

Abstract

The aim of this paper is to analyze the contractual complexity of Spanish franchise chains. First we examine whether franchise chains differ according to the complexity and completion of their contracts, and then we analyse factors influencing the degree of complexity. For that purpose, 64 contracts held by different franchise chains operating in Spain have been taken as a sample. The results indicate, on the one hand, the existence of two kinds of contracts in terms of their degree of complexity and, on the other hand, that *i)* the larger the relationship-specific investments, *ii)* the broader the experience of the chain in the market, and *iii)* the greater the importance of the effort the person in charge of the outlet puts into making a success of the business, the more complex the contracts drawn up by the franchisors will be. On the other hand, the franchisor's reputation does not appear to influence the degree of detail with which the contract is drawn up.

Key words:

Contracts; Complexity; Completion