# “Conflict-performance assumption” or “performance-conflict assumption”: Insights from franchising

Rozenn Perrigot, Begona López-Fernández, Guy Basset

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Dr. Rozenn Perrigot
Graduate School of Management (IGR-IAE Rennes)
CREM UMR CNRS 6211
University of Rennes 1
11 rue Jean Macé – CS 70803
35708 RENNES Cedex 7 – France
rozenn.perrigot@univ-rennes1.fr

Dr. Begoña López-Fernández
Facultad de Economía y Empresa
University of Oviedo
Avda del Cristo, s/n
33071 Oviedo – Spain
blopez@uniovi.es

Dr. Guy Basset
Graduate School of Management (IGR-IAE Rennes)
CREM UMR CNRS 6211
University of Rennes 1
11 rue Jean Macé – CS 70803
35708 RENNES Cedex 7 – France
guy.basset@univ-rennes1



Version 3 submitted to *Journal of Retailing and Consumer Services*
on 14 January 2020

Acknowledgements: We sincerely thank the students of the Master in Franchising, Retail & Service Chains at the Graduate School of Management (IGR-IAE Rennes) – University of Rennes1 who have contributed to data collection as well as the Spanish Ministry of Economy and Competitiveness (ECO2017-85704-R) for its support.

# “Conflict-Performance Assumption” or “Performance-Conflict Assumption”: Insights from Franchising


## Abstract

Franchising is an organizational governance form where relational and formal contracts complement each other and where franchisor and franchisees together may obtain better performance than working alone. Although relational contracts may adapt to changing environments, they are not as efficient in ambiguous settings. In franchised stores, liability for low performance is not always clear. Indeed, franchisor and franchisees work in close collaboration, and, therefore, this ambiguity on causes of low performance may lead to conflicts. The franchising literature, as far as we know, has addressed practitioners’ concerns regarding performance on one side, and conflicts on the other side, but no study has exclusively focused on low performance and the emergence of conflicts. Our research contributes to the franchising literature by filling this relative gap and, contrary to “conflict-performance assumption” (Pearson, 1973; Duarte and Davies, 2003) held in the broader context of distribution channels, we consider low performance to be a cause, rather than a consequence, of franchisor/franchisee conflicts. This empirical study deals with franchising in France, the leading market in franchising in Europe and the third largest in the world. We used a qualitative approach based on 44 in-depth interviews with 27 franchisors and executives/high-level managers of franchise chains, as well as 17 franchisees from various industries to get a dual, and so more complete, assessment of franchising practitioners’ views of performance-related conflicts. Our research findings show that franchisees, as independent small business owners, give priority to financial results compared to other goals and they are driven to continuously improve the performance of their store(s). When expectations are not met, franchisees sometimes blame franchisors because they are interdependent in their success and liability is not straightforward. As a collaborative team, franchisors and franchisees may benefit from minimizing conflicts and preventing them with the careful selection and management of franchisees that share franchisor’s values and have internal locus of control.



## Keywords

Franchising, conflicts, performance, relational contracting, qualitative approach

## 1. Introduction

In businesses in general, and franchising in particular, the issue of performance is a major concern for both practitioners and scholars (Chaudey and Fadairo, 2017). In fact, lack of or low performance is usually the first complaint mentioned by practitioners. When performance is low, it is very likely that franchisors and/or franchisees become dissatisfied and conflicts then arise. However, this common situation has not been considered as a driver of conflict in most of the literature regarding conflicts in franchising. This paper explores the reactions of franchisors and franchisees to low performance in franchising.

To start with, the choice of organizational governance, such as franchising, is a crucial decision that has a long-term impact on performance (Sorenson and Sørensen, 2001; Evanschitzky et al., 2016). Franchising is an inter-organizational form where franchisors and franchisees collaborate to target a benefit unachievable without this collaboration (Spinelli and Birley, 1996). More precisely, franchising is a governance model where formal and relational contracting coexists. Whereas formal contracts entail obligations to undertake certain actions in the future (Mcneil, 1978), relational contracts are not perfectly detailed and they mainly rely on values and processes (Mcneil, 1978). In fact, relational contracts are based on mutual understandings not explicitly stated and, therefore, are more flexible in terms of adaptation to unexpected circumstances (Spinelli and Birley, 1996). This connivance of both types of contracts may increase franchising effectiveness, since they complement each other (Poppo and Zenger, 2002) in the pursuit of control and coordination that are the dual purposes of contracts (Mellewigt et al., 2007).

Conflicts are very likely to arise in inter-organizational relationships such as franchising (Spinelli and Birley, 1996). A comprehensive definition of conflict is the perception of one agent that its goal attainment may be impeded by another agent with the consequent tension

(Gaski, 1984). In particular, conflicts may arise in franchising usually stemming from misinterpretations of some circumstances related to franchisors and franchisees' respective goals or from discouragement when particular goals are not achieved. In fact, relational contracts are not efficient under certain ambiguous circumstances (Carson et al., 2008) that may not be covered in the formal contracts of the relationship. Therefore, there is a need to avert or reduce potential conflicts between franchisors and franchisees before they further affect performance.

In line with franchising practitioners' attention to maximization of performance and minimization of conflict within their chains, the literature on franchising thoroughly deals with these two topics but separately. One the one hand, the stream of literature on performance in franchising covers both chain-level performance (e.g., Michael, 2003) and store-level performance (e.g., Kosová et al., 2013). Performance, whatever the level of study, has been measured through several indicators: financial performance, for instance, with total sales (e.g., Kosová et al., 2013), profit (López-Fernández and López-Bayón, 2011), RevPar in the hotel industry at the hotel level (e.g., Kosová et al., 2013), efficiency (e.g., Piot-Lepetit et al.,2014), survival (e.g., Shane, 1998), quality of the franchisor/franchisee relationship (Blut et al., 2011), etc.

On the other hand, the stream of literature covering conflicts in franchising has mainly been directed toward its sources and consequences. For example, many papers on sources of conflicts deal with structural features (e.g., Frazer and Winzar, 2005), functional policies (e.g., López-Fernández and López-Bayón, 2018) and issues related to ongoing relationships (e.g., Weaven et al., 2010) that make overall reference to the economic interdependence of partners. Another body of research looks at distribution of power (e.g., Argyres and Bercovitz, 2015) in the franchise relationship as a source of friction. These studies mostly focus on the final stage of a conflict where tensions are likely to end the franchise relationships or have already led to franchise contract termination. They thus concentrate on litigations, terminations and exits as outcomes.

However, there is no study on franchising that exclusively examines the relationship between performance and conflict or, more specifically, between low performance and the emergence of conflict, although Wu (2015) found that conflict management and trust enhance subjective financial performance.[1] Franchisor and franchisees results are tied, and non-achievement of goals may damage relational contracting and make conflict likely to occur. Up to now, in the broader context of distribution channels, the relationship between performance and conflict has been explored in the way that conflict impacts performance. This research stream refers to the "conflict-performance assumption" (Pearson, 1973), whereby "relationships where conflict is low will outperform relationships where conflict levels are higher" (Duarte and Davies, 2003, p. 91). This is a central assumption in the marketing channel literature, despite insufficient and contradictory empirical evidence (Duarte and Davies, 2003).

Our research aims to investigate the relationship between performance and conflict in franchising. But, contrary to the "conflict-performance assumption" (Pearson, 1973), we consider the way performance or low performance leads to franchisor-franchisee conflicts. Our research question is the following: "According to franchisors and franchisees, how and in which conditions can performance-related issues be perceived as a source of conflicts in franchising?" Given the relative paucity of research in this area, we chose to explore these questions within the French franchise sector. France is the leading market in franchising in Europe, and the third largest in the world, with 2,004 franchisors, 75,193 franchised stores, 62.01 billion euros of total sales and about 700,000 jobs (French Franchise Federation, 2019). We used a qualitative approach, conducting 44 in-depth interviews with 27 franchisors and

[1] As a relative exception, Weaven et al. (2010) mention in their qualitative study in Australia, that interviewees highlighted that market difficulties may "exacerbate dissatisfaction" (p. 150) and that one franchisor commented that if franchisees perform well, the franchisor will not have any complaints.

executives/high-level managers of franchise chains, as well as 17 franchisees from various industries, to get a dual and, therefore, more complete assessment of franchising practitioners' views of performance-related conflicts.

Our research findings show that financial issues are the main sources of conflicts in franchise chains, perhaps because of the business acumen that drives franchisees to succeed and continuously improve their performance. We provide evidence that franchisors and franchisees are, in fact, interdependent in their success and thus a way to maximize success is by avoiding conflict. We also point out three factors important in explaining performance-related issues and their impact on conflicts: the ambiguity in responsibilities definition, the gap between performance perception and expectations, and the impact of locus of control on the attribution of responsibilities for low performance[2].

Our research contributes to both the literature and the practice. On the one hand, in terms of contributions to the literature, we build on both streams of franchising literature dealing with performance and conflict, making the link between both, with a focus on relational contracting. We also enrich the stream of research dealing with "conflict-performance assumption" (Pearson, 1973) by taking the opposite approach and focusing on one specific kind of distribution channel, franchising. Another contribution we make to the franchising literature is in our empirical approach; more specifically, the use of a dual approach. We do not limit our study to either the franchisor or the franchisee perspective, as many previous authors have done (Perrigot et al., 2019). Furthermore, our focus is on France, contrary to most previous studies that have concentrated on Anglo-Saxon countries (Dant, 2008). On the other hand, our research can be helpful for franchisors who want to try to minimize the emergence of conflicts within their chain; for instance, a couple of ways to avert conflict, as

[2] We sincerely thank one of the reviewers for having raised the question of these three factors in our research.

the study points out, is by improving the content of the franchise disclosure document or by reinforcing the role of on-field consultants.

The paper is organized as follows. In the second section, we review the streams of literature on relational contracting, performance in franchising, conflicts in franchising and conflict-performance assumption in distribution channels. In the third section, we describe the research methodology. In the fourth and fifth sections, we successively present and discuss our research findings.

## 2. Literature review

### *2.1. Relational contracting in franchising*

According to transaction cost economics (TCE), organizations try to minimize the costs of carrying out transactions when designing their governance form (Williamson, 1975). Franchising may outperform other channel relationships, because it combines two functional principles: uniform operational policies throughout the stores, which can leverage economies of scale and adaptation of franchisees to local conditions in their respective markets (Sorenson and Sørensen, 2001). Thus, these advantages need to be balanced, because they can appear in opposition.

Governance in franchising is achieved by means of formal and relational contracting (Wu, 2015), as conceived in agency theory. On the one hand, formal contracts establish clearly how members should behave, but they are incomplete because it is impossible to anticipate all possible issues that may arise in a long term relationship such as franchising. Moreover, formal contracts play a limited role in franchising, because the relationship occurs between independent small business owners, i.e., franchisors and franchisees. The franchisor cannot impose tasks as s/he could do in the case of a hierarchical relationship with company-owned stores. On the other hand, relational contracting includes "unwritten codes of conduct" (Davies et al., 2011, p. 325) and relational norms that "are developed over time and are based on social consensus or mutual understanding" (Evanschitzky et al., 2016, p. 280) as well as trust. However, the efficiency of relational contracting, and franchising in particular, depends, among other things, on the level of ambiguity regarding the interpretation of a situation (Carson et al., 2008; Evanschitzky et al., 2016) and on knowing what behaviour the members should expect and make possible to achieve a "mutual understanding." In fact, ambiguity may lead to conflict, conceived as "tension between social entities," (Dwyer and Oh, 1987, p. 348) because of different goals or perceptions of situations. A level of conflict higher than a threshold becomes dysfunctional. In fact, Carson et al. (2008, p. 1071) found that the effectiveness of relational contracts in opportunism prevention was "robust to uncertainty but not to ambiguity," being that opportunism is "self-interest seeking with guile" (Williamson, 1975, p. 255).

In relational contracting, "enforcement of obligations, promises, and expectations occurs through social processes that promote norms of flexibility, solidarity, and information exchange" (Poppo and Zenger, 2002, p. 710). However, if franchisees perceive that their objectives are not met, they can be placed out of their zone of tolerance, be dissatisfied and there is potential for conflict (Spinelli and Birley, 1996), Moreover, if resolutions are not satisfactory, this may damage the relationship thus increasing conflict through its different stages and conflict may have long-lasting effects (Winsor et al., 2012; López-Fernández and López-Bayón, 2018).

### *2.2. Performance and franchising*

Gillis and Castrogiovanni (2012, p. 91) explained that "there is limited knowledge on the firm performance associated with franchising, which underscores the need for a more comprehensive understanding of the link between the antecedents to franchising and the consequence of firm performance." They specified that extant theory, mainly based on resource scarcity and relational contracting, has not been directly concerned with performance outcomes but more with governance forms that survive due to their implicit higher performance. These authors distinguished three types of franchising performance outcomes: growth and survival, financial measures and subjective measures.

#### *2.2.1. Growth and survival*

Most of the factors that influence franchise chain survival are associated with knowledge of the business by both franchisors and franchisees. Among these are franchisee previous experience in the industry (Shane, 1998; Shane and Foo, 1999), the number of years of franchisor experience before franchising the concept (Lafontaine and Shaw, 1998), the use of external certifications (Shane and Foo, 1999) and the reduction of system complexity (Shane, 1998), as well as training and services provided by the franchisors to their franchisees and communication (Shane, 2001). Regarding chain growth, recently, López-Fernández and Perrigot (2018) showed that information displayed on franchisor websites is positively related to franchise chain growth, specifically when referring to financial requirements, contact facilities and recruiting processes. More generally, franchisors who carefully screen their future franchisees and who do their best to signal the quality of their concept and monitor their franchisees to avoid opportunistic behaviours grow more and have a longer survival rate than others (Shane, 2001).

### *2.2.2. Financial performance*

At the chain level, some authors have explored the financial performance of franchise chains, often focusing on the mix of franchising and company ownership as a determinant of such a performance. For instance, Sorenson and Sørensen (2001) analyzed the effect of governance, i.e., the right mix of franchised stores and company-owned stores, on chain performance (measured as sales growth). Similarly, Cliquet et al. (2015) showed that capital intangibles and governance structure influence financial performance of franchise chains. Combs et al. (2004) categorized franchisors into three strategic groups that showed different financial performance outcomes. The members of the group who franchised for resource scarcity reasons had poorer financial results than the ones who franchised for agency reasons. Based on financial data, Srinivasan (2006) showed that dual distribution, i.e., franchising and company ownership, increased intangible value for some franchise chains, but not for all. El Akremi et al. (2015) concluded that the proportion of franchised stores had a curvilinear influence (inverted-U shape) on franchise chain performance.

At the store level, López-Fernández and López-Bayón (2001) found that franchisees in the restaurant industry had economic rents and, therefore, higher performance than their independent counterparts. This result is consistent with previous research that identified these rents using aggregate information and/or company-owned store data (Kaufmann and Lafontaine, 1994; Michael and Moore, 1995). Very recently, Patel and Pearce (2019) found a higher risk of default by franchisees compared to independent business owners, which suggests poor performance. However, Kosová et al. (2013) did not find any performance differences between franchised and company-owned units of a large hotel company once the choice of organizational form was endogenized.

*2.2.3. Subjective performance measures*

There are multiple indicators to measure subjective performance, whether by proxying objective financial measures or through approaching other dimensions of performance. Amongst the first, Wu (2015) found that knowledge sharing, trust, conflict management and brand reputation positively influences franchisee performance and their intention to stay within the chain.

Among other dimensions of subjective performance, there are quality/satisfaction proxies. In this vein, Michael (2000b) found, in the restaurant and hotel industries, that consumer ratings on quality are negatively related to the percent of franchised units within a chain. Similarly, Lawrence and Perrigot (2015) found that company-owned hotels outperform franchised hotels in terms of customer satisfaction. However, Sun et al. (2019) showed that franchising positively influences restaurant firm bond ratings, which suggests better financial results.

Besides addressing quality of products offered in franchise chains, other authors explored the quality of internal relationships. In this line, Mellewigt et al. (2011) highlighted that outcome controls cause higher satisfaction among more experienced franchisees, but behaviour controls cause satisfaction among both highly experienced employees and managers and those with little experience.

***2.3. Conflicts and franchising***

There is a body of research that has explored franchisor/franchisee conflict, mainly its sources and consequences. These qualitative and quantitative studies are largely piecemeal and focus on severe forms of conflicts, such as litigations, terminations and exits. They are mainly directed toward structural characteristics of chains, functional policies, ongoing relationships and the balance of power.

Firstly, structural characteristics of chains, such as chain size, chain age and ownership structure, have been explored as potential sources of conflict. For instance, chain size is found to increase conflict (Frazer and Winzar, 2005), although it is decreased when combined with decentralization of assortment and decoration decisions (López-Bayón and López-Fernández, 2016). Age, in terms of experience of the franchisor or of the franchisee, tends to increase conflicts (Michael, 2000a; Frazer et al., 2012; Frazer, 2001). However, López-Fernández and López-Bayón (2018) posit that franchisor experience reduces franchise contract terminations, and according to Weaven et al. (2010), franchisor inexperience may cause conflict. Finally, Blut et al. (2011) found that the level of conflicts perceived by franchisees follows a U-shaped curve over the lifecycle of the franchise relationship. In terms of ownership structure, Argyres and Bercovitz (2015) believe that multi-unit franchising favors cooperation and, therefore, reduces conflict.

Secondly, an array of functional policies, such as pricing, advertising, territorial issues, e-commerce and communication, was found to affect conflict in franchising particularly because of ambiguity in interpretation of the situations that forfeit mutual trust and make relational contracts less suitable for the governance of the relationship. Perrigot et al. (2016) and Perrigot and Basset (2018) found that resale pricing can be a source of conflict, with some franchisors trying to impose recommended prices as fixed prices on their franchisees. López-Bayón and López-Fernández (2016) and López-Fernández and López-Bayón (2018) found that delegation of decision rights in pricing and advertising tend to reduce some kinds of conflicts that end in franchise contract terminations. Moreover, granting exclusive territories has been observed as reducing conflicts in franchise chains (Michael, 2000a). Basset et al. (2018) explained that the e-commerce strategies may raise franchisee perceptions of unfair competition and be a source of franchisor/franchisee and/or franchisee/franchisee conflict.

Thirdly, when considering the ongoing franchisor/franchisee relationship, a number of issues emerge that may cause conflict, such as non-compliance with the franchisor concept (Frazer and Winzar, 2005), lack of franchisor support (Frazer and Winzar, 2005), scarce or too formal or coercive communication between franchisor and franchisees (Frazer and Winzar, 2005; Tikoo, 2005; Kang and Jindal, 2018), misrepresentation issues regarding use of advertising fees (Winsor et al., 2012), etc.

Fourthly, the distribution of bargaining power affects conflict. Some research suggests that a higher proportion of franchisees may increase conflict (Antia et al., 2013), whereas the higher bargaining power of the franchisor may reduce it (Michael, 2000a). However, evidence is contradictory because Phan et al. (1996) have recommended reducing franchisor influence over time and Argyres and Bercovitz (2015) show that franchisee associations may reduce some forms of conflict.

### *2.4. Conflicts-performance assumption in distribution channels*

As mentioned earlier, some authors have explored performance-related conflicts, for instance, in terms of misleading information issues (Winsor et al., 2012) that have generated long-lasting conflict, franchisee dissatisfaction and lack of willingness to comply with the template. Using subjective measures, Wu (2015) reported that knowledge sharing, trust and conflict management, that are relational resources, positively affected franchisees' overall performance. Moreover, lack of profitability (Winsor et al., 2012; Weaven et al., 2010) and unrealistic expectations (Frazer and Winzar, 2005; Weaven et al., 2010) may cause conflict and even exits from the chain. Nevertheless, the focus of these studies has not been exclusively on financial performance.

The relationship between performance and conflict has been explored in the broader context of distribution channels or business-to-business areas in the way that conflict impacts performance. The research refers to the "conflict-performance assumption" (Pearson, 1973) by which "relationships where conflict is low will outperform relationships where conflict levels are higher" (Duarte and Davies, 2003, p. 91). It is a central assumption in the marketing channel literature, despite scarce and inconsistent empirical evidence ranging from studies that have found support for the intuitive relationship of conflict and financial damage, to others that have not, to other studies that have identified direct, U-shaped or threshold relationships between conflicts and performance in business to business relationships (Duarte and Davies, 2003, and the references therein). One possible aspect that may reconcile those diverging results is that conflict may be conceived as a process (Pondy, 1967) of five stages (latent, perceived, felt, manifest conflict and conflict aftermath) and different studies may focus on different stages of conflicts. These stages present different grades of severity and only the last two stages involve a change in behaviour. However, if the initial stages do not end up with a solution, the conflict may evolve to dysfunctional situations where relational contracts cannot deter opportunism. In fact, Duarte and Davies (2003, p. 97) conclude that "if one party fails to meet certain levels of efficiency, conflict is triggered" in business to business relationships. In the context of franchising, Blut et al. (2011) found weak evidence of a U-shaped curve of conflict over the lifecycle. Franchisees are cooperative when unexperienced; however, with seniority, problems regarding distribution of wealth or encroachment increase conflict.

Our paper explores an analogous research problem; that is, how and in which conditions performance-related issues can be perceived as a source of conflicts in franchising. Reasons for a low performance may be ambiguous because store performance is a result of collaborative work between the franchisor and franchisees. Moreover, low profits have consequences on both parties, since franchisor results are tied to those of franchisees.

Therefore, whoever is responsible for the results impedes better performance and goal achievement of the other party.

Contrary to the “conflict-performance assumption” (Pearson, 1973), our research aims to investigate conflict as a result rather than a cause of low performance, since ambiguity in responsibilities may decrease the efficiency of relational contracting. To the best of our knowledge, no other studies have focused on this specific relationship. As noted, at most, some authors have mentioned that highly competitive environments may cause conflict as noticed by interviewees in Weaven et al.’s (2010) qualitative study, or that franchisor opportunism in terms of misuse of advertising royalties paid by franchisees damages franchisee businesses and thus creates long-lasting conflict (Winsor et al., 2012), or that relational variables, among which is conflict management, may enhance performance (Wu, 2015). Franchisor opportunism causes conflicts and a decrease or disappearance of trust that is not recovered even after the question is settled in court, leading to decreased performance. Our research question is, “According to franchisors and franchisees, how and in which conditions can performance-related issues be perceived as a source of conflicts in franchising?”

## 3. Methodology

### *3.1. France as the market under investigation*

Our empirical study is centered on the French franchise market. France is the leading market for franchising in Europe, and the third in the world, with 2,004 franchisors, 75,193 franchised stores, 62.01 billion euros of total sales and about 700,000 jobs created. Franchising has been growing in France for decades in both the retail (46%) and service (54%) industries (French Franchise Federation, 2019).

### *3.2. Qualitative approach*

We used a qualitative approach based on in-depth interviews with franchisors and executives/high-level managers of franchise chains, as well as franchisees from various industries, to provide a rich insight on performance-related conflicts. Qualitative approaches have been regularly used in previous research on franchising, for instance, plural form (e.g., Bradach, 1997; Perrigot and Herrbach, 2012), multi-unit franchising (e.g., Weaven and Frazer, 2007), know-how transfer (e.g., Perrigot et al., 2017), resale prices (e.g., Perrigot and Basset, 2018; Perrigot et al., 2016) and e-commerce (e.g., Basset et al., 2018; Kremez et al., 2019). Many of these qualitative studies have relied on a franchisee perspective (e.g., Croonen, 2010; Perrigot et al., 2016; Perrigot et al., 2017; Weaven and Frazer, 2006). A few other studies have dealt with the franchisor perspective (e.g., Doherty, 2009; Kirby and Watson, 1999; Perrigot and Basset, 2018). In this paper, we adopted a dual perspective (Frazer and Winzar, 2005; Frazer et al., 2012; Perrigot et al., 2019), including conducting 44 interviews with both franchisors and executives/high-level managers of franchise chains and franchisees. This dual perspective was important in order to better assess the franchise professionals' perceptions on how and in which conditions performance-related issues can be perceived as a source of conflicts in franchise chains.

### *3.3. Data collection*

The interviewees, both franchisors and executives/high-level managers of franchise chains, as well as franchisees, were purposively chosen to provide relevant and diversified information about their understanding of one specific source of conflict: low performance. The purposive sampling, i.e., "the deliberate choice of a participant due to [his/her] qualities" is "typically used in qualitative research to identify and select the information-rich cases for the most proper utilization of available resources" (Etikan et al., 2016, p. 2). We contacted franchisors and executives/high-level managers of franchise chains, as well as franchisees, who had no prior knowledge of the existence of specific conflicts within their chains. Indeed, conflicts are usual in business relationships in general and franchising ones in particular (Spinelli and Birley, 1996). We believed that even though our interviewees were not directly involved in a specific conflict at the time of the interview, they had had to deal with some conflicts in the past or at least had heard about conflicts within the chain.

As far as interviews with franchisors and executives/high-level managers of franchise chains were concerned, we met with 27 people (e.g., franchisors, franchise chain CEOs, franchise directors, chain directors, directors of chain development, directors of marketing, on-field consultants, etc.), all working in different chains in various retail industries (e.g., cosmetics, fashion, supermarkets) and service industries (e.g., homecare services, fast food, hotels) in the French market. The franchise chains they represented are of various sizes, ages and with a varying percentage of company-owned stores. The interviewees also had different backgrounds and levels of seniority within their chains. Because franchisors and executives/high-level managers of franchise chains work at the chain level, they provided us with a global overview of performance-related conflicts they have to deal with within their chains, as well as performance-related conflicts they have heard about when interacting with other professionals within the franchise sector.

As far as the franchisee interviews were concerned, we conducted 17 interviews with franchisees, all running their stores in France. The profiles of the interviewees varied in terms of industry (retailing: cosmetics, fashion, supermarkets, etc. and services: homecare services, fast food, hotels, etc.), brands, locations of their stores and previous experience and levels of seniority in their franchise chains. In two cases, we respectively interviewed two executives/high-level managers, an on-field consultant and a chain development manager, in the same franchise chain in the fashion retailing and a master-franchisee and a franchisee in the same fast food chain.

### *3.4. Interview conduction*

In addition to the usual introduction and conclusion and the introduction of certain topics that go beyond the scope of this paper, the topic dealing with sources of conflict contained questions such as: "Could you share with me some examples of conflicts you have had with your franchisees, or you have heard from others (franchisors, franchisees, experts, lawyers)?"; "Now, I am going to cite other situations likely to be at the origin of conflicts and that you did not mention earlier, and you will tell me if each of the situations reminds you of conflicts you have experienced or you have heard of (give examples and explanations for each of the situations the interviewee recognizes). Conflicts linked to pre-contractual information? Conflicts during the recruitment procedure? Conflicts linked to inconsistent expectations, etc.?"

The 44 interviews were audio-recorded and fully transcribed. The transcribed interviews in French were analyzed, and the relevant verbatim quotes were then translated into English. The total length of the interviews was 39 hours, 45 minutes (26 hours, 1 minute for franchisor interviews and 13 hours, 44 minutes for franchisee interviews), for an average of 54 minutes (58 minutes for franchisor interviews and 48 minutes for franchisee interviews). Details about the interviews are provided in Table 1.

Insert Table 1 about here

### *3.5 Data analysis*

After having conducted the 44 interviews with franchisors and executives/high-level managers of franchise chains and franchisees, we considered that we had achieved the theoretical saturation (Glaser and Strauss, 1967; Huberman and Miles, 2002).

We used a two-step process, as suggested by Saldaña (2015) who explains that coding can be divided into first cycle coding (gathering various approaches) and second cycle coding. In the first cycle, descriptive coding (i.e., words or short phrases) is used to assign symbolic meaning to the information provided by the interviewees. The purpose is to summarize segments of data (Miles et al., 2014, p. 74). In the second cycle, also referred to as pattern coding, the data segments are classified as themes in order to get "more meaningful and parsimonious units of analysis" (Miles et al., 2014, p. 86). After going through the last set of interviews in our sample, we reached a point of saturation (Yin, 2003) where little new information was obtained and where similar patterns were repeated, which provides evidence for the validity of our findings. We paid particular attention to the reliability and validity of our research. Regarding reliability, the researchers involved in this research project, already well-experienced in qualitative methods, participated in the data analyses to ensure an agreement on categorization and structure of the data. Regarding validity, we also exposed the findings of our research to franchisors and franchisees during a meeting organized for this purpose. We thus obtained their feedback on these findings. We adopted a rigorous approach (Morse et al., 2002) from the elaboration of the interview guide to the presentation of the findings.

## 4. Findings

### *4.1. Financial issues as the main source of conflict in franchising*

As explained by many of the franchisor[3] and franchisee interviewees, money is at the root of most existing conflicts between franchisees and their franchisors. One of the first interviewees asserts that “[i]n franchising, in general, money is a huge source of conflict” (Head of on-field consultants, fast food). Another one elaborates on this idea explaining that “[i]n conflicts, it always comes back to money. This is business, so no matter what one might say, the main conflicts we’ll have to deal with is monetary issues” (On-field consultant, specialized food). A third interviewee also insists that money is the number one source of conflicts: “When a franchisee is not making any money, […] there are conflicts; it’s obvious. […] I know that when things are not going well, it’s the number one source of conflict, because a company that is not successful is a company that will disappear” (Franchisee, supermarkets). Another interviewee specifies that money is a source of conflict, whatever the background conditions: “There’s no denying it, regardless of the chain, regardless of best intentions and justifications on all sides, conflicts will often and primarily have to do with money and financial concerns” (On-field consultant also in charge of chain development, services for cars and motorcycles).

As illustrated in the verbatims above, interviewees prioritize financial performance of their stores over any other performance-related goals such as the quality of their relationship with their franchisors, as mentioned in the literature review section. In fact, performance and profitability are the most salient features franchisee candidates look for when joining a franchise chain (Sadeh and Kacker, 2018), and franchisee pay attention to when operating their stores (Weaven et al., 2010). When franchisees perform well, there is no complaint. Additionally, in line with TCE predictions, interviewees remark that stores that do not achieve

[3] In the “Findings” section, the word “franchisors” refers to “franchisors and executives/high-level managers of franchise chains.”

those financial goals do not survive. In fact, franchisees (and franchisors) engage in franchising in the hope that they can improve their individual results, as discussed in the literature section. When those expectations do not come true, trust decreases and it is difficult to disentangle who is responsible for those poor results because it is an inter-organizational relationship and franchisor and franchisees efforts overlap. In those circumstances of ambiguity, parties will no longer rely on mutual understandings, that is, on relational contracts, and they will be inclined to ask for formal guarantees.

### *4.2. Higher profitability as a constant objective*

Several franchisor and franchisee respondents explained that when franchisee candidates decide to join a franchise chain and thus become franchisees, they want their stores to be profitable as quickly as possible. When their financial results are not satisfactory, they do not hesitate to express their disappointment, which can be the starting point for conflict with their franchisors. As a franchisee explains, “I'm thinking that, after all, if the sales are not good, if the profitability is not good, that's when tensions will appear” (Franchisee, bakeries). A franchisor imitates a franchisee and says: “You sold me a [franchise] concept that was supposed to generate this amount of sales, but these days I'm actually only generating that amount. […] Basically, reimburse me!” (On-field consultant also in charge of chain development, services for cars and motorcycles). A third interviewee makes the link between sales potential and sales reality that can lead to conflicts, explaining: “A sales forecast, a sales potential that was ‘sold’ and that doesn't reflect the reality I'm living now” (Director of chain development, services for cars and motorcycles). Finally, a franchisor shares with us the case where franchisees cannot even pay their bills because of low profitability, highlighting the “dream effect” as well: “When […] your franchisees tell you: ‘I'm not able to pay my bills. I'm not doing what was expected, you sold me a dream and at the end of the day, I've got nothing'" (On-field consultant, optic industry).

As explained in the literature review section, franchising is a relational contract that relies on common understandings. In relational contracts, parties tend to collaborate depending on the value of future relationships which makes high formalization unnecessary (Solís-Rodríguez and González-Díaz, 2019). Therefore, franchisees may feel worried when they perceive that this value is not as high as expected or that their expectations are not met, thus leading to conflictual situations.

A couple of franchisors stated that once franchisees have achieved their objectives of profitability, they always want to improve their returns, sometimes by opening additional business units, and this can generate new conflicts. One franchisor says that this is the disposition of franchisees as small business owners: "They are small business owners by nature and naturally a small business owner is never satisfied with his sales, [the business] never generates enough profit margin, etc." (Head of on-field consultants, fast food). Another interviewee explains in more detail the case of multi-unit franchising: "We grow a lot with franchisees who are already in the chain. If they're making money, naturally they'll want to open more stores, which may be advantageous for us. But it can also be a source of conflicts, always wanting to make more money. […] In general, they're always looking to make more money. If they're not making enough, then that's always the problem [in franchising]" (On-field consultant also in charge of chain development, fashion industry).

The complaints reflected in the verbatims suggest the need to choose franchisees whose personalities are compatible with their franchisors and their franchisors' staff in terms of shared values. Previous literature supports this argument: both selection and management are crucial to success (Weaven et al., 2010; López-Fernández and Perrigot, 2018; Evanschitzky et al., 2016). Franchisee complaints could be minimized with an appropriate selection of franchisee candidates with an internal locus of control.[4] Franchisees with too ambitious personalities combined with an external locus of control may make them perceive performance as low and unsatisfactory, thus increasing the level of conflicts.

### *4.3. Reaction of franchisees to lack of expected profitability*

Many franchisor respondents explain that when their franchisees note that their stores are performing below expectations, they often blame them. As an interviewee explains: "When the franchisee succeeds, it's often thanks to his/her own hard work, but when s/he fails, this is because of the franchisor" (Founder of a franchise chain, homecare services). A second franchisor expands: "It's always the same within a franchise chain: when everything is going well, it's thanks to the franchisee, and when this is not the case, the franchisor is the one at fault. In general, blame is always directed at someone else, so obviously when the franchisee goes through a rough patch with sales flat lining, recruiting issues and dissatisfied customers, then, at that point, s/he'll quite easily place the blame on the franchisor" (Head of chain development, homecare services). A third franchisor goes even further by introducing the notion of "commitments based on forecasts," alleging: "A primary source of conflict is often rooted in commitments made based on forecasts. Should the objectives set fail to be achieved, they think that this is the franchisor's fault. […] When the franchisee business is running well, it's by virtue of his/her own effort and hard work. But when things are going poorly, this is the franchisor's fault. Such is

[4] This point was made by one of the anonymous referees who suggested this personality trait as a source of complaints when its locus of control is external.

always the case; it goes without saying. It has been integrated into our operations and we know how to respond. This is the main source of conflict when the franchisee business is not performing well. When everything works well, we may have a small conflict at the relationship level or at another, but not a deep-seated conflict based on complete disappointment or that verges on a legal procedure" (Director of franchise chain, fitness centers).

Therefore, the wrong personality, i.e., one who has an external locus of control, and the ambiguity about who is responsible for poor results, are again indirectly highlighted by interviewees as a major source of conflict. In fact, responsibilities may be derived from the inaccuracy of a franchisor's forecasts or from poor business ethics on the franchisee's side. Additionally, these findings support the idea that high formalization may be counterproductive in franchising, causing conflict if figures are not achieved. The balance between relational contracting and formalization is delicate. In fact, Cochet and Garg (2008) and Solís-Rodríguez and González-Díaz (2019) found that experienced franchisors tend to increase the details of their contracts, increasing formalization in the most relevant contingencies identified by their expertise.

According to many franchisee interviewees, the most frequent franchisee complaint is that franchisors have communicated misleading information, such as sales potentials, or even produced incorrect results from market research. An interviewee mentions: "Fake information, no. But afterwards, the proven reality of the information… yes! It creates a problem depending on the information provided and what's actually happening. The franchisor provides indications of sales that are supposed to be more or less realistic, subsequently. That can sometimes be a source of conflict" (Franchisee, services to companies). A second franchisee goes on:

“There’s no point getting mad. Market research is biased. They’ll come up with the figures they need to get someone set up” (Franchisee, optic industry). A third franchisee comments on their own case: “I have requested more on them since the sales fell short of expectations. We had validated the market research with them, but it turned out that our sales were way down, so at that point we requested more assistance from them to help us out. However, we didn’t get much efficient and tangible assistance from them, so, in this particular case, it didn’t go well” (Franchisee, supermarkets).

Once again, there is the question of ambiguity when it comes to whether or not pre-contractual information is reliable. This introduces a suspicion in the franchisor/franchisee relationship that may cause conflict. This conflict, if not solved, may impede cooperation and become dysfunctional as it gains severity (Pondy, 1967).

A few franchisor and franchisee interviewees acknowledge that they sometimes provide misleading information, thereby implicitly raising ethical concerns, while others mention that they are becoming increasingly cautious when providing forecast data to franchisee candidates in order to protect themselves. One franchisee explains: “It got me really upset for a number of years, because we kept giving [franchisee candidates] information that we knew perfectly well didn't reflect reality; information at the agency operation level” (Franchisee, homecare services). A second franchisor comments about market research and ratios: “We had some software for local market research and, at that time, […] we did put into place legal protections to some extent, but we were providing them with these specific studies and we were able to provide them with an associated business plan. Even if franchisees were required to conduct their own market research, we also had the research. They were developing their business plan on that. […] And one or two years later, when they were not achieving the expected sales and their situation had become […] delicate, they could easily attack us because of this tool, so that's why we stopped producing this kind of market research. […] And the same thing applies to the ratios we're presently announcing. We're extremely cautious, we provide ratio ranges. […] We remain very careful regarding any figures we give, since we fear the reprisals" (Director of chain development, restaurants).

However, we expect that providing fake information is not a common practice in the franchise business where franchisors and franchisees are supposed to act in good faith (Perrigot et al., 2019). Sadeh and Kacker (2018) found that successful franchisors were more prone to providing earning claims in the pre-contractual information as an example of the quality of their business opportunities. Pre-contractual earning claims may contain forecasts and franchisees who are upset that their expectations have not been met may try to enforce them, and make the franchisor liable for their losses.

However, a couple of franchisee interviewees explain that low performance is not always or not entirely the responsibility of the franchisor. One franchisee wonders about franchisee commitment and their compliance to the concepts: "Automatically, when the sales figures are not good, there is always someone responsible for that. And this responsibility can be assigned to many different things. It might be that the franchisee is not committed enough to his business, or the franchisee is looking to implement the concept according to a personal interpretation" (Franchisee, bakeries). Another franchisee acknowledges the franchisee's share of responsibility, saying: "If we practice poor management, well that's our problem. So they provide us with advice, but it's up to us to take things from there. […] Afterwards, if we're unable to be profitable, it would be, at least to some extent, our fault. This is not the franchisor's fault" (Franchisee, services for cars and motorcycles).

### *4.4. Franchisor/franchisee conflict prevention*

A few franchisor and franchisee interviewees acknowledge that they are aware that their fate is often associated with the franchisees' successes. As a franchisee said, "There's a common financial interest, full stop. If I'm not making money, then they don't either" (Franchisee, optic industry). A franchisor elaborated: "If their sales are looking good, […] then in turn our numbers are good as well, because the royalties are based on sales. So if they're pleased, we are too. If they face difficulties, we'll also start to have difficulties. We are in a relationship. […] We're both in the same boat. We've both got to row in the same direction and in sync with one another to ensure everyone stays happy" (Head of Administration, kitchen industry).

These verbatims explicitly point out the interdependence of franchisor and franchisees in their respective successes.

## 5. Discussion

### *5.1. Summary of Findings*

The findings of our empirical research first show that financial issues are a very important source of conflicts in franchise chains. Franchisees prioritize financial performance over any other measure of performance such as the quality of their relationships with their franchisors. In most cases, when franchised store performance is low, franchisees put the blame on their franchisors. In fact, franchisors/franchisees are interdependent on their success and depend on each other to minimize conflicts and to succeed.

Moreover, higher profitability is a constant objective for most franchisees. Business acumen may explain why franchisees are driven to increase their profitability. Franchisor and franchisees engage in a relationship to leverage synergies and increase their respective profitability. However, when they are very demanding and blame the franchisor, this is a source of conflict.

Regarding the reaction of franchisees to a gap between real and expected profitability, very often, franchisees blame their franchisor, although certain interviewees realized that certain franchisees do not respect the franchisor template and, therefore, cannot expect the forecasted results. On the franchisor's side, some of them mentioned cases of franchisor opportunism that offer too optimistic and unrealistic forecasts.

Finally, about franchisor/franchisee conflict prevention, it appears that conflicts may be minimized with an appropriate selection of candidates who share values with the franchisor and who have an internal locus of control. Training and socialization can also help to promote shared values.

In addition to these direct findings, we can also highlight three factors that are important in the explanation of how performance-related issues can lead to conflicts and that indirectly stem from our research. When there is ambiguity concerning the causes of low performance, the gap between perceptions and expectations regarding store performance and the impact of locus of control on the attribution of responsibilities for low performance may seriously damage the effectiveness of relational contracting. These are new insights on performance and conflicts questions in franchise chains that will deserve further attention in future research.

### *5.2. Contributions to the literature*

Our research findings contribute to the literature by building on both streams of franchising literature, performance and conflict, highlighting the relationship between both. We also enrich the stream of research dealing with “conflict-performance assumption,” (Pearson, 1973) taking the opposite approach and focusing on one specific kind of distribution channel, franchising. Not only can conflict cause low performance, but low performance may trigger conflicts between franchisors and franchisees. Our findings are consistent with those of Frazer and Winzar’s (2005) who showed that a lack of support and unrealistic expectations due to franchisors poor selection of franchisee candidates or poor due diligence of franchisees can lead to them exiting from the chain.

There are some other antecedents in the literature that point to financial issues causing problems. For instance, Winsor et al. (2012) reported, in a case study of the *Meineke* chain, that misuse of advertising funds caused long-lasting conflicts. Our study elaborates on the idea that low performance (in any circumstance) may cause conflict in the chain, a fact commonly discussed by practitioners but overlooked in the literature. Similarly, López-Fernández and López-Bayón (2017) found that franchise contract terminations may have a snowball effect, whether because franchisors can benefit from economies of scale in conducting terminations all together or frustrated franchisees may tempt their fellow franchisees to terminate their contracts, as well. The previous research highlights that conflict resilience may diminish cooperation between partners, i.e., conflict has long-lasting negative consequences on the franchisor/franchisee relationship. In fact, our findings suggest that the nature of conflict is cyclic and can be the cause and also the effect of low performance. Other contributions to the franchising literature deal with our empirical approach, more specifically, the use of a dual approach that does not limit our study to either a franchisor or the franchisee perspective, as many previous authors have done (e.g., Croonen, 2010; Perrigot et al., 2016;

Perrigot et al., 2017; Weaven and Frazer, 2006 for franchisees-based studies; Doherty, 2009; Kirby and Watson, 1999; Perrigot and Basset, 2018 for franchisor-based studies). As well, we have focused on France, contrary to most previous studies that have focused on Anglo-Saxon countries (Dant, 2008).

### *5.3. Contributions to the practice*

Our research findings contribute to the practice, with a focus on franchisors. As Koza and Dant (2007) noted, the first step for managing conflict is to ascertain the foundations of the concerns and "if the franchisor anticipates the changing expectations of the franchisee, measures can be taken to reduce the magnitude of downturn and to stabilize relationship evolution" (Blut et al., 2011, p. 315). We showed that low performance of franchised stores can lead to franchisor/franchisee conflicts. Therefore, to avoid conflict situations, we suggest reinforcing the role of the headquarters staff, mainly that of on-field consultants, in assisting franchisees to achieve higher performance. Their usual role consists of checking that the franchisees are in compliance with the franchisor concept and guidelines. But, in addition, they should act as real coaches to help franchisees increase their store sales and profitability. This means that the recruitment of such on-field consultants should be carefully conducted, paying attention to their relational qualities, their experience in the sector, their knowledge of franchising and their academic background. Moreover, on-field consultants must be trained in the specificities of the franchise chain. Secondly, in most cases, franchisees will blame their franchisors for their low performance. Franchisors need to be aware that they can be targets for these kinds of franchisee complaints and make explicit the assistance they provide their franchisees. This can include the increasing role of on-field consultants; the franchisor's explanations to its franchisees concerning the different kinds of performance that are important, as well as their complementarities -- financial performance, customer satisfaction, low employee turnover, etc.; awards given to franchisees according to these different kinds of performance achievements; the focus on performance-related topics during initial and continuous training sessions; and the set-up of a committee on performance-related issues involving franchisees and a few staff members from the headquarters, etc. These concrete actions can contribute to minimizing the emergence of franchisor/franchisee conflicts related to performance.

Thirdly, franchisors need to be more candid in their franchise disclosure documents, i.e., not over-promising and including franchised store performance. Reality in terms of store performance should match franchisee candidates' expectations ascertained from the franchise disclosure documents (Sadeh and Kacker, 2018). Not doing so could be risky on a legal level and lead to conflicts ending up in Court, for instance, for lack of good faith in the negotiation of the franchise contract. In the French context, the 2016 Civil Code provides, in Article 1104, that "Contracts must be negotiated, formed and performed in good faith. This provision is a matter of public policy." In relation to contractual negotiations, Article 1112 states that "The commencement, continuation and breaking-off of pre-contractual negotiations are free from control. They must mandatorily satisfy the requirements of good faith." As regards the pre-contractual phase, Article 1112-1 states that "The party who knows information which is of decisive importance for the consent of the other, must inform him of it where the latter legitimately does not know the information or relies on the contracting party." Moreover, the Doubin Law, codified in article L330-3 in the first paragraph of the Commercial Code, imposes an obligation on the franchisor to give the franchisees a disclosure document; that is, a "written document providing sincere information, allowing the franchisee to commit itself with full knowledge of the facts." On the other hand, even though the conflict may not end up in Court, the alignment of sales forecasts with reality is important for maintaining good franchisor/franchisee relationships. Sadeh and Kacker (2018) showed that ex-ante voluntary information openly provided by franchisors signals that the franchise is a good business opportunity.

Fourthly, franchisors should clearly explain the reality of the franchisee's role to franchisee candidates who can sometimes be more or less naïve. The latter, except for some investors who hire managers to run their stores (e.g., multi-unit franchisees, multi-brand franchisees), should not expect to be performing optimally if they are not committed to the daily operations of their stores. Franchisors can bring a lot to their franchisees, i.e., a well-known brand, a set of relevant know-how, continuous assistance, etc., but the role of the franchisees at the local level, in their stores, remains crucial for achieving high performance and thus minimizing conflictual situations.

### *5.4. Limitations and tracks for future research*

This paper has, of course, limitations that constitute tracks for future research. The first limitation deals with the methodological approach chosen. Indeed, findings from a qualitative study based on a series of 44 in-depth interviews with franchisors and executives/high-level managers of franchise chains (27) and franchisees (17) cannot be generalized. In order to further this overview of the relationship between performance and conflict, future research could employ a quantitative approach, using a questionnaire-based survey on franchisors and/or franchisees. This would allow for measuring and then generalizing this link. In the context of questionnaire-based surveys, we could measure franchisors and executives/high-level managers of franchise chains and/or franchisee loci of control. Indeed, locus of control can impact the perception of conflict in the sense that individuals with external locus of control will be more likely to blame the other party in the case of low performance, whereas individuals with internal locus of control will be more likely to acknowledge their responsibility in the non-achievement of a high performance. We could also quantitatively assess the gap between franchisee perceptions and expectations regarding store performance. The question of ambiguity in the causes of low performance could also be explored in-depth in a quantitative study. Secondly, we focused on franchisee performance only and not on franchise chain performance. A further study could explore the link between franchise chain performance and franchisee/franchisor conflicts. What happens when franchisors are not performing well? What about franchisor bankruptcy? What are the reactions of the franchisees? Thirdly, we focused solely on the French market; we posit whether the relationship between low performance and conflict would be the same in other countries. Fourthly, we focused on low performance as a unique source of franchisor/franchisee conflict. This was the focus of this paper. However, because conflicts occur more and more frequently in the life of any franchise chain, other conflict-related topics deserve specific attention, among which the reasons for such increasing numbers of conflicts, timing of conflicts in franchising, conflicts among other parties in franchising (e.g., with customers, with suppliers, with competitors), modes of conflict resolutions or modes of minimization of conflicts.

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Table 1: Details on the interviews

| | Industry | Interview job title | Interviewee gender | Interviewee age category | Interview duration (in mns) | Interview type |
|---|---|---|---|---|---|---|
| Franchisor side | services for cars and motorcycles | Director of chain development | male | 45 | 65 | phone |
| | services for cars and motorcycles | On-field consultant also in charge of chain development | male | 30 | 81 | phone |
| | real estate | Chain development manager | male | 35-45 | 14 | phone |
| | real estate | On-field consultant also in charge of chain development | female | 30-40 | 56 | phone |
| | building/construction | Founder of a franchise chain | male | 40 | 40 | phone |
| | real estate | Chain development manager | female | 40-45 | 27 | phone |
| | kitchen industry | Head of Administration | male | 40 | 80 | face to face |
| | house equipment | Chain development manager | male | 25 | 61 | phone |
| | kitchen industry | Sales chain director | male | 40 | 20 | phone |
| | homecare services | Head of chain development | male | 28 | 85 | face to face |
| | homecare services | On-field consultant | female | 23 | 58 | phone |
| | restaurants | Head of franchise chain | male | 40-50 | 77 | phone |
| | restaurants | Head of chain development | male | 35-40 | 98 | phone |
| | optic industry | On-field consultant | male | 40 | 100 | phone |
| | fashion retailing | Chain development manager | female | 24 | 73 | face to face |
| | fashion retailing | On-field consultant | male | 40-45 | 74 | face to face |
| | cosmetics | Sales chain director | female | 35 | 40 | face to face |
| | services to companies | On-field consultant | male | 25-30 | 80 | phone |
| | fast food | On-field consultant | female | 26 | 57 | face to face |
| | fast food | Head of on-field consultants | male | 30 | 40 | phone |
| | fast food | President | male | 45 | 40 | face to face |
| | fast food | Marketing, communication, development manager | female | 35 | 40 | face to face |
| | fast food | Master franchisee | male | 50 | 35 | face to face |
| | specialized food | On-field consultant | male | 24 | 48 | face to face |
| | specialized food | Director of franchise chain | male | 40 | 42 | phone |
| | specialized food | On-field consultant | male | 26 | 82 | face to face |
| | fitness centers | Franchisor | male | 45 | 48 | phone |
| Franchisee side | services for cars and motorcycles | Franchisee | male | 50-55 | 35 | phone |
| | services for cars and motorcycles | Franchisee | male | 29 | 38 | phone |
| | house equipment | Franchisee | male | 35 | 59 | face to face |
| | stationery | Franchisee | male | 55 | 52 | face to face |
| | travel agences | Franchisee | male | 48 | 39 | phone |
| | sport centers | Multi-unit franchisee | couple | 40-45 | 37 | phone |
| | homecare services | Franchisee | male | 50 | 84 | face to face |

| | | | | | |
|---|---|---|---|---|---|
| homecare services | Franchisee | female | 40 | 31 | face to face |
| homecare services | Franchisee | male | 45 | 50 | phone |
| restaurants | Franchisee | male | 50 | 23 | face to face |
| optic industry | Franchisee | male | 45 | 40 | face to face |
| fitness centers | Multi-brand franchisee | male | 35 | 77 | phone |
| services to companies | Franchisee | male | 35 | 30 | phone |
| fast food | Franchisee | female | 55 | 22 | phone |
| specialized food | Franchisee | female | 45-50 | 80 | face to face |
| bakeries | Franchisee | male | 35-40 | 64 | face to face |
| supermarkets | Franchisee | male | 46 | 63 | face to face |