

**Summaries of Selected Sessions from the
2008 AMA Winter Educators' Conference
(Austin, TX)**

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7.6 Marketing Management, Strategy, and Channel (Special Session)

Research on Franchising

Chair:

Manish Kacker, Tulane University

Participants:

Franchisee Personality Traits as Predictors of Franchisee-Franchisor Relationship Strength

Scott K. Weaven, Griffith University

Carmel Herington, Griffith University

Rajiv P. Dant, University of Oklahoma

Dual Distribution and Organizational Innovativeness

Raji Srinivasan, University of Texas at Austin

Short and Long Term Performance Effects of Nascent Strategic Decisions in Franchise Systems

Manish Kacker, Tulane University

Rajiv Dant, University of Oklahoma

Anne Coughlan, Northwestern University

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Weaven, Herington, and Dant examined the relationship strength between franchisor and franchisee. Research questions suggested the need to integrate the human element (personality, gender) of franchising and assess the impact of dichotomies (single unit vs. multi-unit, gender) of the relationship. Using the big five scale (IPIP-B5 Goldberg 1990) and the relationship strength scale (Herington 2003), the authors found that franchisees owning a single unit were more agreeable, conscientious, and emotionally stable than those owning multiple units. It was also found that single unit owners had higher relationship strength with the franchisor than multi-unit owners and male owners had greater relationships strength than females.

Next, Srinivasan asked the questions, “Do franchisees hinder or foster innovation?” and “Does a firm’s dual distribution strategy affect innovation and how?” The suggestion was that innovation may harm efficiency and profits. The moderating variables between dual distribution and organizational innovation were operating efficiency, vertical integration, age, and debt leverage using past performance figures. Three significant interactions were discovered: operating efficiency and dual distribution, debt leverage and dual distribution, and scope of vertical integration and dual distribution.

The final paper of the session was presented by Kacker and looked at the short and long-term effects of strategic decisions in franchise systems. Using two approaches, resource based and signaling, the goals of planning and execution were found to have significant positive impacts on profits and the rapid addition of units, whereas sales volume had a negative relationship with planning and execution. It was also found that profit orientation had a positive impact no growth in the first four years of business.