



# Exploring franchise system development in France



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## ABSTRACT

The process of implementing successful franchise system has received limited attention in the literature. The purpose of our paper is to replicate in France a franchise development model developed in New Zealand that identifies significant sequentially activities in the franchising process. Using a case study approach franchisors in ten French start-up franchisees were interviewed in order to determine how they applied the franchising process identified in the New Zealand study. A quantitative measure is derived as the basis of comparison for different approaches in the two countries. Our findings lend some support for the model, while revealing interesting differences between franchise development in the New Zealand study and the franchising start-up environment in France.

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## 1. Introduction

Franchising relies on a strategic and operational relationship that enables participating firms to reap the rewards of a franchisor's products, services and systems. Its aim is to replicate the franchisor's business model through franchisees with local knowledge and entrepreneurial drive (Barthélemy, 2008). Most research in this area examines the strategy behind franchising (*why* does a firm franchise?) with rather fewer studies exploring the process of formation and operationalization (*how* does a firm franchise?) (Dant, 2008).

The aim of this paper is to utilize the theoretical model of Floyd and Fenwick (1999) to examine the processes related to start-ups of new franchises in France. Floyd and Fenwick (1999) proposed a franchise process model using four identifiable stages of development which they termed the hatchling, nestling, fledging and adult stages. Our paper replicates the first three stages of the model in order to expand the knowledge base of the franchising process in another country context: France. We collected qualitative data from 10 French franchise systems in order to compare their activities with those in the Floyd and Fenwick research.

The purpose in replicating the New Zealand study in France is to compare franchise development in two developed countries, but with different institutional and business customs. The intent of this paper is to contrast franchise system start-up operations in an open Anglo-Saxon business environment with those in a more regulated French setting. It will be seen, for example, that French legislation presents franchisors with an obligatory hurdle which does not exist in more liberal economies. One consequence of this seems to result is a closer bond in France between the franchisor and franchisee early on as they combine their efforts to overcome bureaucratic challenges and constraints. Further differences are discussed and

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**Table 1**  
Details of French franchising organisations.

Sector (business activity)	Type of franchise (franchised brands)	Ownership structure	Market approach	Years franchising	Years before franchising	Total franchisees (2009)	Total outlets including owned
Hotel chain	Multi-franchisor (13)	Public (CAC 40, Paris)	B2C/B2B Service	3	50	23	26
Household removals	Multi-franchisor (2)	Private	B2C Service	3	40	31	31
Car washing	First-time franchisor	Private	B2C/B2B Service/ product	2	5	22	24
Domestic services cleaning	First-time franchisor	Private	B2C Service	2	18	15	22
Commercial/industrial cleaning	First-time franchisor	Private	B2B Service	3	12	7	8
Signage, banners and displays	Master franchisor	Private	B2B Service	4	20	17	17
Domestic building supplies	Bottom-up franchisor	Private	B2C/B2B Product/ Service	3	30	42	42
Smoothies/juice bar	First-time franchisor	Private (family business)	B2C Product/ Service	3	0	8	10
Restaurant/ winery	Multi-franchisor (2)	Private (family business)	B2C Product/ Service	2	0	5	7
Chocolate production/ distribution	First-time franchisor	Private (family business)	B2C Product/ Service	1	56	13	20

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