

The Predictability of Trends in Franchising

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Abstract

Franchising can no longer be ignored in any retail sector in the Western world, neither now nor for the coming years. But, are future trends in franchising predictable? Based on extensive literature, empirical research in the Dutch bicycle sector and an exploring model, the answer to this question seems to be *yes*.

Three items colour the future franchise arena: the number of franchising firms, the historical stages in the development of franchising and the franchise intensity. The prediction model is tested with empirical data concerning bicycle dealers in The Netherlands. It can be expected that the number of franchising firms in this sector will amount up from 8% now to 20-25% in the year 2000. Moreover, it seems inevitable that wholesaler-sponsored voluntary chains, chain store groups, concentrated organizations and even internationally active organizations will enter the Dutch bicycle sector. It is also plausible that the franchise intensity in this sector will increase towards the year 2000.

This revelation has strategic consequences for the success of any retailer and any franchise organization. Developments in competition and growth potentials concerning franchisees can be prognosticated to a certain degree. This projection can be used for strategic reasons, by both entrepreneurs and management of franchise organizations.

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Due to technical difficulties, the full text of this paper is not available at this time. Please contact the author of this paper for a copy.