Determinants of E-commerce adoption by franchisors:

Insights from the U.S. market

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ABSTRACT

E-commerce has grown tremendously over the past decade. This paper focuses on E-commerce adoption within the franchising sector. We formulate various hypotheses on the factors that influence the adoption of an E-commerce strategy by franchisors, namely the percentage of company-owned stores in the network, network size and age, franchisor resources (franchising fees and franchising royalties), and the allocation of exclusive territories to franchisees. The empirical study relies on a sample of 486 franchise networks in the U.S. market. Our findings suggest that the percentage of company-owned stores and the brand image, as represented by network size, both exert a significant and positive impact on the adoption of an E-commerce strategy, whereas network age and franchising royalties exert a significant and negative impact on the adoption of such a strategy. These findings are discussed with respect to previous research results.

KEYWORDS

E-commerce, franchising, determinants, plural form, brand image, franchisors' resources.