Antecedents of Franchisee Trust

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Abstract
The success of relationships depends upon trust among the partners involved. In franchise relationships, a lack of trust of franchisees in their franchisor will negatively affect franchise system performance. However, very little is known about how franchisors can maintain and/or create trust among their franchisees. The aim of this paper is therefore to develop a theoretical framework on antecedents of franchisees’ trust in their franchisors and franchise systems. We integrate literature on franchising with literature on trust in other organizational contexts to develop our theoretical framework. We argue that a franchisee’s general propensity to trust combined with its perception of trustworthiness of its franchisor and franchise system determines this franchisee’s level of organizational trust. We distinguish three franchise system components that each entail a set of determinants by which franchisees evaluate a franchisor’s and franchise system’s trustworthiness; the system’s strategic positioning in the market, the system’s operational management, and franchisee management. Insights into these determinants provide franchisors with important information on potentially relevant instruments to strengthen trust among their franchisees.

Keywords
Personal trust, organizational trust, trustworthiness, system strategy, operational management, franchisee management