How Do Franchisees Assess Their Franchisor’s Trustworthiness?
An Empirical Study

Dr. Evelien P.M. Croonen
Assistant professor
Faculty of Economics and Business
University of Groningen
Groningen, The Netherlands
Telephone: 00 31 50 363 7236
Fax: 00 31 363 7110
E-mail: e.p.m.croonen@rug.nl

Dr. Maryse J. Brand
Associate professor
Faculty of Economics and Business
University of Groningen
Groningen, The Netherlands
Telephone: 00 31 50 363 7492
Fax: 00 31 363 7110
E-mail: m.j.brand@rug.nl

Dr. Thijs L.J. Broekhuizen
Assistant professor
Faculty of Economics and Business
University of Groningen
Groningen, The Netherlands
Telephone: 00 31 50 363 3777
Fax: 00 31 363 7110
E-mail: t.l.j.broekhuizen@rug.nl

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Abstract

A lack of trust of franchisees in their franchisors may lead to various kinds of undesired franchisee behaviors, and such behaviors may negatively affect franchise system performance. A franchisee’s trust in its franchisor is largely dependent on this franchisee’s assessment of its franchisor’s trustworthiness. However, very little is known about how franchisors can create and maintain an image of trustworthiness among their franchisees. This paper combines franchising literature with literature on trustworthiness in other organizational contexts to develop and test a theoretical framework on antecedents of franchisees’ perceptions of franchisor trustworthiness. The empirical results indicate that a franchisor’s franchise relationship management, proactive and reactive quality assurance and strategic management impact a franchisee’s assessment of franchisor trustworthiness. Managerial and theoretical implications are discussed.

Keywords
Organizational trustworthiness, trust, franchisor trustworthiness, trust building