

Value Co-creation in Franchise Chains on Social Media

Abstract

The aim is to investigate the relationship between the structuring factors of franchise chains and the value co-creation by consumers (VCC) through their interaction on social media. The sample comprises the 100 largest franchise chains operating in Brazil in terms of units. The social media analysed was Facebook, and the data was extracted using Facepager. The dependent variable for measuring VCC was the likes issued by consumers. The independent variables were metrics of the franchise chains' fundamentals. We tested the hypotheses using multiple regression analyses with a log-transformed dependent variable. The results support H1, showing a relationship between value creation resulting from HR training and VCC. H2 is supported by the fact that consumer satisfaction with the brand is correlated with VCC. H3, involving the relationship between franchise performance and VCC, was supported. H4 was not confirmed; it was based on the idea that the composition of the HR, brand and performance elements would impact VCC. H5, which relates to the creation of value by the franchisor, is associated with brand awareness, and VCC was supported with a modest coefficient.

Keywords: Value Creation; Value Co-creation; Social Media; Franchise Chains.

1 INTRODUCTION

Franchise chains are a model based on physical retail, through a contractual relationship between the franchisor and franchisees who contribute capital and labour to join these business franchises. The franchisor is responsible for selecting franchisees, training, technological development, branding and products. The condition of satisfied franchisees and consumers refers to the challenge of the continuity of franchises and business management in the face of the various transformations in society, implying changes in consumer behaviour and desires (Lafontaine, 1992; Shane & Foo, 1999; Madanoglu & Castrogiovanni, 2018; Sashi & Brynildsen, 2022).

In turn, this business model, consolidated over more than half a century of operation, has faced challenges arising from intense technological developments. This has led to major transformations in the ways in which people interact with brands, especially involving younger generations who are more immersed in the digital environment (Hesham, Riadh & Sihem, 2021; Gu et al., 2021; Dvorak, Komarkova, & Stehlik, 2021).

Given this scenario, social media is a technological tool capable of providing immediate interaction with customers at lower costs and greater value for them than traditional means of customer service (Rashid, Wassem & Azam, 2019). Thus, social media can be understood as technological ecosystems, capable of enabling permanent exchanges of knowledge and value creation for companies and consumers. This makes them an effective means of communication for co-creating value with consumers, involving greater real-time contact between companies and consumers, favouring more dynamic adjustments to expectations and needs (Rashid, Wassem & Azam, 2019; Zhang et al, 2020; Namisango, Kang & Rehman, 2021).

Therefore, considering *value* as the central concept of this research, its definition needs to be understood by franchisors, franchisees and consumers. Metrics such as the result of capturing value created in a financial dimension for franchisors do not provide precise information on how to understand the value measured by franchisees and

consumers (Bonamigo et al., 2020; Ju, Chocarro & Martín, 2021; Namisango, Kang & Rehman, 2021). Value for franchisees is associated with offering experiences, involving the ability to attract and retain consumers (Kumar & Reinartz, 2012; Grewal et al., 2016). Consumers perceive value as the difference between the fulfilment of needs and the cost of accessing that fulfilment (Parasuraman et al., 1988; Zeithaml, 1988). In short, companies are responsible for creating value for consumers through actions such as customising services, access to digital platforms, sales promotions, brand associations and symbolism. Value creation can therefore be assessed by multiple indicators such as financial returns, levels of customer satisfaction and customer retention.

As a result of this condition, companies have come to recognise the importance offering conditions for greater engagement and, consequently, co-creation of value by consumers, adopting strategies aimed at building longer-lasting relationships with greater value for the brands of more engaged consumers (Yu, Liu & Zheng, 2019; Grönroos, 2008; Sashi & Brynildsen, 2022). Within the scope of franchise chains, the value creation process involves activities between the franchisor, franchisees and consumers. Franchise chains have therefore intensified their presence on social media as a strategic channel for communication and, above all, interaction with consumers, focusing on value co-creation.

However, studies on the process of value co-creation by consumers of franchise chains are still scarce, indicating research gaps to be explored (Dant et al., 2011; Paswan et al., 2014; Sashi & Brynildsen, 2022). Therefore, research opportunities arise when exploring the transformations in value co-creation dynamics from an *offline* past to an *online* present for companies in various sectors (Rashid, Wasseem & Azam, 2019; Namisango, Kang & Rehman, 2021). In this way, identifying the dimensions of value creation on social media allows managers prioritise services that are more aligned with market interests, consumers and increased engagement on social media (Sorensen, Andrews & Drennan, 2017; Rashid, Wasseem & Azam, 2019; Namisango, Kang & Rehman, 2021; Sashi & Brynildsen, 2022).

When examining academic studies on consumers in digital media, we find conceptual perspectives based on *customer loyalty* and *gratification theory* (Kim et al., 2019; Rashid, Wasseem & Azam, 2019) and *value creation* in social media environments (Ketonen-Oksi et al., 2016). It seems that academic research on franchise chains in social media is scarce in high-impact journals. Furthermore, studies involving franchises and social media, e.g., Facebook, Twitter/X, LinkedIn, are mostly aimed at analysing the structuring elements of these media based on economic and consumer engagement theories (Perrigot et al., 2012; Kacker & Perrigot, 2016; Calderón-Monge & Ramírez-Hurtado, 2021). The discussion of value co-creation for franchise chains on social media is limited to one publication examining the relationship between size and growth indicators (Sashi & Brynildsen, 2022).

This paper aims to examine the relationship between the structuring factors of franchise chains and the value co-creation by consumers through their interactions on social media. An expanded perspective of the traditional model has been considered, incorporating consumer interactions in digital environments to enhance the understanding of value creation amidst this complexity. The structuring factors of franchise chains serve as the foundation of this business model, encompassing franchise's maturity, size, franchisee support, brand equity, maintenance fees, and growth capacity. Various studies of these factors in different competitive contexts are notable (Lafontaine, 1992; Combs & Castrogiovanni, 1994; Castrogiovanni & Justis, 2002; Elango, 2007; Mariz-Pérez & García-Álvarez, 2009; Melo, Borini & Carneiro-da-Cunha, 2014; Melo et al., 2015; Calderón-Monge & Ramirez-Hurtado, 2021; Sashi &

Brynildsen, 2022).

In turn, the contribution of this research is geared towards advancing knowledge in theoretical gaps related to understanding the value co-creation in franchise chains, involving the convergence between digital media on social media and physical retail. The aim is to identify a more comprehensive approach to the co-creation of value promoted by the franchisor-franchisee-consumer relationship. Specifically, this research considers *theoretical gaps* relating to (i) *value co-creation* (Grönroos, 2008; Sorensen, Andrews & Drennan, 2017; Yu, Liu & Zheng, 2019; Bonamigo et al., 2020); (ii) *value creation in social media* (Brandt et al., 2017; Rashid, Wassem & Azam, 2019; Zhang et al., 2020; Namisango, Kang & Rehman, 2021; Ju, Chocarro & Martín, 2021) and, (iii) *franchise chains in social media* (Sashi & Brynildsen, 2022; Calderón- Monge & Ramírez-Hurtado, 2021; Kacker & Perrigot, 2016; King, 2016; Perrigot et al., 2012).

2 THEORETICAL FRAMEWORK

2.1 Value Co-creation on Social Media

The literature on customer value comprises multiple perspectives of analysis, generally associated with the hierarchy of needs, which can be grouped into four categories: functional, emotional, life-changing and social impact. Understanding consumers' desires offers a decisive way of creating value in the relationship between companies and consumers, thus building loyalty with brands and developing offers. Studies into the creation of value by companies have focused on understanding digital competitiveness on social media. This is where the behaviour of stakeholders on social media is verified, including the languages used and forms of engagement (Shang et al., 2006; Sorensen, Andrews & Drennan, 2017).

Different categories of analyses were identified in studies on value creation on social media, and among these, active interaction aimed at "*business-to-customer*" communication was highlighted (Ju, Chocarro & Martín, 2021). This type of communication relates to the production of content by companies oriented towards information, entertainment, offers of goods and services, aimed at attracting consumers (Li et al., 2020; Yu et al., 2020; Bu et al., 2020). Another characteristic highlighted focuses on "*customised services*", consisting of studies on communication aimed at consumers with services linked to commemorative dates, tourist experiences and exclusive gifts (Andrews et al., 2016; Grewal et al., 2016; Stienmetz et al., 2021).

In addition to these, there are categories pointed out in Ju, Chocarro & Martín (2021) that involve (i) "*promotions and discounts*" based on offering coupons and discounts on sale purchases (Andrews et al., 2016; Tang et al., 2019), (ii) "*brand image*" related to the presentation of the organisation's attributes (Bianchi & Andrews, 2015; Bolat et al., 2016) and; (iii) "*customer relationship management*" linked to symbolism, related to consumer loyalty to brands and concern for customer solutions (Liu et al., 2019; Wilson-Nash et al., 2020). These categories give rise to effective relationship actions in the search for increased benefits and/or reduced purchasing effort for consumers on social media, resulting in increased value for these customers.

In turn, value co-creation (VCC) is a fundamental concept from the perspective of *Service-Dominant Logic* (Vargo & Lusch, 2004). It disrupts the existing understanding that views value as a result of both a company's actions and the passive role of the customer. VCC is a value proposition generated jointly by companies, consumers and other stakeholders through interactions, experiences and collaborative actions (Vargo & Lusch, 2008). This manifestation occurs not only at the time of the

transaction but also during the interaction between those involved, associated with the consumer experience (Prahalad & Ramaswamy, 2004). VCC is based on the active engagement of consumers in various activities (e.g., product design, service delivery, collaborative innovation), and is crucial in customer-based innovation processes (Chandler & Vargo, 2011).

Studies on VCC have utilized various supporting theories, including: (i) "*social exchange theory*", which posits that social interactions are exchanges where parties aim to maximize rewards; (ii) "*gratification theory*", which suggests that social media engagement arises from consumer satisfaction; and (iii) "*self-determination theory*", which focuses on basic psychological needs like autonomy, competence, and relatedness. These theories imply potential connections between users' motivation levels in VCC and their perceived usefulness of actions on social media (Tiago & Verissimo, 2014; Cheung & To, 2016; Rashid, Wassem & Azam, 2019).

2.2 Franchise Chains on Social Media

A *landmark* contribution to the academic literature on franchise chains in social media is the research by Perrigot et al. (2012). This study aimed to explore the factors influencing social media use among franchise chains, focusing on how these chains are structured and their presence on *Facebook*. The analysis considered various elements, including the age of the chain, size, ownership structure, advertising rates, sector, and level of internationalisation. The findings revealed that chains with more units, a higher proportion of owned units, greater advertising rates, and a strong retail presence tend to be associated with a more significant presence on *Facebook*.

Since then, different studies have been developed and dedicated to investigating the value creation and co-creation in social media (Fagerstrøm & Ghinea, 2011; Luo et al., 2015; Singaraju et al., 2016; Cheung et al., 2016; Tajvidi et al., 2017). In relation to the discussion on value co-creation in franchise chains through social media, the research by Sashi & Brynildsen (2022) stands out. These authors sought to understand the relationship between consumer participation in social media and the value co-creation in franchise chains. This involved analysing the increase in shared value between the franchisor, franchisees and consumers.

Sashi & Brynildsen (2022) analysed the impact of franchise chain size and its relationship with *word-of-mouth communication* on Twitter in 200 food chains. The analyses considered *retweets*, the number of followers (loyalty), and *likes* (favourites) on social media. The results show a positive correlation between a franchise chain's turnover and its social media followers, suggesting that larger chains can effectively leverage their digital presence. However, the research reveals that the number of *likes* is not directly linked to franchise size, highlighting that smaller chains can still perform well even with fewer followers.

Kacker & Perrigot (2016) examined the 500 largest American franchise chains, exploring the link between organisational characteristics and *LinkedIn* adoption. Their research considered factors such as size, age, ownership structure, fees, service packages, and marketing support. They found that larger franchise chains, higher fees, and better marketing support correlated with increased *LinkedIn* usage. Notably, younger franchise chains exhibited a stronger digital presence, highlighting their generational adaptability in the online environment.

Calderón-Monge & Ramírez-Hurtado (2021) examined consumer engagement on social media in relation to the structuring elements of franchise chains. The key structuring variables analysed included franchise size, age, entry fees, and royalties. The

study found that franchises with higher entry fees and royalties tend to have more engaged consumers on *Facebook* (53 chains) and *Twitter* (46 chains).

3 DEVELOPING HYPOTHESES

3.1 Human Resources Value Creation

Human resources (HR) are a determining factor in performance and, consequently, in potential value creation in retail and services. In this sector, labour is used more intensively and consumers interact more with each other (Zolfagharian & Naderi, 2020; Butler & Muskwe, 2023). In addition, the role of HR management (HRM) in building competences and accessing competitive advantages should be recognised (Malik, Pereira & Budhwar, 2018).

In franchise chains, the contribution of HRM to value creation is noteworthy, including understanding management (Butler & Muskwe, 2023); compliance practices (Ji & Weil, 2015); supervision and compensation (Freedman & Kosová, 2012); franchisor-franchisee relationships (Truss, 2004); franchisee support and training (Litz & Stewart, 2000; Kellner et al., 2014; Melo, Carneiro-da-Cunha, Borini, 2018; Santiago, Lanfranchi et al., 2020; Melo, Carneiro-da-Cunha & Telles, 2022); HR strategies (Weaven & Herington, 2007); HR processes standardisation (Kok & Uhlaners, 2001; Zolfagharian & Naderi, 2020); and the availability of HR (Melo et al., 2020; Melo et al., 2023).

Franchise chains are defined by their standardisation and close supervision of activities, which require franchisees to adhere to the franchisors' rules and operational models. Franchisees rely on franchisors for skill development, shaping franchise chains' value creation and performance (Zolfagharian & Naderi, 2020; Butler & Muskwe, 2023). Consequently, franchisors influence franchisees, who, as retailers, maintain a direct connection with consumers. This dynamic establishes a relationship between franchisees and consumers, influenced by the skills and values imparted through training and interactions within franchise chains (Zolfagharian & Naderi, 2020; Butler & Muskwe, 2023).

Thus, it is understood that franchise chains with franchisees who are more satisfied with the support provided by the franchisor can provide a higher level of value creation for consumers. Therefore, the following hypothesis arises:

H1: Value creation by the franchisor in the training of franchisees' human resources has a positive impact on the value co-creation with consumers.

3.2 Brand Equity Value Creation

The value generated by the brand (*brand equity*) is a decisive factor in the competitiveness of franchise chains, attracting franchisees and consumers. For franchisors, *brand equity* has potential to generate competitive advantage for the business, as well as boosting financial support through royalty income and brand development fees (Badrinarayanan, Suh & Kim, 2016; Wang, Grunhagen, Ji & Zhang, 2020). For franchisees and consumers, the effect propagates positively in a positive correlation between *brand equity* growth, franchisee performance and consumer satisfaction (Crass, Czarnitzki & Tool, 2019; Jang & Park, 2019; Santiago et al., 2020;

Ghantous & Christodoulides, 2020; Lee, Kim & Rhee, 2021; Melo, Carneiro-da-Cunha, Telles, 2022).

A systemic understanding of value co-creation encompasses the franchisors-franchisees-consumers interactions. As franchisors invest in consolidating *brand equity*, franchisees benefit from this brand effect, leading to improved performance. Their dependence on franchisors—through connections, training, and rewards—strengthens the brand's attributes in their interactions with consumers. This dynamic increases the perceived value of transactions, boosting consumer satisfaction and encouraging positive brand-related actions. Ultimately, this adds to the *brand's equity* through enhanced strength, value proposition, and credibility (Badrinarayanan, Suh & Kim, 2016; Santiago et al., 2020; Lee, Kim & Rhee, 2021; Melo, Carneiro-da-Cunha, Telles, 2022).

Moreover, in the past decade, social media have intensified and accelerated the interactive process between stakeholders. This digital environment promotes value co-creation, particularly through growing consumer engagement. These dynamics have strengthened the importance of relationships, preferences, and brand loyalty on social media for franchise chains (Wonsansukcharoen, 2022; Gutierrez et al., 2023; Sohaib & Han, 2023).

In this way, it is understood that franchise chains with franchisees who are more satisfied with *brand equity* are able to provide a higher level of value creation for consumers. Therefore, the following hypothesis arises:

H2: Value creation in the franchise chain by strengthening brand equity positively impacts the value co-creation with consumers.

3.3 Performance Value Creation

Understanding how value is created for franchisors involves examining financial performance and the growth of the franchise chain. Consumer satisfaction is a *proxy* indicator for growth, as it influences product consumption and customer recommendations. These factors contribute to increased sales, scaling growth, more franchise units, and financial performance (Rego, Morgan & Fornell, 2013; Iddy & Alon, 2018; Otto, Szymanski & Varadarajan, 2020; Balsarini, Lambert & Ryan, 2020; Gill & Kim, 2021).

Franchised chains operating in heterogeneous markets gain significant insights into consumer behaviour, which supports their expansion. Generally, franchises with more locations benefit from this market diversity, enhancing growth through a deeper understanding of consumer needs and satisfaction, ultimately leading to improved survival and growth metrics (Luca, 2016; Gill & Kim, 2021).

Another aspect favouring business growth and expansion into new markets involves the technological development of franchise chains. As investment is made in social media, *big data analytics* and artificial intelligence, new demands emerge for expansion and value creation. In this context, there is an understanding of the relevance of social media and the level of consumer engagement, expressing their level of satisfaction with value propositions (Audretsch & Belitski, 2021; Modgli et al., 2022; Audretsch & Belitski, 2023; Audretsch et al., 2023; Thurik et al., 2023).

In this way, it can be understood that franchise chains with higher turnover growth indicators and number of units are able to provide a higher level of value creation in customer service. Therefore, the following hypothesis arises:

H3: Value creation in the franchise chain by increasing the chain's performance has a positive impact on the co-creation of value with consumers.

3.4 Bundle Value Creation

Value creation in franchise chains comprises a combination of attributes offered by the franchisor, as discussed in the previous hypotheses (HR, *brand equity* and performance). However, this combination of attributes involves the challenge of seeking to maximise the value delivered, amid the complexity of multiple options and the recognition of rationality limitations in the behavioural understanding of stakeholders (Simon, 1955; Hsieh, Yalch & Love, 2015; Xia & Bechwati, 2021)

In this sense, the design of value propositions does not necessarily meet the desires developed by consumers, as they are not guided by logical sense and often involve contradictions and utilitarian logics in their choices. These behavioural perspectives have been the subject of marketing studies aimed at consumer retention, loyalty and recommendations (Johnson & Sohi, 2014; Yeniaras & Kaya, 2022)

In relation to this issue, the "*resource interaction approach*" has gained prominence in academic circles, i.e. research into deciding which package of products to offer starts to consider compounds associated with creating value for the consumer (*bundles*). Thus, the decision involves developing combinations of complementary resources that result in greater value creation (Freytag, Gadde & Harrison, 2017; Bocconcelli et al., 2020; Huemer & Wang, 2021)

Thus, offers resulting from combinations of resources and attributes create greater value for certain consumers when compared to the choice of individual goods and services. However, some consumers may perceive *bundles* as equal, inferior or superior value propositions to individual products. This evaluation is conditioned by cognitive capacities for attributing value, comprising emotional and rational factors (Estelami, 1999; Harris & Blair, 2006; Heeler, Nguyen & Buff, 2007; Tsai & Zhao, 2011; Brough & Chernev, 2012; Moon & Shugan, 2018; Xia & Bechwati, 2021)

In this way, it is understood that franchise chains that have greater competencies in developing valued *bundles* are able to provide a higher level of value creation in serving their consumers. The following hypothesis follows:

H4: Value creation in the franchise chain by offering demanded bundles positively impacts the value co-creation with consumers.

3.5 Brand Awareness Value Creation

The concept of *brand awareness* involves identifying and consequently remembering brand associations in consumers' minds, synthesising brand attributes, a condition that affects consumption decisions. This brand awareness is built through repeated exposure to the brand, including the name, logo, signature and links. As a result, *recall* is generated associated with familiarity and attitude towards the *brand*, determining *brand awareness* and *brand image* (Romaniuk, Wight & Faulkner, 2017; Kim, Choe & Petrick, 2018; Ansary & Hashim, 2018; Liebers et al., 2019)

Thus, brands with social prestige tend to be valued by consumers and the establishment of conceptual relationships is favoured, such as the ability of *brand awareness* to generate consumer attractiveness, resulting in *brand image* in its judgement by *brand perceived value* (Cakmark, 2016; Ansary & Hashim, 2018; Kim et. al., 2018;

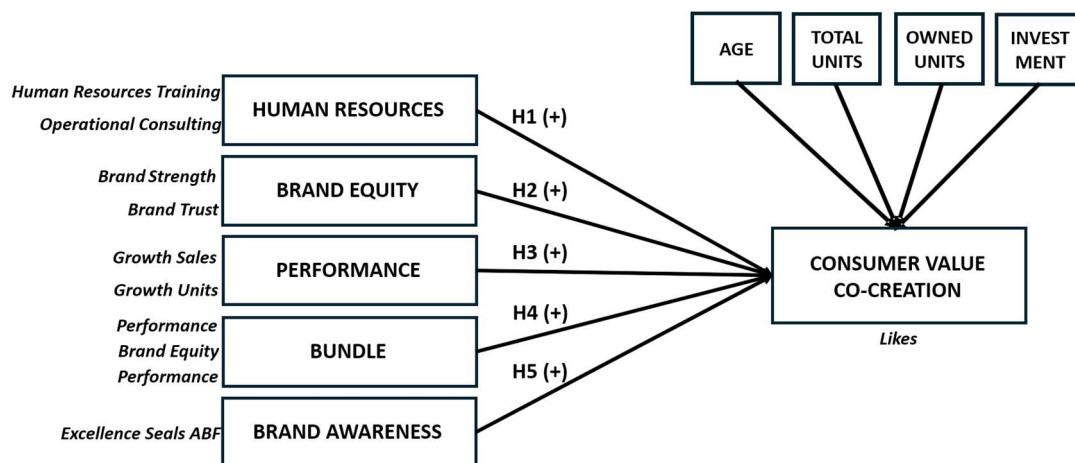
Matikiti-Manyevere, Roberts-Lombard & Mpinganjira, 2021). Different studies have shown positive associations between *brand awareness*, *brand perceived value* and *brand image* (Cakmark, 2016; Ansary & Hashim, 2018).

However, in recent years, technological advances in interaction with consumers have made it possible for *brand awareness* relationships to become more intense, especially due to the greater presence of brands on social media. Consumer communication has become increasingly interactive and intense, necessitating continuous exposure to images and content in the digital environment. This evolving relationship between brands and consumers demands adjustments to existing brand construction and management models (Itani et al., 2020; Kalra, Itani & Rostami, 2023).

In this way, it is understood that franchise chains with greater *brand awareness* are able to provide a higher level of value creation in customer service. Therefore, the following hypothesis arises:

H5: Value creation in the franchise chain through brand awareness has a positive impact on the value co-creation with consumers.

Figure 1 - Research framework



Source: authors (2025)

4 METHODOLOGY

4.1 Data collection

The sample for this research consists of the 100 largest franchise chains operating in Brazil in terms of number of units (Franchise Guide Yearbook, 2024). This sample was chosen due to the importance of these franchise chains in the Brazilian market, which has 3,261 franchise chains (Brazilian Franchising Association-ABF, 2024).

Facebook was chosen, recognising its vanguard status and longevity over more than 20 years. This decision also took into account recent data indicating that *Facebook* remains the largest social media, with around 3 million monthly active users. In addition,

Facebook's commercial use is favoured by around 90% of marketers who operate this franchise, with the aim of engaging consumers, and is preferred by almost 80% of small business owners (Wong & Bottorff, 2023; Dixon, 2023).

Thus, among the particularities of the social media analysed, it is possible to highlight that, as it is an asynchronous platform, it allows construction and reflection in relation to related *posts*, with less pressure for rapid interaction than *Twitter/X* (Berger & Iyengar, 2013; Malhotra et al, 2013; Labrecque, Swani & Stephen, 2020). Thus, *Facebook* was chosen because of its longevity, avant-gardism, favouritism in marketing strategies and consumer engagement worldwide (Wong & Bottorff, 2023; Dixon, 2023; Statista, 2024). *Data extraction* was carried out using *Facepager*, software that offers automatic retrieval of posts on social media, which has been used for academic purposes in various international publications (Pancer & Poole, 2016; McShane, Pancer & Poole, 2019; Jünger & Keyling, 2019). The data extraction period took place between February/2024 and August/2024.

The data on franchising fundamentals, reflected in the independent variables, was sourced from the *Franchise Guide yearbook* (Ed. 2023/2024). This secondary data is credible and is published by *Serasa Experian*. This data, available in franchising sector yearbooks, has been used for over three decades in academic journals (Lafontaine, 1992; Combs & Castrogiovanni, 1994; Castrogiovanni & Justis, 2002; Elango, 2007; Mariz-Pérez & García-Álvarez, 2009; Melo, Borini & Carneiro-da-Cunha, 2014; Melo et al, 2015; Calderón-Monge & Ramirez-Hurtado, 2021; Sashi & Brynildsen, 2022).

4.2 Model

This research considered the concept of *value co-creation*, which refers to the interaction between consumers and other stakeholders (franchisor and franchisees), promoting value gains for the franchise chain. In this case, this was done by approving the value proposition, publicising the product brand, suggesting improvements or innovations, and other consumer initiatives. In this sense, the unit of analysis was *posts* generated by franchisors on *Facebook* (Calderón-Monge & Ramirez-Hurtado, 2021).

The *dependent variable* used to measure the *co-creation of value* was *likes* issued by consumers of franchise chains on *Facebook* (Sashi & Brynildsen, 2022). When looking at the literature on publications involving social media and franchises, it can be seen that *likes* have often been used as a metric for dependent variables such as consumer engagement and value co-creation. Thus, like the publications mentioned above, *likes* represent, as a *proxy*, positive manifestations of consumer satisfaction, interaction, disclosure and suggestions with franchisors and franchisees (Calderón-Monge & Ramirez-Hurtado, 2021; Sashi & Brynildsen, 2022).

Regarding the *independent variables*, metrics related to the fundamentals and decisions of the business model of franchise chains, used in related literature, were adopted (Lafontaine, 1992; Combs & Castrogiovanni, 1994; Castrogiovanni & Justis, 2002; Elango, 2007; Mariz-Pérez & García-Álvarez, 2009; Melo, Borini & Carneiro-da-Cunha, 2014; Melo et al, 2015; Calderón-Monge & Ramirez-Hurtado, 2021; Sashi & Brynildsen, 2022). Table 1 shows these variables.

The *control variables* include (i) *the year the franchise chain was founded*, (ii) *the total number of units* in the franchise chain, (iii) *the number of units owned* by the franchise chain and (iv) *the initial capital* required to open a franchise. These variables were assumed to be control variables, based on resource theories used in studies involving franchise chains. The justification for these variables is that potentially older chains with

a greater number of units and more capital tend to outperform younger, smaller chains with less capital (Oxenfeldt & Kelly, 1968; Combs & Castrogiovanni, 1994; McIntyre & Huszagh, 1995; Shane, 1996a, 1996b; Shane, 1998; Bradach, 1997; Alon & McKee, 1999; Castrogiovanni, Combs, & Justis, 2006; Elango, 2007; Melo, Borini & Carneiro-da-Cunha, 2014; Melo et al., 2015).

Table 1 - Independent Variables

DIMENSION	VARIABLE	METRIC	DESCRIPTION	REFERENCES
Human Resources	Human resources training Operational consulting	0-10	Evaluation by franchisees of the human resources support provided by the franchisor (HR training and operational consultancy)	Litz & Stewart, 2000; Truss, 2004; Weaven & Herington, 2007; Kellner et al., 2014; Ji & Weil, 2015; Melo, Carneiro-da-Cunha, Borini, 2018; Santiago et al., 2020; Zolfagharian & Naderi, 2020; Melo et al., 2020; Melo, Carneiro-da-Cunha & Telles, 2022; Melo et al., 2023; Butler & Muskwe, 2023
Brand Equity	Brand strength Brand trust	0-10	Franchisees' assessment of the brand support provided by the franchisor (brand strength and trust)	Badrinarayanan, Suh & Kim, 2016; Crass, Czarnitzki & Tool, 2019; Jang & Park, 2019; Santiago et al., 2020; Wang et al., 2020; Ghantous & Christodoulides, 2020; Lee, Kim & Rhee, 2021; Melo, Carneiro-da-Cunha, Telles, 2022
Performance	Growth sales Growth units	%	Sales and unit growth (growth rates are based on the previous year of operation)	Rego, Morgan & Fornell, 2013; Iddy & Alon, 2018; Otto, Szymanski & Varadarajan, 2020; Balsarini, Lambert & Ryan, 2020; Gill & Kim, 2021
Bundle	Human resources Brand equity Performance	0-10	Variable/index related to the weighted average composed of HR support (0.40), brand support (0.30) and franchise performance (0.30).	Estelami, 1999; Harris & Blair, 2006; Heeler, Nguyen & Buff, 2007; Tsai & Zhao, 2011; Brough & Chernev, 2012; Freytag, Gadde & Harrison, 2017; Moon & Shugan, 2018; Bocconcelli et al., 2020; Xia & Bechwati, 2021; Huemer & Wang, 2021
Brand Awareness	Excellence seals ABF	Yes/No	Variable denoting the prestige of the franchise chain within the franchise community.	Melo et al., 2015; Cakmark, 2016; Romaniuk, Wight & Faulkner, 2017; Kim et. al., 2018; Kim, Choe & Petrick, 2018; Ansary & Hashim, 2018; Isaac, Melo & Borini, 2018; Liebers et al., 2019; Matikiti-Manyevere, Roberts-Lombard & Mpinganjira, 2021

Source: Authors (2025).

4.3 Analytical Procedures

We conducted the analysis using R (R Core Team, 2013) and RStudio (RStudio Team, 2020), applying a structured procedure to ensure methodological rigour. The dependent variable, which was highly skewed, was log-transformed to address distributional issues and reflect the exponential growth presented in social media. Hypotheses were tested through multiple regression models, progressively incorporating control variables to verify their robustness. Assumptions were assessed following established guidelines for ordinary least squares (Wooldridge, 2012), including checks for collinearity via VIF (O'Brien, 2007), omitted variable bias using the RESET test (Ramsey, 1969), and heteroskedasticity with the Breusch-Pagan test (Breusch & Pagan, 1979). Robust standard errors were applied (White, 1982) using the *sandwich* package (Zeileis & Lumley, 2022). Model diagnostics were conducted using *rqs* (Zhang, 2022) and *lmtest* (Hothorn et al., 2022).

5 RESULTS

5.1 Descriptives and Correlations

The descriptive statistics reveal notable variability across key variables. The mean number of *likes* is 177,778 with a high standard deviation, indicating heterogeneous audience engagement. Initial investments and number of units (*total and owned*) also display considerable dispersion, whereas Year of Foundation (*Age*) shows relative consistency. Most perceptual variables, such as *Brand Awareness* and *Brand Equity*, exhibit lower variability. Correlation analysis indicates significant positive associations between *Likes* and variables such as *Initial Investment* (.348), *Units (Total)* (.326), and *Brand Awareness* (.236). Moderate positive correlations also emerge with *Bundle*, *Brand Equity*, and *Human Resources* (Table 2). Interestingly, *Likes* correlate negatively with Year of Foundation – *Age* (-.220). No significant relationship was observed between *Likes* and *Performance*.

Table 2 - Descriptives and correlations

	Variables	Mean	SD	1	2	3	4	5	6	7	8	9	10
1	Likes	177,778.0	335,209.0	1	0.348	-0.220	0.326	0.111	0.236	0.205	-0.007	0.209	0.241
2	Investment	331.0	382.7	0.348	1	-0.314	0.182	0.189	-0.014	0.047	-0.067	0.136	0.043
3	Year of Foundation (Age)	1,992.0	21.2	-0.220	-0.314	1	-0.237	-0.172	-0.044	-0.082	0.090	-0.368	0.074
4	Units (Total)	583.0	875.8	0.326	0.182	-0.237	1	0.815	-0.093	0.022	0.067	0.059	-0.081
5	Units (Owned)	117.0	635.5	0.111	0.189	-0.172	0.815	1	-0.095	-0.005	0.035	-0.029	-0.022
6	Brand Awareness	0.5	0.5	0.236	-0.014	-0.044	-0.093	-0.095	1	0.796	0.290	0.680	0.722
7	Bundle	6.6	0.8	0.205	0.047	-0.082	0.022	-0.005	0.796	1	0.618	0.729	0.755
8	Performance	7.2	1.3	-0.007	-0.067	0.090	0.067	0.035	0.290	0.618	1	0.114	0.127
9	Brand Equity	6.7	1.2	0.209	0.136	-0.368	0.059	-0.029	0.680	0.729	0.114	1	0.472
10	Human Resources	6.2	1.0	0.241	0.043	0.074	-0.081	-0.022	0.722	0.755	0.127	0.472	1

Note: Correlations with an absolute value greater than .196 are considered significant at a p-value < .05.

5.2 Robustness Strategies

A sensitivity analysis assessed the modelling robustness through the progressive inclusion of control variables and non-linear terms. Model fit improved with each step, as evidenced by increasing R^2 values (from .259 to .568), and indicating the consistency of the predictors' influence across specifications. Heteroskedasticity, initially presented (Breusch & Pagan, 1979), was mitigated in later models through added controls and robust standard errors correction (Lai, 2018; Zeileis & Lumley, 2022). RESET tests (Ramsey, 1969) identified specification errors in earlier models, which were addressed with the inclusion of squared terms (Table 3), supporting both non-linear effects and robustness against omitted variable bias. Results revealed non-linear relationships: a U-shaped effect for *Total Units*, an inverted U-shape for *Owned Units*, and a slightly accelerating positive relationship for *Performance*. These patterns highlight threshold effects and suggest that the influence of these predictors on $\log(\text{Likes})$ varies in magnitude and direction depending on their levels.

Table 3 - Turning points and non-linear effects

Turning Point						
Variable	Linear Coefficient	Squared Coefficient	Standard Error (SE)		Confidence Interval (Lower)	Confidence Interval (Upper)
Units (Total) ²	-0.0000275***	0.000000017***	791.53	285.33	232.30	1350.76
Units (Owned) ²	0.0000527***	-0.000000027***	973.86	345.50	296.69	1651.02
Performance ²	0.493**	0.001576**	-156.44	105.42	-363.05	50.18

Note 1: *p < 0.1; **p < 0.05; ***p < 0.01.

Note 2: Confidence Intervals with 95%.

5.3 Hypothesis Testing

H1 hypothesis posits that increasing value creation in the franchising chain through human resource development leads to higher value co-creation with consumers. The results show a positive and significant effect ($\beta = 0.689$; $p < .05$), indicating that investments in *human resource* capacity contribute positively to consumer value co-creation. Therefore, H1 is supported by the results.

H2 suggests that *brand equity* development in the franchising chain positively influences consumer value co-creation. The model provides a positive and significant coefficient for *brand equity* ($\beta = 0.512$; $p < .05$), confirming that *brand equity* development is a crucial driver of co-creation. Hence, H2 is confirmed.

H3 hypothesises that *performance growth* fosters value co-creation with consumers. The results reveal a significant positive relationship ($\beta = 0.493$; $p < .05$), affirming that expansion within the franchise performance enhances consumer engagement in value co-creation. Therefore, H3 is supported.

H4 suggests that value creation through *bundling* in the franchising chain enhances consumer value co-creation. However, the results indicate a negative and significant relationship ($\beta = -1.720$; $p < .05$), implying that bundling strategies might reduce consumer participation in co-creation. Thus, H4 is not supported.

H5 proposes that *brand awareness* in the franchising chain positively affects consumer value co-creation. The results confirm a positive and significant effect ($\beta = 0.014$; $p < .05$), suggesting that *brand awareness* encourages consumer involvement in co-creation activities. Consequently, H5 is supported.

Table 4 - Sensitivity and testing of hypotheses

		Dependent Variable:				
		log(likes)				
		(1)	(2)	(3)	(4)	(5)
	Investment	0.00003*** (0.00001)	0.00002** (0.00001)	0.00002*** (0.00000)	0.00001* (0.00001)	0.00001 (0.00001)
	Units (Total)		0.00003*** (0.00001)	0.00003** (0.00001)	-0.00002** (0.00001)	-0.00003*** (0.00001)
	Units (Owned)				0.0001*** (0.00002)	0.0001*** (0.00002)
	Units (Total) ²		-0.000*** (0.000)	-0.000** (0.000)	0.00000*** (0.000)	0.00000*** (0.000)
	Units (Owned) ²				-0.00000*** (0.000)	-0.00000*** (0.000)
	Year of Foundation (Age)					-0.0002** (0.0001)
H1	Human Resources	1.200** (0.456)	1.210*** (0.420)	1.210** (0.606)	0.740** (0.353)	0.689** (0.322)
H2	Brand Equity	0.898** (0.343)	0.901*** (0.316)	0.901* (0.455)	0.553** (0.265)	0.512** (0.241)
H3	Performance	0.873** (0.341)	0.885*** (0.314)	0.885* (0.456)	0.530** (0.263)	0.493** (0.240)
	Performance ²	0.002 (0.001)	0.001 (0.001)	0.001 (0.001)	0.002** (0.001)	0.002** (0.001)
H4	Bundle	-2.980** (1.140)	-3.000*** (1.050)	-3.000* (1.510)	-1.850** (0.885)	-1.720** (0.806)
H5	Brand Awareness	0.008 (0.011)	0.015 (0.010)	0.015* (0.008)	0.013* (0.008)	0.014** (0.007)
	Constant	16.200*** (0.051)	16.100*** (0.048)	16.100*** (0.040)	16.200*** (0.029)	16.600*** (0.206)
	Observations	100	100	100	100	100
	R ²	0.259	0.390	0.390	0.554	0.568
	R ² Adjusted	0.203	0.329	0.329	0.498	0.508
	BP Test (p-value)	0.030	0.008	0.008	0.070	0.900
	RESET (p-value)	0.050	< 0.01	< 0.01	0.070	0.070

Note: *p < 0.1; **p < 0.05; ***p < 0.01.

6 DISCUSSION

The results support H1, demonstrating the presence of a positive relationship between the creation of value resulting from the franchisor's training of HR and the co-creation of value with consumers. Based on this finding, the result is in line with the theory researched (Litz & Stewart, 2000; Truss, 2004; Weaven & Herington, 2007; Kellner et al, 2014; Ji & Weil, 2015; Melo, Carneiro-da-Cunha, Borini, 2018; Santiago et al., 2020; Zolfagharian & Naderi, 2020; Melo et al., 2020; Melo, Carneiro-da-Cunha & Telles, 2022; Melo et al., 2023; Butler & Muskwe, 2023). Reflection on this relationship leads to the realisation that the higher HR qualifications in franchise chains, the greater the ability to co-create value with consumers. The greater the satisfaction with the value proposition and interaction with the franchises, the greater the number of *likes* generated by consumers.

H2 is supported by the fact that consumer satisfaction with the brand, resulting from the franchisor's efforts and, consequently, the franchisees, has a positive correlation with the co-creation of value with consumers. This suggests that increasing the value of the franchise brand, as perceived by consumers, intensifies their interaction with these franchises. This result of the study is in line with the literature review (Badrinarayanan, Suh & Kim, 2016; Crass, Czarnitzki & Tool, 2019; Jang & Park, 2019; Santiago et al., 2020; Wang et al., 2020; Ghantous & Christodoulides, 2020; Lee, Kim & Rhee, 2021; Melo, Carneiro-da-Cunha, Telles, 2022). The evolution of the number of *likes* on *Facebook* for franchise chains is directly related to the growth in the brand's perceived value by consumers, corroborating the perspective that the creation of brand value by the franchisor has a positive impact on franchisees and consumers.

H3, involving the relationship between the performance of franchise chains, assessed through growth in sales and franchise units, and the co-creation of value with consumers, was supported by the results of the data analysis which are in line with the theoretical framework (Rego, Morgan & Fornell, 2013; Iddy & Alon, 2018; Otto, Szymanski & Varadarajan, 2020; Balsarini, Lambert & Ryan, 2020; Gill & Kim, 2021). Arguably, the increase in sales volume and units will lead to an increase in the number of consumers. However, probably in an interactive process, the assumption that these consumers are more satisfied is related to expanding the franchise's performance. In this sense, the volume of *likes* refers to greater consumer satisfaction and value co-creation with consumers.

The data analysis indicated a result contrary to the conceptual perspective constructed for H4. The theoretical assumption was based on the idea that the composition of the *HR, brand and performance* elements would positively impact value creation in franchise chains (Estelami, 1999; Harris & Blair, 2006; Heeler, Nguyen & Buff, 2007; Tsai & Zhao, 2011; Brough & Chernev, 2012; Freytag, Gadde & Harrison, 2017; Moon & Shugan, 2018; Bocconcelli et al, 2020; Xia & Bechwati, 2021; Huemer & Wang, 2021). When analysed in isolation, the *bundle* components showed a relationship with the co-creation of value with consumers, based on satisfaction with *likes*. However, when analysed together, according to the *index* adopted, the result is the opposite, suggesting some alternative interpretations. One possibility is the existence of cognitive behavioural bias on the part of consumers on social media, possibly due to the complexity of the model to be interpreted by them and the consequent lack of understanding reflected in the results of the data analysis. In this sense, processing and understanding the composite value activities together can make it difficult for consumers to process their perception of value and, in this sense, lead to less consumer interaction (Desmichel & Kocher, 2020; Huemer & Wang, 2021; Xia & Bechwati, 2021).

H5, which relates value creation by the franchisor associated with strengthening *brand awareness* and value co-creation with consumers, was supported, although with a relatively modest β coefficient. Value creation through *brand awareness* is assessed by "seals of excellence" awarded to chains with the highest quality standards by the sector's representative institution (ABF). The award seals (compliance standards) are widely publicised by franchise chains, generating diffusion, recognition and strengthening the brand image among consumers. The result of this strategy tends to lead to an increase in *likes* from these consumers (Melo et al., 2015; Cakmark, 2016; Romaniuk, Wight & Faulkner, 2017; Kim et. al., 2018; Kim, Choe & Petrick, 2018; Ansary & Hashim, 2018; Isaac, Melo & Borini, 2018; Liebers et al., 2019; Matikiti-Manyeverere, Roberts-Lombard & Mpinganjira, 2021). The results also provide additional relevant information, indicating that franchises with *fewer* units have worked better on their brand recognition on social media. This may indicate that *brand awareness* activities through *influencers* on social media are more significant than the traditional award mechanisms credited by the ABF.

With regard to the *control variables*, it can be seen that the metric, *year of foundation*, as an indicator of how long the franchise has been in operation, is positively and significantly related to the volume of *likes* by consumers. This result suggests the relevance of the resource structure, i.e. older chains tend to have greater tangible resources (capital and personnel) and intangible resources (such as know-how and management experience) than younger chains, enabling the former to create greater value for consumers (Oxenfeldt & Kelly, 1968; McIntyre, 2008; McIntyre, 2008). Kelly, 1968; McIntyre & Huszagh, 1995; Shane, 1996a, 1996b; Bradach, 1997; Alon & McKee, 1999; Castrogiovanni, Combs, & Justis, 2006; Elango, 2007; Melo, Borini & Carneiro-da-Cunha, 2014; Melo et al., 2015). The control variables related to the ownership structure of franchises (total units and owned units) showed a positive and significant association with the number of *likes*, suggesting that larger chains tend to have a greater accumulation of resources, capacity to maintain delivery standards and value creation, reflected by the interaction of end consumers with the chains (Oxenfeldt & Kelly, 1968; Combs & Castrogiovanni, 1994; McIntyre & Huszagh, 1995; Shane, 1996a, 1996b; Bradach, 1997; Alon & McKee, 1999; Castrogiovanni, Combs, & Justis, 2006; Elango, 2007; Melo, Borini & Carneiro-da-Cunha, 2014; Melo et al., 2015).

A non-linear effect was detected, indicating the existence of a behaviour with inverse relationships in the model (quadratic) as a function of the number of *likes*, meaning that up to a certain size and number of *owned units*, franchises are more successful at delivering value. This suggests a level associated with reversal, from which it can be seen that the larger the franchise and the more units it owns, the less value it delivers. This finding signals an interesting result, pointing to increased difficulties in maintaining standards in larger franchises and/or with a high number of company-owned units. Finally, the *initial capital* variable showed no significant relationship and can be seen as indifferent for the franchises analysed.

7 CONCLUSIONS

The results indicate that HR training, brand value, performance and *brand awareness* show positive and significant correlations with the co-creation of value with consumers, supporting hypotheses H1, H2, H3 and H5. Contrary to the literature, the positive and significant correlation between *bundle* and value co-creation with consumers was not supported. It should be noted that a negative and significant correlation was found, suggesting that this type of strategy potentially tends to inhibit positive consumer

interactions on social media.

7.1 Theoretical implications

The main contribution to the theory is related to understanding the co-creation of value in franchise chains, involving different *stakeholders* (franchisors, franchisees and consumers), by approaching and capturing the relationships involved in physical operations and, simultaneously, in digital environments on social media. More specifically, the findings suggest the presence of value co-creation relationships between consumers and franchise chains, comprising *HR*, *brand equity* and the *growth performance* of these franchises. Contrary to the understanding of the literature so far, this study did not find a positive association between *bundling* and value co-creation with consumers. Furthermore, the result of the data analysis indicates a negative and significant association between these variables in the institutional environment that was the subject of the research

Thus, this research contributes to the following theoretical perspectives: (i) *value co-creation* (Grönroos, 2008; Sorensen, Andrews & Drennan, 2017; Yu, Liu & Zheng, 2019; Bonamigo et al., 2020); (ii) *value creation in social media* (Brandt et al., 2017; Rashid, Wassem & Azam, 2019; Zhang et al, 2020; Namisango, Kang & Rehman, 2021; Ju, Chocarro & Martín, 2021) and, (iii) *franchise chains in social media* (Sashi & Brynildsen, 2022; Calderón-Monge & Ramírez-Hurtado, 2021; Kacker & Perrigot, 2016; King, 2016; Perrigot, Kacker, Basset & Cliquet, 2012).

7.2 Implications

The *managerial contribution* lies in recognising the importance of the franchisor-franchisee dyad in strategic value-building initiatives that offer greater satisfaction to the end consumer and instigate and induce the process of value co-creation with these franchises. In addition, this study provides franchise and franchisee managers with robust arguments for adopting communication and brand development strategies on social media, as well as managing and monitoring interactions with consumers on these franchises. Among the alternatives arising from this perspective, the use of *influencers*, for example, would offer an expression of third parties on social media about goods, services and images related to franchise chains.

7.3 Research limitations and future studies

The *limitations of this research*, which must be recognised and associated with the design of this study, did not involve investigating: (i) consumers' digital engagement and its relationship with value creation; (ii) value attribution and creation factors related to consumers; (iii) rewards identified by consumers in this interaction on social media; (iv) other social media, which may present alternative or complementary consumer profiles and; (v) restricted to the largest franchise chains in terms of number of units.

Suggestions for future research involving the value creation in business franchises include: (i) qualitative studies for more comprehensive investigations of the content published on social media; (ii) an approach to other social media, seeking to make progress on convergences and divergences with the results achieved, as well as differences in consumer behaviour and profile; (iii) research into B2B-oriented social media (e.g. LinkedIn), leading to discussions on the formation of professional business franchises on digital media. LinkedIn), giving rise to discussions on the formation of

professional business franchises in digital media; (iv) understanding the relationship between franchise operating mechanisms and the nuances of creating value for franchisees and consumers; (iv) investigating the diversity of HR practices; (v) understanding the attributes of *brand equity*; (vi) analysing the franchise life cycle and the positioning of young consumers, with greater demands for innovation; (vii) digital and technological convergence (e.g. big data, AI and technology), (vii) digital and technological convergences (e.g. big data, AI and IOT); (viii) knowledge transfer and value generation; (ix) selection of value attributes to be developed in *bundles* aimed at greater recognition of benefits and; (x) identification of *brand awareness* and *brand perceived value* for consumers.

References

- Alon, I., and McKee, D. (1999). The internationalization of professional business service franchises, *Journal of Consumer Marketing*, Vol.16(1),74-85.
- Andrews, M., Goehring, J., Hui, S., Pancras, J. and Thornswood, L. (2016). Mobile promotions: a framework and research priorities, *Journal of Interactive Marketing*, Vol.34(1),15-24.
- Ansary, A., and Hashim, N. (2018). Brand image and equity: The mediating role of brand equity drivers and moderating effects of product type and word of mouth, *Review of Managerial Science*, Vol.12(4),969–1002.
- Audretsch, D., and Belitski, M. (2021). Frank Knight, uncertainty and knowledge spillover entrepreneurship, *Journal of Institutional Economics*, Vol.17(6),1005–1031.
- Audretsch, B., and Belitski, M. (2023). The limits to open innovation and its impact on innovation performance, *Technovation*, Vol.119(1),102519.
- Badrinarayanan, V., Suh, T. and Kim, K. (2016). Brand resonance in franchising relationships: A franchisee-based perspective, *Journal of Business Research*. Vol.69(10), 3943–3950.
- Balsarini, P., Lambert, C., & Ryan, M. (2022). Why franchisors recruit franchisees from the ranks of their employees, *Journal of Strategic Marketing*, Vol.30(2),180–200.
- Bianchi, C. and Andrews, L. (2015). Investigating marketing managers’ perspectives on social media in Chile”, *Journal of Business Research*, Vol.68(12),2552-2559.
- Berger, J. and Iyengar, R. (2013). Communication channels and word of mouth: how the medium shapes the message, *Journal of Consumer Research*, Vol.40(3),567-579.
- Bradach, J. (1997). Using the plural form in management of restaurant chains, *Administrative Science Quarterly*, Vol.42(2),276-303.
- Brandt, T., Bendler, J. and Neumann, D. (2017). Social media analytics and value creation in urban smart tourism ecosystems, *Information and Management*, Vol.54(6),703-713.

- Breusch, T. and Pagan, A. (1979). A Simple Test for Heteroscedasticity and Random Coefficient Variation, *Econometrica*, Vol.47(5),1287.
- Bocconcelli, R., Carlborg, P., Harrison, D., Hasche, N., Hedvall, K., and Huang, L. (2020). Resource interaction and resource integration: Similarities, differences, Reflections, *Industrial Marketing Management*, Vol.91(1),385–396.
- Bolat, E., Kooli, K. and Wright, L. (2016). Businesses and mobile social media capability, *Journal of Business and Industrial Marketing*, Vol.31(8),971-981.
- Bonamigo, A., Dettmann, B., Frech Camila, G. and Werner Steffan, M. (2020). Facilitators and inhibitors of value co-creation in the industrial services environment, *Journal of Service Theory and Practice*, Vol.30(6),609-642.
- Brazilian Franchising Association – ABF. (2024). Brazilian Franchising Performance, Retrieved August 12, 2024, from www.abf.com.br/numeros-do-franchising/https://www.abf.com.br/wp-content/uploads/2024/07/Apresentacao_Desempenho_Franchising_1Tri24_V2.pdf
- Brough, A., and Chernev, A. (2012). When opposites detract: Categorical reasoning and subtractive valuations of product combinations, *Journal of Consumer Research*, Vol.39(2),399–414.
- Butler, P., and Muskwe, N. (2023). Employees’ experience of human resource practices under plural form franchising: The impact of front-line managerial capability, *Human Resource Management Journal*, Vol.33(1),241-259.
- Calderón-Monge, E. and Ramírez-Hurtado, J. (2021). Measuring the consumer engagement related to social media: the case of franchising, *Electronic Commerce Research*, Vol.22(4),1249-1274.
- Cakmark, I. (2016). The role of brand awareness on brand image, perceived quality and effect on risk create brand trust, *Global Journal on Humanities & Social Science*, Vol.4(1),177–186.
- Castrogiovanni, G., and Justis, R. (2002). Strategic and contextual influences on firm growth: an empirical study of franchisors, *Journal of Small Business Management*, Vol.40(2),98-108.
- Castrogiovanni, G., Combs, J., and Justis, R. (2006). Resource scarcity and agency theory predictions concerning the continued use of franchising in multi-outlet networks, *Journal of Small Business Management*, Vol.44(1), 27-44.
- Chandler, J., and Vargo, S. (2011). Contextualization and value-in-context: How context frames exchange, *Marketing Theory*, Vol.11(1),35–49.
- Cheung, M. and To, W. (2016). Service co-creation in social media: an extension of the theory of planned behavior, *Computers in Human Behavior*, Vol.65(1),260-266.

- Combs, J., and Castrogiovanni, G. (1994). Franchisor strategy: a proposed model and empirical test of franchise versus company ownership, *Journal of Small Business Management*, Vol.32(2),37-48.
- Crass, D., Czarnitzki, D., and Toole, A. (2019). The Dynamic Relationship Between Investments in Brand Equity and Firm Profitability: Evidence Using Trademark Registrations, *International Journal of the Economics of Business*, Vol.26(1),157–176.
- Dant, R., Grünhagen, M. and Windsperger, J. (2011). Franchising research frontiers for the twenty-first century, *Journal of Retailing*, Vol.87(3),253–268.
- Desmichel, P., & Kocher, B. (2020). Luxury single- versus multi-brand stores: The effect of consumers' hedonic goals on brand comparisons, *Journal of Retailing*, Vol.96(2),203–219.
- Dixon, S. (2023). Social media: Statistics & Facts. Statista. Available at: <https://www.statista.com/topics/1164/social-networks/#topicOverview>, Accessed: August, 31st, 2023.
- Dvorak, J., Komarkova, L., & Stehlik, L. (2021). The effect of the COVID-19 crisis on the perception of digitisation in the purchasing process: customers and retailers perspective, *Journal of Entrepreneurship in Emerging Economies*, Vol.13(4),628–647.
- Elango, B. (2007). Are franchisors with international operations different from those who are domestic market oriented?, *Journal of Small Business Management*, Vol.45(2),179-193.
- Estelami, H. (1999). Consumer savings in complementary product bundles, *Journal of Marketing Theory and Practice*, Vol7(3),107–114.
- Franchise Guide Yearbook. Guia de Franquias. (2024). *Revista Pequenas Empresas e Grandes Negócios (PEGN)*. Ed. Globo.
- Freedman, M. and Kosov, R. (2012). Agency and compensation: evidence from the hotel industry, *The Journal of Law, Economics, & Organization*, Vol.30(1),72-103.
- Freytag, P., Gadde, L., and Harrison, D. (2017). Interdependencies: Blessings and curses. In H. Hakansson, & I. Snehota (Eds.). No business is an island: Making sense of the interactive business world (p.235–252). Bingley: *Emerald Group Publishing*.
- Ghantous, N. and Christodoulides, G. (2020). Franchising brand benefits: An integrative perspective”, *Industrial Marketing Management*, Vol.91(1),442-454.
- Gill, P. and Kim, S. (2021). From franchisee experience to customer experience: their effects on franchisee performance, *Journal of the Academy Marketing Science*, Vol.49(1),1175-1200.
- Grewal, D., Bart, Y., Spann, M. and Zubcsek, P. (2016). Mobile advertising: a framework and research agenda, *Journal of Interactive Marketing*, Vol.34(1),3-14.

- Grönroos, C. (2008). Service logic revisited: who creates value? And who co-creates?, *European Business Review*, Vol.20(4),298-314.
- Gu, S., Ślusarczyk, B., Hajizada, S., Kovalyova, I., & Sakhibieva, A. (2021). Impact of the COVID-19 Pandemic on On-line Consumer Purchasing Behavior, *Journal of Theoretical and Applied Electronic Commerce Research*, Vol.16(6),2263–2281.
- Gutierrez, A., Punjaisri, K., Desai, B., Alwi, S., O’Leary, S., Chaiyasoonthorn, W., & Chaveesuk, S. (2023). Retailers, don’t ignore me on social media! The importance of consumer-brand interactions in raising purchase intention-Privacy the Achilles heel, *Journal of Retailing and Consumer Services*, Vol.72(1),103272.
- Harris, J., and Blair, E. (2006). Functional compatibility risk and consumer preference for product bundles, *Journal of the Academy of Marketing Science*, Vol.34(1),19–26.
- Heeler, R., Nguyen, A., and Buff, C. (2007). Bundles = discount. Revisiting complex theories of bundle effects, *Journal of Product & Brand Management*, Vol.16(7), 492–500.
- Hesham, F., Riadh, H., and Sihem, N. (2021). What Have We Learned about the Effects of the COVID-19 Pandemic on Consumer Behavior?, *Sustainability*, Vol.13(8),4304.
- Hothorn, T. *et al.* (2022). *Package ‘lmtest’: Testing Linear Regression Models*, *The Comprehensive R Archive Network*.
- Hsieh, M., Yalch, R., and Love, E. (2015). The influence of a maximizing versus satisficing orientation on the evaluation of desirability and feasibility attributes. In Kristin Diehl, & Carolyn Yoon (Eds.), *NA - Advances in Consumer Research* (Vol.43,p.559). Duluth, MN: *Association for Consumer Research*.
- Huemer, L., and Wang, X. (2021). Resource bundles and value creation: An analytical framework, *Journal of Business Research*, Vol.134(1),720-728.
- Iddy, J. and Alon, I. (2019). Knowledge management in franchising: a research agenda, *Journal of Knowledge Management*, Vol.23(4),763-785.
- Iglesias, O., Landgraf, P., Ind, N., Markovic, S., and Koporcic, N. (2020). Corporate brand identity co-creation in business-to-business contexts, *Industrial Marketing Management*, Vol.85(1),32–43.
- Itani, O., Krush, M., Agnihotri, R. and Trainor, K. (2020). Social media and customer relationship management technologies: influencing buyer-seller information exchanges, *Industrial Marketing Management*, Vol.90(1),264-275.
- Isaac, V., Melo, P., and Borini, F. (2018). Foreign and Domestic Franchise Chains in an Emerging Market: A Comparative Analysis, *Journal of Contemporary Administration*, Vol.22(1),46-69.

- Kalra, A., Itani, O., and Rostami, A. (2023). Can salespeople use social media to enhance brand awareness and sales performance? The role of manager empowerment and creativity, *Journal of Business & Industrial Marketing*, Vol.38(8),1738-1753.
- Ketonen-Oksi, S., Jussila, J. and Kärkkäinen, H. (2016). Social media-based value creation and business models, *Industrial Management and Data Systems*, Vol.116(8),1820-1838.
- Kim, S., Choe, J., & Petrick, J. (2018). The effect of celebrity on brand awareness, perceived quality, brand image, brand loyalty, and destination attachment to a literary festival, *Journal of Destination Marketing & Management*, Vol.9(1),320–329.
- Kok, J. and Uhlaner, L.M. (2001). Organization context and human resource management in the small firm, *Small Business Economics*, Vol.17(4),273-291.
- Jang, S. and Park, K. (2019). A sustainable franchisor-franchisee relationship model: Toward the franchise win-win theory, *International Journal of Hospitality Management*, Vol.76(1),13–24.
- Ji, M. and Weil, D. (2015). The impact of franchising on labor standards compliance, *Industrial and Labor Relations Review*, Vol.68(5),977-1006.
- Johnson, J. and Sohi, R. (2014). The curvilinear and conditional effects of product line breadth on salesperson performance, role stress, and job satisfaction, *Journal of the Academy of Marketing Science*, Vol.42(1),71-89.
- Ju, X., Chocarro, R. and Martín Martín, O. (2021). Value creation in mobile social media: a systematic review and agenda for future research, *Baltic Journal of Management*, Vol.16(5),745-764.
- Kacker, M., and Perrigot, R. (2016). Retailer use of a professional social media network: Insights from franchising, *Journal of Retailing and Consumer Services*, Vol.30(3),222-233.
- Kellner, A., Townsend, K., Wilkinson, A. and Peetz, D. (2014). Franchisor control over HRM in coffee franchises, *Human Resource Management Journal*, Vol.24(3),323-338.
- Kim, M., Lee, C. and Contractor, N. (2019). Seniors' usage of mobile social network sites: applying theories of innovation diffusion and uses and gratifications, *Computers in Human Behavior*, Vol.90(1),60-73.
- King, B. (2016). Caught in the middle: franchise businesses and the social media wave, *Journal of Business Strategy*, Vol.37(2),20-26.
- Labrecque, L., Swani, K., & Stephen, A. (2020). The impact of pronoun choices on consumer engagement actions: Exploring top global brands' social media communications, *Psychology & Marketing*, Vol.37(6),796–814.
- Lafontaine, F. (1992). Agency theory and franchising: Some empirical aspects. *RAND Journal of Economics*, Vol.23(2),263–283.

- Lai, K. (2018). Estimating Standardized SEM Parameters Given Nonnormal Data and Incorrect Model: Methods and Comparison. *Structural Equation Modeling: A Multidisciplinary Journal*, Vol.25(4),600–620.
- Liebers, N., Breves, P., Schallhorn, C., and Schramm, H. (2019). Fluency in commercial breaks: The impact of repetition and conceptual priming on brand memory, evaluation, and behavioral intentions, *Journal of Promotion Management*, Vol.25(6),783–798.
- Litz, R. and Stewart, A. (2000). Trade name franchise membership as a human resource management strategy: does buying group training deliver ‘true value’ for small retailers?, *Entrepreneurship Theory and Practice*, Vol.25(1),125-135.
- Lee, E., Kim, J. and Rhee, C. (2021). Effects of marketing decisions on brand equity and franchise performance, *Sustainability*, Vol.13(6),1-15.
- Luca, M. (2016). Reviews, reputation, and revenue: The case of yelp.com. *Harvard Business School NOM Unit Working Paper* (12-016).
- Malhotra, A., Malhotra, C. and See, A. (2013). How to create brand engagement on Facebook, *MIT Sloan Management Review*, Vol.54(2),18-20.
- Madanoglu, M., and Castrogiovanni, G. J. (2018). Franchising proportion and network Failure, *Small Business Economics*, Vol. 50(1),697–715.
- Malik, A., Pereira, V., and Budhwar, P. (2018). Value creation and capture through human resource management practices: Gazing through the business model lens, *Organizational Dynamics*, Vol.47(3),180-188.
- Mariz-Pérez, R., and García-Álvarez, T. (2009). The internationalization strategy of Spanish indigenous franchised chains: a resource-based view, *Journal of Small Business Management*, Vol.47(4),514-530.
- Matikiti-Manyever, R., Roberts-Lombard, M., and Mpinganjira, M. (2021). Perceived Guest House Brand Value: The Influence of Web Interactivity on Brand Image and Brand Awareness, *Journal of Promotion Management*, Vol.27(2),250-277.
- Mcintyre, F., and Huszagh, S. (1995). Internationalization of franchise systems, *Journal of International Marketing*, Vol.3(4),39-56.
- McShane, L., Pancer, E., and Poole, M. (2019). The Influence of B to B Social Media Message Features on Brand Engagement: A Fluency Perspective, *Journal of Business-to-Business Marketing*, Vol.26(1),1–18.
- Melo, P., Borini, F., Isaac, V., and Correa, V. (2023). Regional Development and the Institutional Environment for Franchise Chains: Frontiers of Small and Medium-sized Cities, *Competitiveness Review*, Vol.33(2),419-440.
- Melo, P., Borini, F., Oliveira Jr, M., and Parente, R. (2015). Internationalization of Brazilian Franchise Chains: A Comparative Study, *Journal of Business Administration-RAE*, Vol.55(3),258-272.

- Melo, P., Borini, F., & Carneiro-da-Cunha, J. (2014). Microfranchising value perception and structural elements, *Journal of Contemporary Administration*, Vol.18(3),328–350.
- Melo, P., Carneiro-da-Cunha, J., and Telles, R. (2022). Franchisor Support and Brand Value Empowerment of Micro-Franchisees: A Brazilian Market Perspective, *Journal of Entrepreneurship In Emerging Economies*, Vol.14(4),616-642.
- Melo, P., Delgado, R., Corrêa, V., and Borini, F. (2020). Regional Development and Institutional Environment: Regional Expansion of Franchise Chains in Brazil, *Mackenzie Management Review*, Vol.21(5),1-30.
- Moon, J., and Shugan, S. (2018). Explaining bundle-framing effects with signaling Theory, *Marketing Science*, Vol.37(4),668–681.
- Namisango, F., Kang, K. and Rehman, J. (2021). Service co-creation on social media: varieties and measures among nonprofit organizations, *Journal of Service Theory and Practice*, Vol.31(5),783-820.
- O'Brien, R. (2007). A caution regarding rules of thumb for variance inflation factors, *Quality and Quantity*, Vol.41(5),673–690.
- Otto, A., Szymanski, D. and Varadarajan, R. (2020). Customer satisfaction and firm performance: Insights from over a quarter century of empirical research, *Journal of the Academy of Marketing Science*, Vol.48(3),543–564.
- Oxenfeldt, A., and Kelly, A. (1968). Will successful franchise systems ultimately become wholly-owned chains?, *Journal of Retailing*, Vol.44(1),69-83.
- Pancer, E., and M. Poole. (2016). The popularity and virality of political social media: Hashtags, mentions, and links predict likes and retweets of 2016 US presidential nominees' tweets, *Social Influence*, Vol.11(4),259–270.
- Paswan, A., D'Souza, D., and Rajamma, R. (2014). Value co-creation through knowledge exchange in franchising, *Journal of Services Marketing*, Vol. 28(2),116–125.
- Perrigot, R., Kacker, M., Basset, G., and Cliquet. G. (2012). Antecedents of Early Adoption and Use of Social Media Networks for Stakeholder Communications: Evidence from Franchising, *Journal of Small Business Management Special Issue on Franchising*, Vol.50(4),539-565.
- Prahalad, C., & Ramaswamy, V. (2004). The Future of Competition: Co-Creating Unique Value with Customers. *Harvard Business School Press*.
- Ramsey, J. (1969). Tests for Specification Errors in Classical Linear Least-Squares Regression Analysis", *Journal of the Royal Statistical Society: Series B (Methodological)*, Vol.31(2),350–371.
- Rashid, Y., Waseem, A., Akbar, A. and Azam, F. (2019), Value co-creation and social media: A systematic literature review using citation and thematic analysis, *European Business Review*, Vol.31(5),761-784.

- R Core Team. (2013). R: A language and environment for statistical computing. Vienna, Austria: R Foundation for Statistical Computing. Available at: <https://www.r-project.org/>.
- Rego, L., Morgan, N. and Fornell, C. (2013). Reexamining the market share–customer satisfaction relationship, *Journal of Marketing*, Vol.77(5),1–20.
- Romaniuk, J., Wight, S., & Faulkner, M. (2017). Brand awareness: Revisiting an old metric for a new world, *Journal of Product & Brand Management*, Vol.26(5),469–476.
- RStudio Team. (2020). RStudio: Integrated Development for R. Boston, Massachusetts. Available at: <http://www.rstudio.com/>.
- Santiago, M., Lanfranchi, A., Melo, P., Carneiro-da-Cunha, J., and Telles, R. (2020). Socio-economic determinants of support and brand value perception: a survey of microfranchisees, *International Journal of Services and Operations Management*, Vol.35(3),269-288.
- Sashi, C. and Brynildsen, G. (2022). Franchise network relationships and word of mouth communication in social media networks, *Industrial Marketing Management*, Vol.102, 153-163.
- Shane, S. (1996a). Hybrid organizational arrangements and their implications for firm growth and survival: a study of new franchisors, *Academy of Management Journal*, Vol.39(1),216-234.
- Shane, S. (1996b). Why franchise companies expand overseas, *Journal of Business Venturing*, Vol.11(2),73-88.
- Shane, S. (1998). Explaining the Distribution of Franchised and Company-Owned Outlets in Franchise Systems, *Journal of Management*, Vol.24(6),717-739.
- Shane, S., and Foo, M. (1999). New firm survival: An institutional explanation for franchisor mortality, *Management Science*, Vol.45(1),142–159.
- Shang, R., Chen, Y. and Liao, H. (2006). The value of participation in virtual consumer communities on brand loyalty, *Internet Research*, Vol.16(4),398-418.
- Simon, H. (1955). A behavioral model of rational choice, *The Quarterly Journal of Economics*, Vol.69(1),99–118.
- Sohaib, M. and Han, H. (2023). Building value co-creation with social media marketing, brand trust, and brand loyalty, *Journal of Retailing and Consumer Services*, Vol.74(1), 103442.
- Statista. (2024). Most popular social networks worldwide as of April 2024, ranked by number of monthly active users. Retrieved August 12, 2024, from <https://www.statista.com/statistics/272014/global-social-networks-ranked-by-number-of-users/>

- Stienmetz, J., Kim, J., Xiang, Z. and Fesenmaier, D. (2021). Managing the structure of tourism experiences: foundations for tourism design, *Journal of Destination Marketing and Management*, Vol.19(1),1-7.
- Sorensen, A., Andrews, L. and Drennan, J. (2017). Using social media posts as resources for engaging in value co-creation: The case for social media-based cause brand communities, *Journal of Service Theory and Practice*, Vol.27(4),898-922.
- Tang, Q., Liu, F., Liu, S. and Ma, Y. (2019). Consumers' redemption behavior of recommended mobile coupons in social network sites, *Management Decision*, Vol.57(9),2477-2500.
- Thurik, R., Benzari, A., Fisch, C., Mukerjee, J., & Torrès, O. (2023). Techno-overload and well-being of french small business owners: Identifying the flipside of digital technologies, *Entrepreneurship & Regional Development*, Vol.36(1),1–26.
- Tiago, M., and Verissimo, J. (2014). Digital marketing and social media: why bother?, *Business Horizons*, Vol.57(6),703-708.
- Truss, C. (2004). Who's in the driving seat? Managing human resources in a franchise firm, *Human Resource Management Journal*, Vol.14(4),57-75.
- Tsai, C., and Zhao, M. (2011). Predicting consumption time: The role of event valence and unpacking, *Journal of Consumer Research*, 38(3), 459–473
- Vargo, S., and Lusch, R. (2004). Evolving to a new dominant logic for marketing". *Journal of Marketing*, Vol.68(1),1–17.
- Vargo, S., and Lusch, R. (2008). Service-dominant logic: Continuing the evolution, *Journal of the Academy of Marketing Science*, Vol.36(1),1–10.
- Voorhees, C., Brady, M., Calantone, R., & Ramirez, E. (2016). Discriminant validity testing in marketing: an analysis, causes for concern, and proposed remedies, *Journal of the Academy of Marketing Science*, Vol.44(1),119–134.
- Wang, J., Grunhagen, M., Ji, L. and Zhang, X. (2020). Conflict aftermath: Dispute resolution and financial performance in franchising, *Journal of Retailing*, Vol.96(4),548–562.
- Weaven, S. and Frazer, L. (2006). Investment incentives for single and multiple unit franchisees, *Qualitative Market Research*, 9(3),225-242.
- White, H. (1982). Maximum Likelihood Estimation of Misspecified Models, *Econometrica*, Vol.50(1),1.
- Wilson-Nash, C., Goode, A. and Currie, A. (2020). Introducing the socialbot: a novel touchpoint along the young adult customer journey, *European Journal of Marketing*, Vol.54(10),2621-2643.

- Wong, B., and Bottorff, C. (2023). Top Social Media Statistics and Trends of 2023. Forbes Advisor. Available at: <https://www.forbes.com/advisor/business/social-media-statistics/#:~:text=In%202023%2C%20an%20estimated%204.9,5.85%20billion%20users%20by%202027> , Accessed: August, 31st, 2023.
- Wooldridge, J. (2012) *Introductory Econometrics: A Modern Approach*. 20th edn. Mason: South-Western College Publishing. Available at: http://economics.ut.ac.ir/documents/3030266/14100645/Jeffrey_M._Wooldridge_Introductory_Econometrics_A_Modern_Approach_2012.pdf (Accessed: 21 November 2024).
- Xia, L., and Bechwati, N. (2021). Maximizing what? The effect of maximizing mindset on the evaluation of product bundles, *Journal of Business Research*, Vol.128(1),314-325.
- Yeniaras, V. and Kaya, I. (2022). Customer prioritization, product complexity and business ties: implications for job stress and customer service performance, *Journal of Business & Industrial Marketing*, Vol.37(2),417-432.
- Yu, H., Liu, R. and Zheng, D. (2019). Interaction orientation based on value co-creation theory: scale development and validation, *Journal of Contemporary Marketing Science*, Vol.2(3),298-322.
- Yu, C., Zhang, Z., Lin, C. and Wu, Y.J. (2020). Can data-driven precision marketing promote user ad clicks? Evidence from advertising in WeChat moments, *Industrial Marketing Management*, Vol.90(1),481-492.
- Zeileis, A. and Lumley, T. (2022). Package ‘sandwich’: Robust Covariance Matrix Estimators, *The Comprehensive R Archive Network*.
- Zhang, D. (2022). Package ‘rsq’: R-Squared and Related Measures, *The Comprehensive R Archive Network*.
- Zhang, H., Gupta, S., Sun, W. and Zou, Y. (2020). How social-media-enabled co-creation between customers and the firm drives business value? The perspective of organizational learning and social capital, *Information and Management*, Vol.57(3),103200.
- Zolfagharian, M. and Naderi, I. (2020). Human resource management challenges facing franchise businesses, *Personnel Review*, Vol.49(1),104-124.