main determinants of vertical restraints in franchise contracts from the perspective of formal and relational governance mechanisms. The prior literature portrays governance structures as rather discrete neglecting a latitude of options available in the design of alliance contracts. Contractual restraints have been treated either individually, or holistically. This work projects the estimation results examining eight contractual restraints (dealing and territorial exclusivity, tying, RPM, call option, lease control, alienation and non-competition clauses). The study conveys that environmental uncertainty, franchisors' transaction specific investments, and the length of contracts influence positively the degree of specified restraints in franchise contracts. Additionally, our empirical estimations reinforce the belief that informal governance mechanisms offset the number of specified restraints in franchise contracts. The results of the regression analysis from 120 German and Swiss franchise systems provide support of hypotheses. This is the first study that applies transaction cost theory and the relational reasoning to explain the number of specified vertical restrains in franchise contracts.

12. Influence of Franchise Networks in Development

Cintya Lanchimba – Escuela Politécnica Nacional & CNRS, Ecuador and Université de Lyon, France
Hugo Porras – Escuela Politécnica Nacional, Ecuador
Yasmin Salazar – Escuela Politécnica Nacional, Ecuador

The influence of the franchise in development is studied in this article. The analytical part of the paper surveys the vast literature devoted to franchising and to development. From this framework, testable propositions are derived, linking the franchise and the institutional context with development. The estimations on recent data from 43 countries from 2010 to 2015, with different levels of development, provide evidence that the franchise positively influences development.

13. The Effect of Governance Structure, Location, Competition and Agglomeration on Outlet, Compliance with Corporate Brand Building Initiatives

Benjamin Lawrence – Cornell University, USA
Brett Massimino – Cornell University, USA

We examine the effects of outlet governance structure, distance to headquarters, competition and intra-brand agglomeration on outlet compliance with brand building initiatives. More specifically we examine the amount of charity donations solicited and received by outlets in support of a corporate social responsibility initiative. We find that as expected franchisees comply less than corporate outlets and that higher levels of competition and intra-brand agglomeration negatively impact compliance. Surprisingly, we find that geographic distance from corporate headquarters increases compliance, though robustness tests highlight the potential for moderation by governance structure. Our main model results indicate that the number of units owned by a franchisee does not have an effect on compliance.

However, robustness tests point to the potential of different operationalizations of multi-unit operators yielding significant findings.

14. **Social Enterprise & Corporate Social Responsibility: A Crossroads for Franchising**
    Benjamin C. Litalien – University of Maryland, USA

Continuing pressure on nonprofit organizational leadership to develop strategies to sustain their capacity to serve their constituents is driving management towards increasingly business-like approaches and models. Most commonly, social enterprise activities are sought, including forays into franchising, as an effective approach for the generation of net income, the creation of meaningful employment opportunities for the populations they serve, and elevating awareness for their primary mission in their community. Meanwhile, the for-profit sector, and increasingly franchise companies, are feeling continuous pressure for transparency and relevance from society, leading them to more deliberate and intense corporate social responsibility platforms. As franchise companies devise strategic plans for impacting society they cross paths with nonprofit organizations. The naturally occurring tension these sectors are experiencing as they move into uncharted waters are impacting the franchise model as nonprofits buy franchised businesses and franchise companies are aligning with social organizations. This paper seeks to develop a clearer understanding of those issues and to provide the foundation for evolving theories and practices to address them.

15. **Empowerment and Customer Decision Rules**
    Steven C. Michael – University of Illinois Urbana-Champaign, USA

Empowerment, defined as giving front-line, customer contact employees wide latitude to address customers' needs, is frequently heralded as the solution to service quality. Franchise chains, by contrast, emphasize standardization to ensure a common consumption experience over time and space. This paper theoretically examines the contingency of customer decision rules—how customers aggregate service experiences across distinct points of service. A model is proposed that demonstrates profitability is enhanced by empowerment when customers reward good service more than they penalize bad service. Implications for theory and practice are discussed, including a method for eliciting customer decision rules.

16. **Uncertainty and Transaction-Specific Investments and the Franchisor's Choice of Master International Franchising**
    Maria Jell-Ojobor – University of Vienna, Austria
    Ilan Alon – University of Agder, Norway
    Josef Windsperger – University of Vienna, Austria

While the majority of international franchise governance modes offer the franchisor direct control over the foreign operations, indirect control via master international franchising (MIF) is the franchisor's preferred option in unfamiliar foreign environments. Based on data from international franchise firms headquartered in eight countries, this study presents a comprehensive transaction cost model of the franchisor's choice of MIF. Specifically, this study contributes to the international franchise governance literature by differentiating environmental uncertainty in economic, institutional and cultural uncertainty and distinguishing between franchisor's and franchisees' transaction-specific investments as determinants of the international franchise governance mode.

17. **Signaling Mechanism to Attract Franchisees**
Swati Panda – University of North Texas, USA
Audhesh K. Paswan – University of North Texas, USA
Sailendra P. Mishra – University of Texas at Dallas, USA

This paper examines how franchisors signal (including franchise fee) strategically to attract prospective franchisees. We draw on signaling, agency and resource based theory to address this objective. Using the cross sectional data for 406 US based franchisors, we categorize franchisors into three business types – service on humans, service on possessions and product based franchising to understand the variation in franchisor strategy with respect to signaling. Findings indicate that franchisors decrease their upfront franchise fee compared to overall investment (fee to investment ratio) if they have more franchising experience and the overall investment range is high. The ratio also decreases for franchisors seeking high net worth franchisees. Franchisors increase their fee to investment ratio if they have a large franchisee system. The effect of franchising experience, franchising network size, investment range and net worth requirement varies across the three business types. The impact of internationalization positively affects the ratio for product based franchisors and negatively impacts service on possessions business type.

18. **May the Joined Forces Be With You: Explaining Performance of Mergers and Acquisitions in a Franchise Context**
Robin Quint – University of Groningen, Netherlands
Killian McCarthy – University of Groningen, Netherlands
Evelien Croonen – University of Groningen, Netherlands

Franchising is an intriguing organizational form and growth strategy that has garnered the attention of many scholars in the past. Several studies have aimed to explain chain performance as a result of expansion via franchised or company-owned units. However, conventional expansion strategies such as mergers and acquisitions (M&As) have been mostly neglected in franchising research. This paper aims to determine the efficacy of using mergers and acquisitions as alternative chain expansion strategies and to determine differences in acquisition performance depending on the organizational form of the target chains and of the acquiring chains. This is accomplished by performing an event study of 1,325 M&As of chains in the food retail industry in different countries. The results suggest that regardless of the organizational form of the acquirer, acquisitions targeting franchised chains financially outperform those targeting non-franchised chains. Acquisition performance is further increased if the acquirer is also a franchise chain.

19. **Going Beyond Dyadic Ties in Franchise Systems: A Stakeholder Approach**
Aveed Raha – University of Vienna, Austria
Ilir Hajdini – University of Vienna, Austria
Josef Windsperger – University of Vienna, Austria

Previous research has not investigated franchise relationships empirically through the lens of stakeholder theory. In accounting for the multilateral stakeholder environment, the aim of this study is to explain the influence of the attributes of franchisors' stakeholders on the degree of attention and priority franchisors assign to the respective stakeholders. We demonstrate that franchisees differ in terms of their power, legitimacy, and urgency, irrespective of whether they take on some aspects of the role of customers, investors, or employees. We extend stakeholder identification and salience theory by showing that neither the franchisor–franchisee relationship, nor the franchisor–primary stakeholder relationships is dyadic in terms of its associated salience and attributes. The results of three-stage least square (3SLS) based on 168 franchise systems provide support for these hypotheses. This is the first empirical study that applies the stakeholder theory – in particular the stakeholder identification and salience theory- to explain franchise relationships.

20. **Managing Migrant Franchisees: Challenges and Opportunities**
Robin E. Roberts – Griffith University, Australia
Lorelle Frazer – Griffith University, Australia
Scott Weaven – Griffith University, Australia
Adrian Wilkinson – Griffith University, Australia

This paper is a descriptive and exploratory study of the challenges and opportunities faced by franchisors in adapting their franchise systems to accommodate cultural diversity among franchisees. It uses literature on migrant entrepreneurs and cultural diversity in small business settings in the United Kingdom, Europe and the Americas as a basis for application to a franchising context. Triggered by events in the Australian franchising sector over the past two years in which franchise systems have been embroiled in controversial and illegal activities undertaken by franchisees - many of whom were business migrants - the research begins to unravel the complexities of utilising migrant franchisees as vehicles of system growth. Two sources of data provide indicative evidence about the issues associated with migrant franchisees. Firstly, two surveys of franchisors were conducted in 2014 and 2016 to obtain descriptive data about the incidence of migrants as franchisees. Secondly, a series of focus groups provided insights into the challenges and opportunities faced by franchisors in recruiting and managing migrant franchisees. Tentative findings about best practice in accommodating migrant franchisees are revealed. This research begins to fill an important gap in the literature about cultural diversity in franchising.

21. **Performance Implications of Organizational Signaling and Screening: Evidence from Franchising**
Farhad Sadeh – McMaster University, Canada
Manish Kacker – McMaster University, Canada

This paper examines performance consequences of signaling through ex-ante voluntary information disclosure and screening in franchising. It is essential for entrepreneurial networks such as franchisors to expand their franchised network through attracting business partners, on the one hand and to prevent low-quality partners from joining the network on the other hand. Franchisors have the option to disclose some information in the form of Financial Performance Representations (FPR) to prospective franchisees to signal the profitability of the business concept and to attract financial and managerial resources. Also, they may use qualification standards to screen the quality of the prospective franchisees. The effect of these two mechanisms on their performance outcomes have been under question for researchers and practitioners. We draw on voluntary information disclosure literature, signaling and transaction cost theory to develop a theoretical framework and investigate franchisors' disclosure and screening strategies' impact on franchised network size. We evaluate the predictions from our theoretical framework through econometric analyses of a multi-sector panel data for the U.S. franchising industry. Our study supports the positive effect of signaling business profitability through FPRs and screening through qualification standards on network size. We have also found a synergistic interaction effect for utilizing the two mechanisms together.

22. **Resale Price Maintenance in Franchising: Market Coverage, Company-Owned Stores, and Retailer Dependence**
Robert Stassen – University of Arkansas, USA

Following the *Leegin* (2007) and *Khan* (1997) decisions, the consequences of the legalization of both minimum and maximum resale price maintenance (RPM) were expected to be significant on franchising, dealer networks, or any distribution system where retailers were free to establish their prices independently of supplier dictates. Most importantly for RPM, the legalization allowed the supplying firm to terminate an offending retailer. RPM is considered a "vertical control" of retailer pricing, and given this additional authority, could increase its use as a substitute for vertical integration by the supplier. Internationally, the United States is alone with regard to its acceptance of RPM, and other nations should take interest since this notable shift toward supplier authority and its lack of significant outcomes. This chapter briefly reviews the background cases regarding RPM, models the gross margins relevant to forward integration and RPM, and provides data on four different industries where combinations of franchisees, independent retailers, and company-owned stores coexist to provide market coverage. Propositions regarding the conditions where RPM would be anticipated are stated.

23. **An Empirical examination of learning and development in the franchising within the context of business performance**
Janette Timms – Griffith University, Australia
Lorelle Frazer – Griffith University, Australia
Scott Weaven – Griffith University, Australia

This paper reports on stage one of a two part study that is examining the causal link between channel communication strategy and franchisee behaviour in relation to the execution of learning and development initiatives. A central focus of this research was to identify the factors that influence successful learning and development execution in terms of achieving enhanced channel outcomes. The research was delimited to business format franchising in Australia and channel outcomes were examined from the perspective of the trichotomy of relationships in franchising, incorporating franchisee and franchisor performance and customer welfare. For the purpose of this research, franchising was defined from a broader perspective that extends beyond the physical embodiment of the business, so as to consider key areas such as the exchange of value, the quality and relevance of business support provided, knowledge exchange frameworks and the effectiveness and return of investment of learning and development strategies as support initiatives. Using a qualitative approach, 20 industry experts were interviewed via telephone. Participants comprised a mix of franchisors, franchisees, training and education specialists and suppliers to the franchising sector. Franchisors were selected from a range of industries including business services, retail and home services. The interviews explored the diversity of approaches to learning and development strategy and the impact it has on achieving enhanced channel outcomes. The research revealed that the issue of poor participation and engagement with training interventions is wide spread in business format franchising in Australia and highlighted differences in the approach of franchisees to the various facets of learning and development strategy. We present a set of propositions regarding learning and development strategy which will be tested in stage two of this research study using an in depth case study of four franchisor groups.

24. **When 'I' Becomes 'We': Organizational Identification and Franchise Performance**
Anna Watson – University of Hertfordshire, UK
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Organizational identification, a central concept in the organizational behavior literature, has been found to result in a number of co-operative behaviors, such as greater motivation towards achieving organizational goals, and intention to remain within the organization (Jones and Volpe, 2011; Edwards, 2005). It is argued that employees who identify strongly with an organization, are more likely to be motivated to work hard to help achieve organizational goals (Edwards, 2005). Within the context of franchising, however, there has been little application of organizational identity theory (with Watson et al., 2016; Zachary et al., 2011; and Lawrence and Kaufmann, 2011 being notable exceptions), despite the importance of ensuring that franchisee's behaviors are aligned with the interests of the franchisor. Whilst the extant literature on organizational identification outside of franchising suggests a positive relationship between firm performance and organizational identification (Riketta, 2005; Riketta and Van Dick, 2005; Van Knippenberg and Sleebos, 2006; Edwards and Peccei, 2010), it is not known if/how identification impacts franchise performance. This paper therefore seeks to empirically explore the relationship between organizational identification and franchise performance (at both system and unit level). Furthermore, given the potential importance of promoting organizational identification, the paper explores the role of different franchise management structures on organizational identification by franchisees. Through a survey of 173 franchisees in the United States, we find that organizational identification by franchisees is indeed positively related to franchise system performance. Furthermore, institutional support of entrepreneurial activities was found to be positively associated with organizational identification. The findings highlight the potential benefit to the system of creating and implementing support structures which give provision for autonomy and participative practices, and the potential importance of organizational identification in protecting the system from opportunistic behaviors by franchisees. The findings also highlight that our understanding of franchising has the potential to be enhanced by employing new theoretical perspectives, such as organizational theory.

25. The OFDI Patterns and Performance of International Franchisors: The Moderating Effects of Internationalization Speed, International Experience and Host Country Risk

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The purpose of this paper is to examine how internationalization speed, international experience, and host country risk explain the performance consequences of OFDI patterns of international franchisors. In contrast to the conventional international process (IP) argument, we hypothesize that the multiple simultaneous pattern in born global nature leads to better performance. We also hypothesize that international franchisors' internationalization speed and international experience play greater roles in enhancing the performance effects of the multiple simultaneous pattern than another pattern, while home country risk does the contrary. Using panel data of 3,946 observations from 108 publicly listed multinational enterprises (MNEs) during 1999-2011, we find superior performance effects of the multiple simultaneous pattern. Further, we find a greater moderating effect of international franchisors' internationalization speed and international experience affecting the international franchisors' OFDI and performance relationship undertaken by multiple simultaneous pattern than by gradually growing pattern. Our study extends understanding of international franchisors' OFDI patterns and suggests that the analysis of performance consequences should focus on external environment and internal firm factors that may facilitate performance effects.