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journal homepage: www.elsevier.com/locate/jretconserRetailer use of a professional social media network: Insights from franchising[☆]Manish Kacker^{a,*}, Rozenn Perrigot^b^a DeGroote School of Business, McMaster University, 1280 Main St. W. Hamilton, ON, Canada L8S-4M4^b Graduate School of Management (IGR-IAE), University of Rennes 1, Center for Research in Economics and Management (CREM UMR CNRS 6211), 11 rue Jean Macé-CS70803, 35708 Rennes Cedex 7, France

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ABSTRACT

The adoption and use of a professional social media network by franchise chains is the focus of this paper. We draw on resource-based theory, institutional economic theories of incentives and externalities and multidisciplinary literatures on franchising, innovation adoption and interorganizational communication to link (i) franchisor characteristics and partnering strategies to the adoption and use of a professional social media network and (ii) the extent of use of this network by a franchisor to the number of followers of its network page. Hypotheses are empirically assessed using data on 500 US franchise chains from Entrepreneur's Annual Franchise 500 for 2011, content analysis of *LinkedIn* pages for 317 franchise chains in 2011 and number of followers in 2015. One key finding is that franchisor adoption of *LinkedIn* is positively influenced by franchise chain size, franchising fees and franchisor marketing communications and negatively affected by franchise concept complexity. A second important finding is that, among franchisors who adopt *LinkedIn*, the extent of use of *LinkedIn* is positively impacted by franchise chain size, franchising fees and negatively affected by franchise chain age. A third notable finding is that the number of followers of a franchisor's *LinkedIn* page in the short term is positively impacted by the extent of information about franchise chain and recruitment. A fourth key finding is that the number of followers in the longer term (2015) is positively impacted by whether the franchisor had a presence on *LinkedIn* in 2011 and, for these franchisors, by the number of followers in 2011.

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1. Introduction

Many retailers used partner firms to operate stores in their chains. In particular, retailers have frequently used franchising to develop their businesses (Watson et al., 2005). Franchising can be defined as “a contractual arrangement between two independent firms, whereby the franchisee pays the franchisor for the right to sell the franchisor's product and/or the right to use his trademark at a given place and for a certain period of time [...]. [T]he relationship between franchisor and franchisees “includes not only the product, service, and trademark, but the entire business format itself – a marketing strategy and plan, operating manuals and standards, quality control, and continuing two-way communication [...].”

(Lafontaine, 1992). For franchise chains, business growth often requires the addition of new units to the chain. Therefore, it is important that a franchisor selects high quality franchisees for new franchised units (Clarkin and Swavelly, 2006) as well as managers and employees for new company-owned units. The challenges in doing so are exacerbated by competition from other franchisors who are also trying to attract these prospective franchisees, managers and employees. Thus, it is not surprising that “[a] key constraint facing chain operators as they sought to grow was finding interested and qualified franchisees” (Bradach, 1998).

Franchisors increasingly use a wide range of communication strategies and media (including social media networks) to reach prospective franchisees (Perrigot et al., 2011), managers and employees. Franchising practitioners recognize the promise and challenges associated with using social media networks for this purpose – e.g., Betzendahl (2014) asks “how can social media promote franchise development? There isn't an easy answer. Perceptions and goals for social media vary from business to business”.

Social media networks have had a transformative impact on organizations and there is a rapidly growing body of research on

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* Corresponding author.

E-mail addresses: mkacker@mcmaster.ca (M. Kacker), rozenn.perrigot@univ-rennes1.fr (R. Perrigot).

social media networks and business (Aral et al., 2013). However, much of this research has focused on consumer-oriented networks (like *Facebook* and *Twitter*) and consumer marketing applications (for example, understanding what drives consumer engagement, brand sentiment and virality) rather than professional social media networks (like *LinkedIn*) and how firms use them to attract and retain employees and business partners. Moreover, while many firms have developed a presence on social media networks, there is considerable variation in when and how firms adopt and use these networks for marketing communications and other social enterprise development activities (Michaelidou et al., 2011; Perrigot et al., 2012). This variation, when coupled with the importance of social media networks, has led to calls for research that investigate how and why firms differ in their adoption and extent of use of interactive media and in the outcomes of their actions (Aral et al., 2013; Liang and Turban, 2011).

In this paper, we address the above-mentioned gaps in the literature on variations in adoption and use of social media (and, particularly, the adoption and use of professional social media networks for business marketing and enterprise management). The aim of our paper is to examine the use of a professional social media network (*LinkedIn*) by US franchisors¹ to attract prospective franchisees, managers and employees as well as reinforce their brand image. Specifically, the following research questions are addressed:

(i) What are the organizational characteristics and partnering strategies that determine if a franchisor will adopt a presence on *LinkedIn*?

(ii) Among franchise chains that use *LinkedIn*, what organizational characteristics and partnering strategies determine the extent of information provided on their *LinkedIn* pages?

(iii) Among franchise chains that adopt *LinkedIn*, what dimensions of the extent of information provided by the franchisor on its *LinkedIn* page explain its success in attracting followers in the short term? Does the adoption of *LinkedIn* by a franchise chain (and the number of followers) have an impact on the number of followers for the chain in the longer term?

By answering the three above-mentioned research questions, our research makes contributions to existing literatures on retailing, franchising, social media and organizational adoption of innovations. It also provides franchise professionals with useful insights on practices to be adopted.

The paper is organized as follows. In the next section, the literature is reviewed and the hypotheses are developed (based on the resource-based view and economic theories of externalities and incentives) for our three research questions. In the third section, data and measures are described. The findings of our empirical analyses are presented in the fourth section. In the fifth section, the theoretical contributions, managerial implications and limitations of our work are discussed and suggestions on topics for future research are provided.

2. Literature review and research hypotheses development

Given the transformative impact of social media networks on organizations, a franchisor's decision to invest in creating and maintaining a corporate presence on a professional social media

network in the relatively early or intermediate stages of the platform's life cycle is a form of organizational innovation adoption (Perrigot et al., 2012).

According to the resource-based view (Barney, 1991), a firm's resources include all assets, capabilities, organizational processes and knowledge that enable it to conceive and implement strategies that improve efficiency and effectiveness, create barriers to entry and result in a competitive advantage (Peteraf, 1993) – one such set of strategies revolves around the adoption and use of innovations (e.g., professional social media networks) by the firm.

A resource has to be valuable, rare, inimitable and non-substitutable in order for it to deliver a sustainable competitive advantage to the firm (Barney, 1991). Consequently, the resource-based view is particularly relevant for analysing franchisors' strategies because intangible assets (brand name, reputation, franchise concept, business processes, know-how and training) play a key role in franchising and the design of franchisor strategies. Several chain characteristics and partnering strategies – chain size, chain age, franchising fees, the percentage of company-owned stores within the chain, franchise concept complexity, franchisee qualification requirements and franchisor marketing communications – reflect franchisor resources and capabilities. Institutional economics theories of externalities and incentives have been previously used to study franchising (e.g., Barthélemy, 2011; Blair and Lafontaine, 2005; Lafontaine, 1992) and they offer additional insights on how some of the above-mentioned franchisor characteristics and partnering strategies influence franchisor adoption and use of professional social media networks.

2.1. Organizational adoption and extent of use of a professional social media network

A positive association between organizational resources and organizational innovation adoption can be attributed to direct effects such as the availability of human, financial, business and technology resources (Wang and Cheung, 2004) for adopting the innovation. There may also be an indirect connection, since greater resource endowments may lead to capabilities and orientations that enable fuller realization of the advantages of being an adopter of the innovation. For example, an abundance of resources allows a firm to take on risks and treat the investment in adopting innovations as a 'real option' (Fichman, 2004).

Among firms that adopt an innovation, there is a positive association between organizational resources and the extent or the intensity with which the innovation is used by the firm (e.g., Bordonaba-Juste et al., 2012a; Hsu et al., 2006; Thong, 1999; Wang and Cheung, 2004; Wu et al., 2003). *Prima facie*, it may be possible for a franchisor to create a professional social media network presence with minimal resources. However, if it wants to effectively maintain and use its professional social media network page for the various social media marketing and enterprise management activities outlined by Liang and Turban (2011), it needs to make a relatively larger commitment of financial and human resources.

We posit a direct link between a franchisor's resources and professional social media network adoption and use. In this regard, it is relevant to note Michaelidou et al.'s (2011) finding that 23 per cent of their sampled firms did not use a social networking site (SNS) because doing so would "require a big investment in terms of time," while 32 per cent and 15 per cent of the sample respectively declined to use such sites because "staff is not familiar with SNS" and "staff does not have the technical skills to use SNS." We also posit an indirect link between a franchisor's resources and professional social media network adoption and use. Resource-rich franchisors are more likely to adopt and extensively use a professional social media network because they also possess greater

¹ We focus on franchisor communication and not franchisee communication on professional social media networks. Our work is at the chain level, and not at the unit level, because we are interested in the use of a professional social media networks to attract franchisees, managers and employees. The franchisee perspective could be of considerable interest and relevance with regard to issues of chain uniformity and brand image maintenance. This is, however, outside the scope of our current study.

information processing capabilities as well as the long term orientation needed to fully realize the potential benefits of the network.

2.1.1. Organizational characteristics

Extant research on franchising has often viewed franchise chain size and age to reflect a franchisor's resources.² For example, [Dant and Kaufmann \(2003\)](#) consider chain size and age as indicators of a franchisor's resources in their examination of structural and strategic dynamics in franchising. More broadly, the lifecycle view of [Oxenfeldt and Kelly \(1968\)](#) (and the subsequent research of [Hunt \(1973\)](#) that confirmed this perspective) implicitly considers franchisor resource scarcity in terms of firm size and age.

There is substantial evidence for a positive association between firm size and organizational innovation adoption in the strategy ([Kimberly and Evanisko, 1981](#)), information technology ([Thong, 1999](#)) and e-business ([Frambach et al., 1998](#); [Wang and Cheung, 2004](#)) literatures. Furthermore, many studies have found (among firms that adopt an innovation) a positive link between the extent to which they use the innovation and the size of the firm. Indeed, [Gopalakrishnan and Damanpour \(2000\)](#) posit and find that organization size has a stronger positive association with the extent of the adoption of an innovation than the speed with which it is adopted. Organizational size has been found to positively affect the extent of IS adoption ([Thong, 1999](#)), the diversity of e-business use ([Hsu et al., 2006](#)) and the extent of conducting e-business ([Bordonaba-Juste et al., 2012b](#)).

Many mechanisms that drive the positive relationship between firm size and innovation adoption are relevant for explaining franchisor adoption of professional social media network communication. Larger franchise chains possess the monetary and non-monetary resources as well as the risk tolerance to be early adopters of a new professional social media network. Since franchise chain size is positively associated with greater brand name value ([Barthélemy, 2008](#)), a larger franchise chain stands to gain more by being present on a professional social media network.³ The communication benefits of being on a professional social media network are amplified when there are a larger number of employees, managers and franchisees in the system. The gains from using a professional social media network for attracting employees and managers can be spread across a larger number of company-operated stores. Similarly, the potential gains from using a professional social media network for some of the business marketing activities identified by [Liang and Turban \(2011\)](#) are greater when the number of current franchisees (a measure of chain size) is larger – the number of franchised stores may reflect the potential interest in the chain from prospective franchisees.

In the specific context of this study, the extent of innovation use can be conceptualized as the extent of information provided on the franchisor's professional social media network page (in terms of different types of content and functions present on the page). Larger franchisors are in a better position to make investments needed to support the greater design and maintenance costs associated with rich professional social media network content. Therefore, the following hypotheses are formulated:

H1a : Franchise chain size is positively associated with franchisor adoption of communication through a professional social media network.

H1b : Among the franchisors that communicate through a professional social media network, franchise chain size is positively associated with the extent of its use of the professional social media network.

An organization's age often reflects its resources and capabilities. This rationale holds in the case of franchising ([Norton, 1988](#)). Franchisors that have been operating for a longer period of time may have superior levels of knowledge, experience and ability to fully realize gains from communicating on professional social media networks. This makes them more likely to do so and to invest in realizing the benefits of this communication through the design of rich content pages. Therefore, the following hypotheses are formulated:

H2a : Franchise chain age is positively associated with franchisor adoption of communication through a professional social media network.

H2b : Among the franchisors that communicate through a professional social media network, franchise chain age is positively associated with the extent of its use of the professional social media network.

2.1.2. Organizational partnering strategies

Organizations implement partnering strategies that may directly or indirectly influence their adoption of new technologies. In franchising, such strategies include the extent of a franchisor's reliance on franchisees (as opposed to its own employees) to operate stores, fees paid by these franchisees, complexity of the franchise concept, qualification requirements that need to be met by prospective franchisees and the level of marketing communications by the franchisor. There is considerable franchising research not only on the drivers of these decisions (e.g., [Cliquet and Pénard, 2012](#)) but also on their consequences (e.g., [Blair and Lafontaine, 2005](#); [Perrigot and Herrbach, 2012](#)). Therefore, we submit that these strategies will also influence a franchisor's decision to enact a corporate presence on a professional social media network.

There are a number of theoretical arguments for a positive relationship between the degree of forward vertical integration in the franchise system and the adoption and use of a professional social media network. First, when a franchisor invests in creating a presence on a professional social media network, every store (franchised or company-owned) in the chain benefits from the social media marketing and enterprise management activities undertaken by the franchisor through the professional social media network. Institutional economic theories of externalities and incentives that have been previously used to study franchising (e.g., [Barthélemy, 2011](#); [Blair and Lafontaine, 2005](#); [Lafontaine, 1992](#)) suggest that a franchisor's incentives to establish and extensively use this presence will depend on how well it can recapture the additional gains and rents it creates within the franchise chain through its use of the professional social media network. Franchisors with a larger percentage of company-owned stores and franchisors who receive higher franchising fees from their franchisees are in a relatively superior position to internalize the positive externalities created by them. Second, greater forward vertical integration implies that it is easier for the franchisor to control and coordinate activities within the chain ([Muris et al., 1992](#), [Williamson, 1985](#)), and this facilitates the adoption and use of new technologies such as a professional social media network ([Lafontaine, 2014](#)). Third, a high level of forward vertical integration requires considerable financial resources

² While franchisor resources can also be measured in terms of financial and human resource metrics ([Perdreau et al., 2011](#)), data on these measures are not easily available for all franchisors. For example, some financial metrics are only available for large, publicly traded franchisors. This skews the sample by preventing the inclusion of smaller, privately held franchisors.

³ It is also possible that larger, prominent franchise chains with established brand names have more to lose by not having a presence on a professional social media network and this explains the positive association between franchise chain size and its adoption of communication through professional social media network. We are grateful to an anonymous reviewer for this insight.

and managerial capabilities. Thus, a franchisor that has a high percentage of company-owned stores possesses higher levels of resources and capabilities, both of which are positively associated with organizational innovation adoption.

Franchising fees represent the fixed fee paid by franchisees to the franchisor at the start of the franchise relationship. These initial fees can be viewed as upfront payments that compensate the franchisor for the expenses and effort associated with physically establishing a new franchised store as well as selecting and training a franchisee to operate it (Lafontaine, 1992). The amount of these fees usually increases with the importance of intangible assets that are owned by the franchisor and have to be transferred to the franchisees (Lafontaine and Kaufmann, 1994). Therefore, higher franchising fees reflect greater underlying franchisor tangible and intangible resources and should be positively associated with franchisor adoption and use of professional social media networks.

Therefore, we hypothesize:

H3a : The percentage of company-owned units in the franchise chain is positively associated with franchisor adoption of communication through a professional social media network.

H3b : Among the franchisors that communicate through a professional social media network, the percentage of company-owned units in the franchise chain is positively associated with the extent of its use of the professional social media network.

H4a : The franchising fees paid by franchisees to the franchisor are positively associated with franchisor adoption of communication through a professional social media network.

H4b : Among the franchisors that communicate through a professional social media network, the franchising fees paid by franchisees to the franchisor are positively associated with the extent of its use of the professional social media network.

Franchisors vary in the complexity of the business format operated by franchisees. Shane (1998) defines the complexity of a franchisor's business format as a count of the number of different support services that the franchisor contracts to provide to the franchisee as part of the franchising package. Franchise concept complexity can be viewed as an intangible asset possessed by the franchisor – the nature and magnitude of the primarily ongoing support services reflect the uniqueness of the franchise concept and the strength of the brand equity. It is likely that a franchisor has to make larger investments to provide the ongoing services associated with more complex franchise concepts. Thus, franchise concept complexity reflects the underlying resource endowments of the franchisor. Therefore:

H5a : Franchise concept complexity is positively associated with franchisor adoption of communication through a professional social media network.

H5b : Among the franchisors that communicate through a professional social media network, franchise concept complexity is positively associated with the extent of its use of the professional social media network.

Franchisors vary in the requirements and qualifications they expect from prospective franchisees. The latter are willing to meet higher requirements when the franchisor has a strong and unique business format. Furthermore, the addition of qualified franchisees is likely to increase the value of the franchisor's concept by lowering agency costs in the chain (Kacker et al., 2015). Thus, high qualification requirements can be viewed as indicative of a high level of intangible assets possessed by the franchisor. Therefore, the following hypotheses are posited:

H6a : Qualification requirements for franchisees are positively associated with franchisor adoption of communication through a professional social media network.

H6b : Among the franchisors that communicate through a professional social media network, qualification requirements for franchisees are positively associated with the extent of its use of the professional social media network

A key strategic decision for a franchisor is the extent to which it engages in consumer marketing communications. We posit that franchisors that extensively engage in these communications possess not only greater financial resources but also stronger marketing communication capabilities that can realize greater marketing and enterprise management gains from implementing a comprehensive corporate presence on professional social media. Therefore:

H7a : Franchisor marketing communications are positively associated with franchisor adoption of communication through a professional social media network.

H7b : Among the franchisors that communicate through a professional social media network, franchisor marketing communications are positively associated with the extent of its use of the professional social media network.

2.2. Number of followers of an organization's presence on a professional social media network

In the previous section, determinants of the adoption and extent of use of a professional social media network by franchisors were addressed. In this section, we develop theoretical hypotheses and rationales for the effects of the extent of use of a professional social media network by a franchisor on the number of followers of its network page. In addition, arguments are presented for the longer term effect of franchisor adoption of a professional social media network on the number of followers.

In the context of this study, we view the level of innovation use in terms of the extent of information provided on the franchisor's professional social media network page. Drawing on the reasoning of Wu et al. (2003), it is expected that more intensive use of the professional social media network by the franchisor increases the level and quality of information flows and interactions with current and prospective employees, managers and franchisees. This, in turn, leads to higher levels of stakeholder satisfaction and relationship development. The logic of Brodie et al. (2007) applies here as well – professional social media network pages with rich content will not only attract more current and prospective franchisees, managers and employees, but also facilitate their retention.

We break down the extent of information along three dimensions – one relating to social media marketing (extent of information on the franchisor's presence on other social media network), one relating to enterprise management (extent of information on recruitment) and one relating to both (extent of information on the franchise chain). Therefore, the following hypotheses are formulated:

H8a : Among the franchisors that communicate through a professional social media network, the extent of information about the franchisor's presence on other social media networks is positively associated with the number of followers of that professional social media network page.

H8b : Among the franchisors that communicate through a professional social media network, the extent of information about recruitment is positively associated with the number of followers of that professional social media network page.

H8c : Among the franchisors that communicate through a professional social media network, the extent of information about

the franchise chain is positively associated with the number of followers of that professional social media network page.

To explore the effects of innovation adoption on the number of followers in the longer term, the following dimensions were considered: (i) whether the franchisor had adopted a professional social network or not by the intermediate stages of the diffusion of the network and (ii) for franchise chains that adopted the professional media network, the number of followers they had at the intermediate stage of the diffusion of the network. There are a number of gains that an organization can realize by adopting an innovation at relatively earlier stages of the life cycle – competitive advantages or capabilities (Abrahamson and Rosenkopf, 1993), greater market share and increased income (Dos Santos and Pefers, 1995) and higher stock market valuations (Geyskens et al., 2002). These organizations are more likely to be driven by efficiency and profit gains, in contrast to late adopters who are more influenced by the pursuit of legitimacy (Westphal et al., 1997). Therefore, the following hypotheses are posited:

H9a : Franchisor adoption of communication through a professional social media network by the intermediate stages of the diffusion of the network is positively associated with the number of followers of that professional social media network page in the longer term.

H9b : Among the franchisors that communicate through a professional social media network by the intermediate stages of the diffusion of the network, the number of followers of a professional social media network page at that stage is positively associated with the number of followers of the professional social media network page in the longer term.

3. Research methodology

3.1. Data

3.1.1. LinkedIn as our focal professional social media network

Our empirical study deals with one specific professional social media network: LinkedIn. Unlike other social media networks, LinkedIn is currently widely used by organizations for a diverse range of activities – not only for social media marketing (eMarketer, 2015a, 2015b, 2015c; Michaelidou et al., 2011) but also for enterprise management activities such as recruitment (comScore 2011a; eMarketer, 2013a; Halzack, 2013). Regarding recruitment, the use of LinkedIn is particularly relevant for franchising. There is growing recognition within the franchise sector that LinkedIn can play an important role in helping franchisors reach and recruit franchisees. According to Hudson and Vaspra (2013), social media serves as both a communication tool in the sales process and as a conversion channel for lead generation – approximately 39 per cent of franchise licenses awarded in 2011 were attributed to social media and search engine optimization. Expenditure for franchise development on social media platforms rose in both 2012 and 2013, with LinkedIn being the social media network that generated the most interest from franchise executives (Hudson and Vaspra, 2013). Hudson (2014) notes the emergence of social selling and highlights the importance of having a company page on LinkedIn to showcase the franchisor and its brands. A franchisor can potentially use LinkedIn to (i) recruit staff for the chain headquarters, e.g., on-field consultants, development and marketing executives, (ii) hire managers and employees for the company-owned units and (iii) attract prospective franchisees into joining the chain. Other rationales for focusing on LinkedIn are its size and growth (eMarketer, 2013b).

3.1.2. The US franchise sector as the setting of our empirical study

The US is a particularly appropriate setting for examining franchisor use of LinkedIn for two reasons. First, the US is the largest franchise market on a number of important metrics: more than 2200 chains including 784,802 franchised stores responsible for 7,808,000 jobs and generating USD 739.9 billion in revenues (PricewaterhouseCoopers, 2011). Second, a large proportion of LinkedIn users and company pages featured on LinkedIn are from the US (comScore, 2011b).

3.1.3. Data source and content analysis

We used the 2011 *Entrepreneur Annual Franchise 500* list as our primary archival data source. It contains information on the 500 leading franchise chains in the US market. This source has been widely used in empirical research on franchising (e.g., Lafontaine 1992; Lafontaine and Oxley, 2004; Perrigot and Pénard, 2013). During spring 2011, we observed whether each of the 500 franchise chains in the *Entrepreneur* list had a presence or not on LinkedIn. When doing so, the focus was on LinkedIn pages created by franchisors and not those created by franchisees, or employees or even customers. Additionally, in fall 2015, we observed which of the franchisors listed in the 2011 *Entrepreneur Annual Franchise 500* has established LinkedIn pages and the current number of followers for these pages.

A preliminary finding is that 317 franchise chains, (63.4 per cent of the 500 chains under investigation) had a corporate presence on LinkedIn in 2011. By fall 2015, 81 per cent of these 500 chains had a corporate presence on LinkedIn. For the 317 franchise chains that were on LinkedIn in 2011, we conducted a detailed content analysis of their LinkedIn pages. We designed a codebook based on an exploratory study involving twenty LinkedIn pages of companies within and outside the franchise sector. This preliminary study involved two researchers in order to be exhaustive in identifying items to be included in the codebook. All items that were present on each LinkedIn page were listed; the maximum was 14 items. A codebook including these 14 items with “present/not present on the LinkedIn page” for each of the items was then created (see Table 1). A random sample of LinkedIn pages were analysed by a second researcher to ensure analysis consistency.

3.2. Variables

We have two categories of variables: those linked to the characteristics and partnering strategies of the franchise chains and those associated with the content and outcomes of the LinkedIn pages.

3.2.1. Franchise chain characteristics and partnering strategies

The variables linked to the characteristics and partnering strategies of the franchise chains are presented in Table 2, along with descriptive statistics and correlations.

Operationalizations for these variables are largely definitional and have been widely used in the franchising literature. First, *franchise chain age* is defined as the difference between the calendar year when the data set was compiled minus the calendar year when the franchisor started franchising (average=20.30 years). Second, the average *number of franchised stores* is equal to 524.40 stores in the US market. Third, the *percentage of company-owned stores within the chain* is defined as the number of worldwide company-owned stores divided by the number of worldwide stores (franchised and company-owned), with the average in our sample being 6.52 per cent.⁴ Fourth, *franchising fees* are the fees

⁴ We would have preferred to use data that were strictly limited to the US market, but unfortunately such data were not available in the *Entrepreneur Annual Franchise 500* list. However, we expect that this worldwide percentage of company-owned stores offers a close approximation of the percentage of company-owned

Table 1
Extent of information provided on franchisor *LinkedIn* pages.

Items on the <i>LinkedIn</i> page	The item is present on franchisor's <i>LinkedIn</i> page (not present on franchisor's <i>LinkedIn</i> pages) Count	The item is present on franchisor's <i>LinkedIn</i> page (not present on franchisor's <i>LinkedIn</i> pages) Percentage
<i>Extent of Information: franchise chain</i>		
Company logo	233 (84)	73.5 (26.5)
Headquarters address in a written form	181 (136)	57.1 (42.9)
Headquarters address in a map form	181 (136)	57.1 (42.9)
Chart of the stock price	14 (303)	4.4 (95.6)
<i>Extent of Information: recruitment</i>		
Tag "Careers"	25 (292)	7.9 (92.1)
Tag "New hires"	221 (96)	69.7 (30.3)
Statistics on employee's background	270 (47)	85.2 (14.8)
<i>Extent of Information: other social media</i>		
Recent tweets	44 (273)	13.9 (86.1)
Recent blog posts	21 (296)	6.6 (93.4)
"Company" activity on <i>LinkedIn</i>	162 (155)	51.1 (48.9)
"Company" mentioned in the News	102 (215)	32.2 (67.8)
Facebook	0 (317)	0 (100)
Twitter	37 (280)	11.7 (88.3)
YouTube	1 (316)	0.3 (99.7)

n = 317.

paid by franchisees to their franchisor at the beginning of the franchise contract (average = US \$35,667.85).

Similar to [Shane \(1998\)](#), *franchise concept complexity* is measured as the sum of the values (zero and unity) of the dummy variables associated with eight different support services provided by the franchisor to its franchisees: newsletter, meetings, toll-free phone line, grand opening, Internet, security/safety procedures, field operations/evaluations and purchasing cooperatives (as provided by the *Entrepreneur Annual Franchise 500* list under the tag "ongoing support"). The mean value is 5.86 (out of a maximum of 8). *Franchisor marketing communications* is measured as the sum of the values (zero and unity) of the following four dummy variables associated with franchisor consumer marketing communication activities: co-op advertising, ad slicks, national media and regional advertising (as provided by the *Entrepreneur Annual Franchise 500* list under the tag "marketing support"). This is based on extant conceptualizations of the degree of consumer marketing support provided by a franchisor to franchisees ([Dickey and Ives, 2000](#)). The mean value is 2.38 (out of a maximum of 4).

Finally, we use information on franchisors' qualification expectations for prospective franchisees ([Kacker et al., 2015](#)). First, *management skills* is a dummy variable with unity value for franchisors looking for prospective franchisees with these particular skills (zero if not) – 8 per cent of the franchisors seek prospective franchisees with management skills. Second, *marketing skills* is a dummy variable with unity value for franchisors seeking prospective franchisees with these particular skills (zero if not) – 40 per cent of the sampled franchisors want prospective franchisees with marketing skills. Third, *general business experience* is a dummy variable with unity value for franchisors searching for prospective franchisees with this kind of previous experience (zero if not) – 70 per cent of the sampled franchisors search for

prospective franchisees with general business experience. Fourth, *industry experience* is a dummy variable with unity value for franchisors seeking prospective franchisees with this kind of previous experience (zero if not) – 24 per cent of the sampled franchisors want prospective franchisees with industry experience.

3.2.2. *LinkedIn* pages' content

The variables associated with the content and number of followers in 2011 for the 317 franchisors' *LinkedIn* pages examined are also presented in [Table 1](#) (for the dummy variables) and in [Table 2](#) (for the metric variables). In addition, descriptive statistics about the number of followers in 2015 are contained in [Table 2](#). Particularly noteworthy is the fact that the average number of followers went up from 508.34 in 2011 to 6292.88 in 2015 – this suggests that the widespread use of *LinkedIn* only took off after 2011 and that the platform was still in a relatively early or intermediate stage of diffusion in 2011.

We have fourteen dummy variables corresponding to the presence (unity value) or absence (zero value) of specific content on the franchisor's *LinkedIn* page (e.g., presence of the company logo or not). We measure the overall extent of information provided on the franchisors' *LinkedIn* page through the sum of these fourteen items (average: 4.72 out of 14). We also use these fourteen dummy variables to create the following three information-focused variables: the *extent of information related to the franchise chain* (average: 2.75 out of 4); the *extent of information related to recruitment* (average: 1.64 out of 3); and the *extent of information related to other social media* (average: 0.32 out of 7). Each of these variables is the sum of the relevant dummy variables. Two other variables allow us to measure the outcomes for the *LinkedIn* page. The measurement of the number of followers is relatively straightforward – on average a franchisor's *LinkedIn* page has 508.34 followers in 2011 and 6,292.88 in 2015.⁵

(footnote continued)

stores within the US market, since most US franchisors locate only a small percentage of their units in foreign markets. [Lafontaine and Oxley \(2004\)](#), who faced the same data constraint, found very similar results whenever it was possible to compare domestic and worldwide figures. [Perrigot et al. \(2013b\)](#) also experienced this issue when they explored the impact of the percentage of company-owned stores on chain internationalization strategies.

⁵ The process of content analysis of the *LinkedIn* pages was carried out in spring 2011. We thus have a one-year time lag between the secondary information on the franchise chains collected through the 2011 *Entrepreneur Annual Franchise 500* thus displaying the 2010 figures and the other information collected through the observation of the *LinkedIn* pages in 2011. The use of lagged independent variables to account for endogeneity is in keeping with practices widely adopted in extant franchising research (e.g., [Lafontaine, 1992](#)).

Table 2
Descriptive statistics and correlation values for franchise chains.

	N	Mean	Standard deviation	1.	2.	3.	4.	5.	6.	7.	8.	9.	10.	11.
1. Franchise chain age	499	20.30	13.50	1	0.325***	0.056	0.056	0.215***	0.211***	0.135**	0.126**	0.163***	−0.015	0.350***
2. Number of franchised units within the US market	498	524.40	1534.72		1	−0.016	−0.001	0.074	0.075	0.180***	0.149***	0.252***	−0.014	0.531***
3. Percentage of company-owned units within the chain	498	6.52	13.40			1	0.046	−0.070	−0.033	0.023	0.017	0.100	−0.071	0.136**
4. Franchising fees	499	35667.85	27240.54				1	0.042	−0.003	0.154***	0.141**	0.104	0.079	0.127**
5. Franchise concept complexity	499	5.86	2.41					1	0.670***	0.077	0.074	−0.004	0.092	0.073
6. Franchisor marketing communications	499	2.38	1.42						1	0.105	0.113**	−0.001	0.091	0.107
7. Overall extent of information	317	4.72	2.526							1	0.922***	0.627***	0.549***	0.313***
8. Information extent: franchise chain	317	2.7539	1.75637								1	0.410***	0.331***	0.276***
9. Information extent: recruitment	317	1.6435	0.80095									1	0.084	0.280***
10. Information extent: other social media	317	0.3249	0.73677										1	0.110**
11. Number of followers in 2011	317	508.34	1,651.408											1
12. Number of followers in 2015	405	6292.88	28037.22											
13. Industry	500	0.87	0.33											
14. International dimension	499	0.57	0.50											
15. Management skills	499	0.08	0.27											
16. Marketing skills	499	0.40	0.49											
17. General business experience	499	0.70	0.46											
18. Industry experience	499	0.24	0.43											

*** Significant at 0.01 level.

The information in Table 1 shows that the content of the franchisors' *LinkedIn* pages varies across franchise chains, with some content present on most *LinkedIn* pages (e.g., statistics on employees and franchise chain logo) while other content is very rarely present on the *LinkedIn* pages (e.g., tag "Careers" and recent blog posts). Considerable variation is also observed in the number of followers for both 2011 and 2015. The high values of standard deviation indicate heterogeneity across *LinkedIn* pages. This variation is meaningful as it suggests that there is potential room for improvement in how franchisors use *LinkedIn*.

3.2.3. Control variables

In addition to the variables mentioned above, we use other franchise chain characteristics – specifically, the industry in which the franchisor operates its business and the international dimension of the chain – as control variables in our empirical analyses. These characteristics have been used as control variables in other studies on franchising (e.g., Dant et al., 2008).

Industry represents the industry in which the franchisor operates its business. In keeping with the extant literature (e.g., Barthélemy, 2008; Dant et al., 2008; El Akremi et al., 2011; Perrigot, 2006; Perrigot et al., 2013b), it is coded as a dichotomous variable (with zero value for chains in the retail sector – e.g., apparel, cosmetics – and unity value for chains in the service sector – e.g., homecare services, hotels, restaurants). In our study, 87 per cent of the sampled franchisors operate their business in the service sector. *International dimension* is coded as a dummy variable with zero value for purely-domestic chains, and unity value for chains with international operations. A total of 57 per cent of the sampled franchisors have franchised stores outside the US market.

Before evaluating our research hypotheses, we checked for multicollinearity. The Variance Inflation Factors (VIFs) were all less than two, thus indicating very little likelihood of any

multicollinearity in the parameter estimates (Hair et al., 2009). The normality of dependent and independent variables for the regression models using were also investigated using Kurtosis and Skewness tests. We used the logarithms of some variables in order to account for this non-normality (Barthélemy, 2008; Sorenson and Sørensen, 2001).

4. Results

4.1. *LinkedIn* adoption by franchisors

We first test the set of hypotheses related to the adoption of *LinkedIn* by franchisors. Logistic regression analysis enables us to assess the effects of franchise chain characteristics, franchisor communications and franchisor qualification expectations on *LinkedIn* adoption by franchisors. Table 3 displays results of these analyses.

The R^2 values are equal to 10.6 per cent (Cox and Snell) and 14.8 per cent (Nagelkerke). The values of the Hosmer-Lemeshow test [6.367; sig=0.606] and the fact that 71.7 per cent of the franchise chains are correctly classified by the model suggest that the model is appropriate. The results of the logistic regression model show that, first, the number of franchised stores in the US market [coef=0.357; $p < 0.01$], franchising fees [coef=0.393; $p < 0.10$], franchisor marketing communications [coef=0.309; $p < 0.05$] and franchisor qualification expectations of prospective franchisees with marketing skills [coef=0.675; $p < 0.05$] have significant and positive effects on the probability for a franchisor to be present on *LinkedIn*. Thus, hypotheses H1a, H4a and H7a are supported and H6a is partly supported. Second, franchise concept complexity [coef=−0.198; $p < 0.05$] and franchisor qualification expectations of prospective franchisees with general business experience

Table 3
Determinants of franchisor adoption of *LinkedIn* – logistic regression analyses.

	Hypotheses	Franchisor adoption of <i>LinkedIn</i>			
		B	Standard Error	Sig	Exp(B)
Logarithm (number of franchised units)	H1a: +	0.357	0.133	0.007	1.429
Logarithm (franchise chain age)	H2a: +	-0.133	0.226	0.555	0.875
Logarithm (percentage of company-owned units within the chain)	H3a: +	-0.089	0.099	0.369	0.915
Logarithm (franchising fees)	H4a: +	0.393	0.232	0.090	1.482
Industry		-0.499	0.478	0.297	0.607
International dimension		0.067	0.293	0.819	1.069
Franchise concept complexity	H5a: +	-0.198	0.085	0.020	0.821
Management skills	H6a: +	-0.228	0.480	0.634	0.796
Marketing skills	H6a: +	0.675	0.312	0.031	1.965
General business experience	H6a: +	-0.653	0.382	0.087	0.520
Industry experience	H6a: +	-0.200	0.341	0.557	0.819
Franchisor marketing communications	H7a: +	0.309	0.133	0.020	1.363
Constant		-3.400	2.525	0.178	0.033
Cox and Snell R ²		10.6%			
Nagelkerke R ²		14.8%			
Hosmer and Lemeshow test (sig)		6.367 (0.606)			
Correctly classified		71.7%			
Chi-Square (sig)		31.175 (0.002)			

[coef = -0.653; $p < 0.05$] have a significant and negative influence on the probability for a franchisor to be present on *LinkedIn*. Therefore, H5a is contradicted and H6a is partly contradicted. Finally, franchise chain age, the percentage of company-owned stores within the chain, industry (retailing *versus* services), international dimension (purely-domestic *versus* international), franchisor qualification expectations of prospective franchisee management skills and industry experience do not have any significant effect on the probability for the franchisors to be present on *LinkedIn*. Thus, we do not find support for hypotheses H2a and H3a. Regarding H2a, it is possible that mature franchise chains have relatively older franchisees that may not encourage franchisor adoption of innovative technologies such as *LinkedIn*. Additionally, such chains may be more likely to be seeking fewer new franchisees and, therefore, have weaker motives to adopt communicating through professional social media networks to attract new franchisees. In contrast, younger firms may be more likely to pursue an aggressive expansion strategy as they may need a larger number of new franchisees to start new outlets.⁶ For H3a, the hypothesized effect may be negated by other factors that favour a positive relationship between the percentage of franchised stores and *LinkedIn* adoption. For example, the growth strategy of the franchise chain may be relevant – chains that are more aggressively focused on franchising may have a stronger interest in utilizing *LinkedIn* to attract prospective franchisees. For H5a, a possible explanation may also be found in the potential link between the complexity of a franchise concept and the aggressiveness of the growth strategy pursued by the franchisor and, consequently, the need to actively reach and attract franchisees through a professional social media network. More complex concepts may require a franchise chain to grow at a relatively slower rate in order to ensure that it can maintain the quality of its various services to

franchisees as the chain grows over time. Another possible explanation for this result is that, for more complex franchise concepts, the franchisor already interacts extensively with its franchisees and employees and therefore does not perceive substantial incremental benefits from having a presence on *LinkedIn*. The results for H6a suggest that variations in the level of qualification requirements for prospective franchisees do not comprehensively impact the decision to be on *LinkedIn*.

4.2. Extent of information provided on franchisors' *LinkedIn* pages

We use OLS linear regression models to assess the effects of franchise chain characteristics, franchisor communications and franchisor qualification expectations of prospective franchisees on the extent of information provided on the franchisors' *LinkedIn* pages. Estimation results are displayed in Table 4.

The R² value is equal to 17.6 per cent. The estimation results show that, first, franchise chain age has a significant and negative influence on the extent of information provided on the franchisors' *LinkedIn* pages [coef = -0.526; $p < 0.10$]. Thus, hypothesis H2b is contradicted. Second, the number of franchised stores in the US [coef = 0.761; $p < 0.01$] and the franchising fees [coef = 0.704; $p < 0.05$] have a significant and positive influence on the extent of information provided on the franchisors' *LinkedIn* pages. Therefore, hypotheses H1b and H4b are supported. Finally, the percentage of company-owned stores within the chain, franchisor marketing communications, franchise concept complexity and franchisor qualification expectations for prospective franchisees do not have any significant influence on the extent of information provided on the franchisors' *LinkedIn* pages. Thus, hypotheses H3b, H5b, H6b and H7b are not supported. The results for H2b contradict our rationale but echo some of the post hoc reasoning for H2a – it is likely that age is not just an indicator of intangible assets but also one for organizational inertia and growth strategy, with relatively older chains less willing to extensively use an innovation and less in need of aggressively pursuing prospective franchisees. Similarly, the lack of support for H3b, H5b and H6b may be explained by logic similar to that advanced for explaining the results for H3a, H5a and H6a. For H7b, it is possible that franchisors with a high level of marketing communications may not receive substantial incremental benefits from providing extensive information on *LinkedIn*; for them, the legitimacy of being on *LinkedIn* may be enough.

4.3. Number of followers of franchisors' *LinkedIn* pages

OLS linear regression analyses also enable us to assess the influence of the nature of information on a franchisor's *LinkedIn* page (in terms of the extent of information related to other social media, to recruitment and to the company) – controlling for industry and the international dimension – on the number of followers of the franchisor's *LinkedIn* page. Estimation results are presented in Table 5.

The R² value is equal to 51.1 per cent. First, the extent of information related to recruitment [coef = 0.901; $p < 0.01$] and related to the franchise chain [coef = 0.368; $p < 0.01$] have a significant and positive influence on the number of followers. Second, the international dimension has a significant and positive influence on the number of followers [coef = 0.641; $p < 0.05$]. Finally, the extent of information related to other social media and the industry (retailing *versus* services) do not have any significant influence on the number of followers. Therefore, hypotheses H8b and H8c are supported, while hypothesis H8a is not. A possible explanation for the lack of support for H8a may be that the other social media networks are consumer-focused and possibly of not much relevance to the orientation and interests of prospective

⁶ We are grateful to an anonymous reviewer for this insight.

Table 4
Determinants of extent of information provided on franchisor *LinkedIn* pages – linear regression analyses.

	Hypotheses	Extent of information provided on franchisor <i>LinkedIn</i> pages			
		B	Standard Error	Sig	VIF
Logarithm (number of franchised units)	H1b: +	0.761	0.161	0.000	1.905
Logarithm (franchise chain age)	H2b: +	–0.526	0.294	0.076	1.613
Logarithm (percentage of company-owned units within the chain)	H3b: +	0.000	0.122	0.998	1.370
Logarithm (franchising fees)	H4b: +	0.704	0.306	0.023	1.052
Industry		–0.051	0.535	0.924	1.032
International dimension		0.210	0.372	0.573	1.162
Franchise concept complexity	H5b: +	–0.114	0.101	0.262	2.184
Management skills	H6b: +	0.284	0.652	0.664	1.049
Marketing skills	H6b: +	–0.120	0.382	0.754	1.210
General business experience	H6b: +	0.095	0.462	0.837	1.524
Industry experience	H6b: +	0.190	0.437	0.663	1.302
Franchisor marketing communications	H7b: +	0.185	0.166	0.268	1.998
Constant		–5.038	3.295	0.128	
ANOVA		3.176 (0.000)			
R ²		17.6%			

Table 5
Determinants of number of followers of franchisor *LinkedIn* pages-linear regression analyses.

	Hypotheses	Logarithm (Number of followers)			
		B	Standard Error	Sig	VIF
Extent of information: other social media	H8a: +	0.071	0.101	0.479	1127
Extent of information: recruitment	H8b: +	0.901	0.096	0.000	1211
Extent of information: franchise chain	H8c: +	0.368	0.047	0.000	1365
Industry		0.334	0.209	0.110	1003
International dimension		0.641	0.144	0.000	1030
Constant		1.508	0.256	0.000	
ANOVA		64.486 (0.000)			
R ²		51.1%			

Table 6
Relationship between *LinkedIn* presence in 2011 and number of followers of franchisor *LinkedIn* pages in 2015 – linear regression analyses.

	Hypothesis	Logarithm (number of followers in 2015)		
		B	Standard Error	Sig
Franchisor presence on <i>LinkedIn</i> in 2011	H9a: +	1.318	0.196	0.000
Industry		0.320	0.265	0.228
International dimension		0.710	0.180	0.000
Constant		5.312	0.305	0.000
F Statistic		21.683 (0.000)		
R ²		14%		

franchisees.

OLS linear regression analyses were also used to examine effects on the number of followers in the longer term. Estimation results are contained in [Tables 6 and 7](#).

[Table 6](#) reveals that Franchisors who had a *LinkedIn* page in 2011 have significantly more followers in 2015 than franchisors that did not have a *LinkedIn* page in 2011 [coef=1.318; $p < 0.01$]. [Table 7](#) shows that the number of followers that a franchisor had in 2011 had a significant positive effect on the number of followers

Table 7
Relationship between number of followers of franchisor *LinkedIn* pages in 2011 and 2015 – linear regression analyses.

	Hypothesis	Logarithm (Number of followers in 2015)		
		B	Standard Error	Sig
Logarithm (number of followers in 2011)	H9b: +	0.718	0.044	0.000
Industry		0.061	0.210	0.770
International dimension		0.740	0.152	0.628
Constant		3.777	0.274	0.000
F Statistic		98.309 (0.000)		
R ²		51.1%		

in 2015 [coef=0.718; $p < 0.01$]. Thus, hypotheses H9a and H9b are supported. Together, these results provide some support for our decision to study franchisor adoption of *LinkedIn* in 2011 and show the long term beneficial effects of the adoption decision during the early and intermediate stages of the life cycle of a technology.

5. Discussion

5.1. Summary of the findings

Our findings shed light on how a franchisor's characteristics and partnering strategies impact its adoption and use of *LinkedIn* for attracting and retaining franchisees and employees and how a franchisor's use of *LinkedIn* influences the number of followers of its *LinkedIn* page.

One key result is that franchisor adoption of *LinkedIn* is positively influenced by franchise chain size, franchising fees, franchisor marketing communications and franchisor qualification expectations for prospective franchisees (as hypothesized). We also find that, contrary to our hypothesis, franchisor adoption of *LinkedIn* is negatively affected by franchise concept complexity. Two possible explanations may exist for this result. First, franchise chains with more complex franchise concepts may need to grow (and therefore seek prospective franchisees) less aggressively. Second, franchisors with more complex concepts may already interact regularly with franchisees and employees and not feel the need to have a presence on *LinkedIn*.

A second important finding is that, among franchisors who

adopt *LinkedIn*, the extent of use of *LinkedIn* is positively impacted by franchise chain size and franchising fees (as hypothesized) and negatively affected by franchise chain age. The latter result is contradictory to our hypothesis and suggests that although older chains may have greater resources, they may also be somewhat more rigid and bureaucratic and, consequently, less likely to extensively develop their *LinkedIn* page. An implication of this could be that the desire for institutional legitimacy and the consequent institutional isomorphism (DiMaggio and Powell, 1983) plays a key role in explaining adoption of *LinkedIn* by older chains. Once such chains set up *LinkedIn* pages, they do not invest in creating a rich *LinkedIn* page.

A third key result is that the number of followers of franchisors' *LinkedIn* pages are positively impacted by the extent of information about franchise chain and recruitment. What is notable is that the extent of information about a franchisor's presence on other social media networks has very little impact on the number of followers of its *LinkedIn* page.

A fourth important finding (from our analysis of long term effects) is that the number of followers in the longer term (2015) is positively impacted by whether the franchisor had a presence on *LinkedIn* in 2011 and, for these franchisors, by the number of followers that their *LinkedIn* pages had in 2011.

Finally, it is important to note that the extent of forward vertical integration (measured in terms of the percentage of company-owned units) did not have any effect on franchisor adoption or extent of use of *LinkedIn*. This stands out in contrast to the findings of Perrigot et al. (2012) who found a positive association between this variable and the adoption and extent of use of *Facebook*. This difference could be reconciled by three factors. First, a franchisor's presence on *LinkedIn* performs a wider range of functions (compared to *Facebook*), some of these functions do not have a direct impact on revenues (e.g., enterprise management functions such as recruiting) and the focus is on potential and current franchisees and employees (rather than consumers, as is the case for *Facebook*). Second, the differing geographic contexts (and their implications for the cultural, economic and regulative environments faced by franchisors) of the two studies may also have a role to play. Third, the Perrigot et al. (2012) study took place at a relatively earlier stage of the lifecycle of the social media network that was studied.

5.2. Contributions to research

Our research makes contributions to existing literatures. First, our work contributes to the literature on franchising and the Internet (Cedrola and Memmo, 2009; Dixon and Quinn, 2004; Floriani and Lindsey, 2001; Fontenot et al., 2006; Plave and Miller, 2001; Perrigot and Pénard, 2013; Perrigot et al., 2013a), and more specifically on the nascent stream of literature dealing with adoption and use of social media networks in franchising (Perrigot et al., 2012). Compared to the Perrigot et al. (2012) study, we focus on a professional social media network (*LinkedIn*) as opposed to a consumer-focused social media network, consider a wider range of social commerce activities performed through *LinkedIn* as well as a larger set of organizational strategies that explain franchisor adoption and use of *LinkedIn*, and measure some short and long term effects of these decisions (in terms of the number of followers). In doing so, our research also contributes to the broader literature on business use of professional social media networks – e.g., we go further than Witzig et al. (2012) who explored the use of *LinkedIn* by non-profits, large corporations and small businesses limiting their empirical study to a description of the practices. Our paper also contributes to the literature on organizational adoption and use of innovations – much of the research in this literature has ignored interorganisational factors and concentrated on intra-organisational characteristics and strategies as antecedents of organizational

innovation adoption and use (Frambach and Schillewaert 2002). We address this gap and, in doing so, also answer Lafontaine's (2014) call for more research on the adoption of new technologies in franchise chains. Finally, our study enriches the literature on interorganizational communication (Perrigot et al., 2011) and human resource management (Brand and Croonen, 2010; Grünhagen et al., 2013) for franchise chain development (Bradach, 1998) by examining franchisor communication strategies for attracting and retaining franchisees, managers and employees.

5.3. Contributions to practice

Many papers on the use of social media in the franchise sector have been recently published in the trade press, suggesting increasing interest among franchise professionals in this new mode of communication (Bauer, 2010). With this research, some of the questions and concerns of these franchise professionals are addressed. Our findings yield a number of managerial implications for franchise chains using social media platforms for business marketing communications and enterprise management. First, 63.4 per cent of our sampled franchisors had a corporate presence on *LinkedIn*. This percentage is quite high (and had risen to 81% by 2015) and should encourage those that are not present on *LinkedIn* to consider such social media networks for business marketing communication purposes. The need for them to do so is illustrated by our finding that having a *LinkedIn* page in 2011 had a significant positive impact on the number of followers in 2015. Second, we highlight the main determinants of franchisor presence on *LinkedIn*, in terms of chain characteristics and partnering strategies. This information can help franchisors consider, based on their own profile, the relevance of investing in a professional social media network presence. Third, from a benchmarking perspective, information on the extent of information provided on the *LinkedIn* pages content (and its determinants) can help franchisors build and/or enrich their *LinkedIn* pages. Indeed, there is still some room for improvement. For example, 26.5 per cent of the sampled franchisors did not display the logo of their brand on their *LinkedIn* page. Fourth, our findings regarding outcomes provide insights to franchisors regarding information to be included on their *LinkedIn* pages.

Our research also has managerial implications for business marketing or enterprise management oriented emerging social media networks. Our findings shed light on the characteristics and strategies of firms that adopt and do not adopt such networks by the intermediate stage of the diffusion of the platform. These emerging social media networks can use insights from our results to proactively target organizations that fit the profile of late adopters in order to accelerate the growth of their platforms.

5.4. Limitations and suggestions for future research

Our work has some limitations that future research could address. First, our research is based on secondary data; this involves the traditional limits associated with secondary data. A research study based on primary data (for example, either qualitative data stemming from interviews with franchisors and/or prospective franchisees or quantitative data collected through a survey on franchisors and/or prospective franchisees) could enhance our understanding of the use of professional social media networks in franchising. It is important to mention that the prospective franchisee perspective could bring useful insights on the use of *LinkedIn* by franchisors. Their perceptions could help the franchisors to optimize the content of their *LinkedIn* pages. Second, our empirical study only deals with US franchisors. Future research (e.g., an exploration of franchisor communication on social media in different markets) could pursue the direction encouraged by Dant

et al. (2008) who underlined the importance of studying franchising issues in markets other than the US. Third, data on additional variables can be potentially collected and used to explain franchisor adoption and use of professional social media networks. For example, variables that richly capture franchisor growth strategies (e.g., either measured in number of new franchised stores over a specific period of time or as a dummy variable according to the whether they do or do not advertise franchise opportunities in their chain) as well as internationalization strategies may shed considerable additional light on the questions studied here. Fourth, our empirical study focuses on a professional social media network (*LinkedIn*). Future studies could jointly investigate a franchisor's use of multiple social media platforms, including professionally-oriented networks as well as consumer-focused networks like *Twitter*, *Instagram* and *Pinterest*. Fifth, other determinants of the adoption and use of *LinkedIn* by franchisors could be considered. They could be highlighted through in-depth interviews with franchisors and/or questionnaire-based surveys of franchisors. Sixth, further research could examine the adoption and use of social media by both the franchisor and its franchisees and their impact on chain uniformity, brand image maintenance and customer behaviours – the work of Perrigot et al. (2013a, 2013b) on franchisee websites and chain uniformity is relevant in this regard. Seventh, we focus on resource-based and economic theories; future research could incorporate other theoretical perspectives that may offer additional insights and explanations for franchisor adoption and use of social media.

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