Deriving Meaning for ‘Social Franchising’ from Commercial Franchising and Social Enterprise

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Abstract

Planned Parenthood, the Roman Catholic Church, Auntie Anne's Soft Pretzels, the Annapurna Conservation Area Project, the HealthStore Foundation, the American Red Cross, and IKEA have something in common. All are franchises operating for a social welfare purpose. But does this mean that they are social franchises? Many enterprises call themselves or are labeled by others as social franchising. In fact, there is a diversity of perceptions (and misperceptions?) of what is meant by the term, ‘social franchising.’ Social franchising is a relatively new area of research. A crucial first step in research on any topic is to define its parameters, but there is as yet no agreed definition in the academic literature of precisely what social franchising is. This article aims to clarify the meaning of social franchising by bringing together three strands of scholarship and research on commercial franchising, social franchising and social enterprise. It synthesizes the essence of the definitions of social franchising and suggests how this very broad formulation can be tested and refined. It is hoped that the results of this article will advance understanding of franchising arrangements in the social welfare context and inform legal interpretation and regulation of these arrangements.

Keywords: social franchising, social enterprise, social entrepreneurship, hybrid, nonprofit