

## **Uniformity: Firm-Stakeholder Relationships in Franchise Systems**

### **Abstract**

This study raises the important question of how managers should make strategic distribution decisions and discusses how firms' strategic decisions could create conflict with different individual stakeholder groups. Based on stakeholder theory, it investigates the dynamics of firm strategies, firm reputation, and the overall effects on performance in franchise systems. Using multi-level dataset with 2 franchisors, 210 franchisees, and 925 customers, the empirical finding suggests that standardization strategies of franchisors may cause conflict between interests of franchisees and customers. This study will help firms select their interorganizational strategies dealing with marketing intermediaries to facilitate stakeholder management more effectively.

Keywords: Franchising, Stakeholder Theory, Channel Strategies, Standardization, Reputation

