TYPOLOGY AND CHARACTERIZATION OF FRANCHISEES’ ENTREPRENEURIAL PROFILES
AN EXPLORATORY STUDY OF THE FRENCH FRANCHISING INDUSTRY

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Abstract

This article has two main objectives: first, to identify the various profiles of franchisees’ entrepreneurs within franchise systems; second, to understand if a specific profile can be explained by the franchise system characteristics (franchise system age, size of the system, term of franchise agreement, franchise fee, cash liquidity requirements, total investment, ongoing royalty fee rate and sectoral differences) as it could help franchisors to better manage the selection of potential franchisees.

Overall, the qualitative study leads to identify three main entrepreneurial profiles – *system-developer franchisees, in-store craftsman franchisees and opportunistic-investor franchisees* – which present entrepreneurial qualities varying in intensity. It also suggests that the selection of a specific profile by a franchising network is linked to its characteristics. The quantitative research carried out within 90 French franchising networks establishes that the term of the franchise agreement and the sector are linked to the selection of specific profiles. Managerial implications are drawn from these results and recommendations made for franchisors willing to improve their selection processes.

Keywords

Franchising, entrepreneur, entrepreneurship, franchisor-franchisee relationships, profiles