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Article

Knowledge Heterogenization of the Franchising Literature Applying Transaction Cost Economics

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Abstract: Transaction Cost Economics is one of the most critical theories for business studies, including Franchise research. Knowing this stream of research well can help researchers to ground and sustain their studies on a more solid theoretical foundation. Through a Scientometric literature review via the Search-Appraisal-Synthesis-Analysis (SALSA) procedures, this paper proposes, investigates and demonstrates the knowledge heterogenization (i.e., the knowledge structure becoming heterogeneous) of literature in the social science domain. Focused on the Transaction Cost Economics application in Franchising research that intersects Economics and Business areas, knowledge heterogenization is found and demonstrated in the following aspects of research stream development: research topics, targeted outlets, empirical (geographical) contexts, analytic approaches, as well as important scholars and publications. However, we did not find heterogenization in terms of the adoption of cross-sectional versus longitudinal research design and quantitative versus qualitative data sources. Implications for the continuous practices and theory development of this research stream are discussed. Mainly, we argue that knowledge heterogenization is an approach for a scientific community to achieve developmental sustainability.

Keywords: knowledge heterogenization; transaction cost economics; franchising research; Scientometrics; marketing

1. Introduction

Franchising issues have long been studied by researchers and the number of such studies has increased rapidly (Stanworth and Curran 1999). From year 1999 to 2016, 1646 studies on franchising have been published by journals listed in the Social Sciences Citation Index (SSCI), with more than 100 studies published each year in the past 5 years (Web of Science, 1 December 2016).

Transaction cost economics (TCE) is among the most fundamental theories for franchising research (Stanworth and Curran 1999). Transaction costs can be generated through internal/external coordinative and control activities such as negotiation, supervision, information, transfer and economic exchange in a franchising system (Stanworth and Curran 1999). Through its unique method of governance for co-creating values (Pralhad and Ramaswamy 2004), a franchise system can combine small and large businesses and enable them to coexist through various means (Stanworth and Curran 1999). Put differently, a franchising system may mitigate the negative effects of opportunistic behaviors and facilitates effective resource distribution (Spinelli and Birley 1996).

More specifically, franchisors are highly susceptible to opportunism. When the performance of a franchising system stagnates or decreases, franchisors may lack the motivations to fulfil their obligations, resulting in them leaving the franchise and discouraging future potential franchisees from joining the organization (Chen and Dimou 2005). Furthermore, opportunistic franchisees can increase the franchiser's transaction costs (e.g., bargaining costs, monitoring costs and adaptation costs). Chen and Dimou identified information leakage and opportunism as two risk factors affecting international hotel groups seeking to adopt a franchise business structure. Cooperation with long-term contract between the franchisor and the franchisees can decrease bargaining costs and establishing a formal governance structure to reduce opportunistic behavior (Dahlstrom and Nygaard 1999). A franchise contract can prevent monopoly within an organization and satisfy the bounded rationality of the entrepreneurs, but it increases the likelihood of opportunism (Williamson 1976). Therefore, franchisors must consider various factors when formulating long-term contracts (Sashi and Karuppur 2002; Solis-Rodriguez and Gonzalez-Diaz 2012). Using a contract is one of the advantages of applying TCE theory to franchising practices (Contractor and Kundu 1998a).

Despite the importance, however, no study to our current knowledge has conducted a systematic literature review analysis of such important coupling of research streams. Overall, the objective of this study is to identify the structure, contents and development of the interdisciplinary literature of TCE and Franchising, which might have substantial impact on the literature and its scholarly community's academic sustainability. The present study asserts that elucidating the knowledge structure literature that applies TCE in franchising phenomenon can both improve understanding of researchers and practitioners. Knowledge structure has been the main point of analysis when conducting a Scientometric research of literature (e.g., Hassan 2005). Specifically, we adopted knowledge heterogeneity perspective of collective knowledge structure as a major analytical lens. Heterogeneity in phenomena can pose challenges in scientific literature for the difficulty in building common perceptions (e.g., definition to a term) (Coleman 1993; Haustein 2016). Knowledge heterogeneity, as we borrowed from organizational studies and applied here, further illustrates the overall deviation between pairs of knowledge elements within a knowledge domain (here the research of franchising system by applying TCE). Not just for knowledge pieces, heterogeneity can also be applied in observing aggregated scholar characteristics (Kao et al. 2008). In practical context, whereas high heterogeneity in knowledge structure can stimulate innovative ideas and expand potential knowledge range, it might also cause problems in communication and integration of collective knowledge (Tsai et al. 2014). In the Scientometrics discipline, Zitt and Bassecouard (2008) also reminded us that diversity is an issue that Bibliometrics-based studies need to elaborate more (Zitt and Bassecouard 2008). Thus, we suggest that the knowledge heterogeneity dilemma can also exist in scientific research practices, thus justifies the significance of identifying the development of knowledge heterogeneity (i.e., knowledge heterogenization) of the focused literature. We examined the publications in Social Science Citation Index (SSCI) journals in Business and Management disciplines. Research contents, authorships and citations are analyzed to provide a reference for future investigations.

2. Literature Review

2.1. Franchising

A franchise is a hybrid organizational form and a chain of ventures that share resources such as brands and know-how (Gassenheimer et al. 1996; Spinelli and Birley 1996). Franchising offers entrepreneurs an alternative method for establishing a business by combining the resources of all involved entrepreneurs to focus on developing a single brand to earn profits (Nyadzayo et al. 2011, 2016). To maintain brand advantage, franchisor commit in collaborating with franchisees for shared goals (King et al. 2013). Therefore, franchising involves the issue of business ownership and control rights, implying that a franchise must address the problems associated with management and ownership simultaneously (Hutchinson 1999). Most existing literature suggested that franchising system is more

like in hierarchical structure, where decision rights are centralized to the franchisor (Alexander 2015). However, literature also suggested that when organizations are in collaboration relationship, the power of ownership and governance may be shared to partner organizations, in addition to stockholders, because partners are the key to innovation and market development (Wadhwani 2011). Thus, a franchisor may both be a supervisor and a supplier, whereas a franchisee is the owner under supervision or supports of the franchisor. Cooperation between a franchisor and a franchisee is bound by a contractual relation rather than a partnership and a list of formal contract provisions defines the rules that both entities must follow. The relationship between franchisors and franchisees has been a topic of interests for many researchers (Geyskens et al. 2006).

Franchise systems is a hybrid organizational form operated on the ground of contracts between franchisor and franchisee organizations under with shared goals (Michael 2000). Entrepreneurs often enter a new industry through franchising (Baucus et al. 1996), paying a lot of attentions to and efforts in social and professional interactions in partnerships with the franchisor. But risk and uncertainty still exist for the franchisor and franchisees to bear together (Wu 2015). As a way for resolve the limits brought by risks and resource scarcity franchisors often wish to call and recruit as many franchisees as possible at the early stage of franchising. Doing so, franchisors can also speed up the maturation of the business, its brand and positions in the organizational and industrial life cycle (Fladmoe-Lindquist and Jacque 1995). The relationship between franchisors and franchisees has been a topic of interests for many researchers (Geyskens et al. 2006). With such functionality in assisting new, small and local businesses, franchising is also one of the key strategies for international business expansion (Contractor and Kundu 1998a).

2.2. Transaction Cost Economics

TCE has become an essential and widely applied management theory. The concepts underlying TCE were the cost of using the price mechanism first mentioned by (Coase 1937). Based on the hypotheses of bounded rationality and opportunism, Williamson published numerous studies on the theory after 1975 (Williamson 1979, 1981, 1991, 1999). Eventually, the theory provided a definition for various types of transaction cost involved in transaction processes. Transaction costs can be divided into ex ante and ex post transaction costs. Ex-ante transaction costs include the costs involved in drafting a contract, negotiating and safeguarding an agreement, whereas ex ante costs include maladaptation costs, haggling costs, setup and running costs and bonding costs (Williamson 1985).

Moreover, through decades of research and verification, TCE has become a mature theory that has contributed substantially to economic research (Jones 1997). Through the application of various conditions of costs aimed at satisfying the market dynamics, the theory represents an attempt to lower an organization's costs and increase its survivability. The choice between hierarchical and market governing structures may greatly be influenced by transaction cost concerns (Hennart 1994; Hennart and Park 1994). Hypotheses pertaining to TCE are based on the concepts of bounded rationality and opportunism (Williamson 1975, 1976; Dahlstrom and Nygaard 1999; Brill 1994; John 1984; Gassenheimer et al. 1996; Minkler and Park 1994; Hutchinson 1999). Generally, TCE is not applicable where, during an economic exchange, the information provided is complete and the economic behaviors demonstrate rationality, capability and trustworthiness. The very basic assumption is that unexpected events can occur during a transaction, incurring adaptation costs for the involved organizations (Crook et al. 2013).

Although TCE was not widely supported when it was first proposed, various discourses of the theory have been developed and verified after numerous revisions (Geyskens et al. 2006). Compared with other theories of organizational economics, TCE is more micro-analytic, focuses on specific behavioral assumptions, introduces and develops asset specificity, depends on comparative institutional analysis, regards the business firm as a governance structure rather than a production function and emphasizes the importance and institution of contracts (Williamson 1981). TCE is a paradigm of new institutional economics and is gradually replacing conventional neoclassical economics

(Rindfleisch and Heide 1997). The market and hierarchical structures are alternative governance structures that can be used based on distinctive transaction costs (Hutchinson 1999). In *The Economic Institutions of Capitalism*, (Williamson 1985) proposed that transaction costs can reduce expenses through assigning specific transactions (of various attributes) to governance structures (with varying adaptive capacities and associated costs) (Rindfleisch and Heide 1997).

TCE can be applied to a broad range of organization-related issues, such as technology management (Cruz et al. 2014), purchasing (Pemer et al. 2014; Wu et al. 2014; Baker and Abu-Ismael 1993), performance evaluation (Peris-Ortiz et al. 2012; O'Brien et al. 2014), conflict management (Dant and Schul 1992; Weber and Mayer 2014), control mechanisms (Sachdev and Bello 2014), self-regulatory mechanisms (Valentinov and Chatalova 2014), supplier management (Tate et al. 2014), sales (Mabuza et al. 2014), knowledge transfer (Lu and Kuo 2014), inter-organizational relations (Yu and Chen 2013; Eser 2012; Altinay and Brookes 2012; Sheng et al. 2006), financial investment (Hayat et al. 2013; Woodside-Oriakhi et al. 2013; Michael 2000), cooperative strategy (Hanvanich 1998) and international management (Sashi and Karuppur 2002; Bronson and Morgan 1998; Cavusgil 1998). These topics are invariably related to costs that organizations expend to ensure the sustainability of their businesses.

2.3. The Relevance of Transaction Cost Economics and Franchising

Considering the nature of a franchising system, TCE is a theory that is highly explanatory for phenomena in the context of a franchising system. Geyskens et al. (2006) showed that transaction costs can be divided into seven basic constructs, namely, asset specificity, volume uncertainty, technological uncertainty, behavioral uncertainty, hierarchical governance, relational governance and performance. In the present study, we conducted a literature review according to these constructs to determine the roles of TCE in franchising. The selection of the following dimensions was based on the context-specific consideration, which is very important for a review study with a specific definition of theoretical boundary. Accordingly, the focus of TCE's applications to the franchising system as a context makes it suitable to follow Geyskens et al. to use the dimensions for this paper's analyses. To demonstrate the importance of a bibliometric review of TCE and Franchising literatures' intersection, we discuss the functionality of TCE instilled into the franchising studies below.

Asset specificity. To join a franchise, potential franchisees must invest in various types of equipment, laborers and resources according to asset specificity. Thus, asset specificity is a typical characteristic of franchising and franchisees must invest a considerable amount of resources to satisfy the requirements set by the franchisor. Minkler and Park (1994) maintained that a franchise's brand is its most essential asset and that franchising provides a unique opportunity to empirically verify the vertical integration of TCE. Their empirical results revealed a positive correlation between asset specificity and vertical integration, indicating that when a franchisee invests more resources according to asset specificity, it typically achieves successful vertical integration outcomes. Jell-Ojobor and Windsperger (2014) showed that when a franchisor's investment is greater than that of the franchisees, a governance structure that increases the authority of the franchisor is implicitly introduced (Jell-Ojobor and Windsperger 2014). Because famous brands are highly valued and are accompanied by strict asset specificity, investments according to asset specificity can influence the hierarchical governance of a franchise.

Volume uncertainty. Noordewier et al. (1990) defined volume uncertainty as unpredictable changes in the environment (Noordewier et al. 1990). A crucial concept in volume uncertainty is the difficulty of adaption, where the environment within which a franchise operates cannot be changed easily through modifying contracts (Rindfleisch and Heide 1997). Two types of volume uncertainty are quantity uncertainty and technological uncertainty. Quantity uncertainty is defined as the unpredictability for future demand, which results in a sense of uncertainty toward accurately predicting the quantity of a demand within a franchise (Crook et al. 2013; Geyskens et al. 2006). In regions with unstable and complex markets, unpredictability and variability cannot be predetermined and controlled using

either direct or indirect governance structures. Potential franchisees might be concerned about the number of customers and level of sales after joining a franchise. The franchisor can use the success of extant franchisees to encourage other entrepreneurs to join the franchise but product demand remains difficult to predict.

Technological uncertainty. This construct refers to the inability to predict the technological requirements of a business (Geyskens et al. 2006). Consequently, technological uncertainty encourages firms to invest in their suppliers (Stump and Heide 1996). Firms typically consider make-or-buy decisions because buyers prefer technological stability and seek to control uncertainty (Walker and Weber 1984). However, using make-or-buy decisions in a franchising system is difficult. A franchisor acts as both the director and supplier who adopt the core technology of a product to control the franchisee, indicating that a franchisor possesses numerous measures for preventing information leakage. For franchisees, because they depend heavily on franchisors to provide the technologies and products, they require to operate their business, the transaction costs of which are high, once the franchisor stops supplying such resources, the franchisee can no longer operate its business. Therefore, technological uncertainty is high and difficult to resolve. Generating profit is crucial for maintaining the balance between the franchisor and the franchisees and low profits can lead to the collapse of a franchise.

Behavioral uncertainty. Behavioral uncertainty refers to the uncertainty in determining whether the items specified in a contract were adhered to, particularly when opportunism exists within the business relation (John and Weitz 1988). Two potential risks that can increase uncertainty and thereby costs in franchising are information leakage and opportunism (Dimou et al. 2003). Cooperation between two business entities and the formalization of governance structure can minimize opportunism and decrease the monitoring costs, bargaining costs and adaptation costs of a franchise (Dahlstrom and Nygaard 1999). The fundamental problem of franchising is that the franchisor is the owner responsible for ensuring its trademark and product quality, who develops contractual agreements permitting the franchisees to use the trademark and other rights. Under this context, consistent product quality (orders of the franchisor and standard production protocol) and the sharing of the trademark are highly susceptible to influences from opportunism (Michael 2000). Therefore, the levels of commitment and trust between franchisors and franchisees are crucial because verifying whether a contract has been adhered to is difficult and necessitates considerable investment in labor and resources (e.g., References (Jaiswal and Dhar 2017; King et al. 2013)).

Hierarchical governance. Hierarchical governance is a governance model that is executed through an authoritative structure. The model includes vertical integration and a formal management. Hierarchical governance is characterized by specific contract provisions (Geyskens et al. 2006). Previous studies have verified that a franchisee's asset specificity is positively related to its capacity for vertical integration; in other words, high degree of asset specificity results in successful vertical integration (Minkler and Park 1994). Regarding franchising, the relation between a franchisor and its franchisees is contractual rather than being that of a partnership structure. A formal and specific list of contract provision is implemented for both entities to follow. The franchisees are obliged to fulfill the franchisor's requirements for joining the franchise. Consequently, a franchise is a structure where strong control is emphasized. Through supplier power and the commitment of contract management, the franchisor demands that franchisees adhere to its hierarchical governance (Brill 1994). Franchisors typically prefer hierarchical governance because of opportunism and uncertainty. Although hierarchical governance results in higher bargaining costs compared with other governance structures, this structure facilitates maintaining the stability of a franchise and preventing chaos (Crook et al. 2013).

Relational governance. This construct is defined as the cooperation among transacting entities to achieve a common goal (Geyskens et al. 2006). From the perspective of transaction cost, the trust that exists between a franchisor and its franchisees can alleviate the tension resulting from the governance structure. Consequently, trust is inversely related to transaction cost. A high degree of trust between the two entities also decreases the monitoring costs (i.e., the cost of determining whether

both parties have fulfilled their contractual obligations) and increases the commitment within the relationship. Decreasing transaction costs can induce relative advantage through competition within the franchise (Sheng et al. 2006). During the process of joining a franchise, the trust between the franchisor and the franchisee is established through communication and signing a formal binding contract (Gassenheimer et al. 1996). As both the supervisor and the supplier in a franchise, the franchiser is concerned with assisting the franchisees in earning profits while discouraging successful franchisees from leaving the franchise to seek for new opportunities. Therefore, relational governance can create a mutually beneficial scenario for both the franchisor and its franchisees through cooperation to achieve a common goal.

Performance. The construct of performance is defined as increasing in profits and stock returns (Geyskens et al. 2006). Franchisees join the franchise to obtain profits quickly (Ramirez-Hurtado et al. 2011). Consequently, a franchise with high performance can attract more people to join the franchise and a mutually beneficial relationship is formed (Yan and Wang 2012). Trusts and communication are the most crucial elements in a relationship and are prerequisites for achieving high performance and success (Eser 2012). Therefore, management models such as transformational or empowering leadership can facilitate improving franchisor–franchisees relationship and reducing transaction costs. The aforementioned factors are directly related to the performance of a franchise (Stanworth and Curran 1999). Because the franchisees must relinquish business autonomy and follow the established governance structure, the franchise would collapse if the franchisees cannot generate sufficient profits. However, franchises typically offer high-powered incentives, in which the profits earned by the franchisees are affected by their own performance (Yan and Wang 2012). Consequently, sufficient incentives can reduce monitoring costs because the franchisees are self-motivated and self-enforced under such conditions (Chen and Dimou 2005).

3. Methods

Issues related to franchising have long been studied and the number of such studies has increased rapidly (Stanworth and Curran 1999). From year 1999 to 2016, 1646 studies on franchising have been published by journals listed in the Social Sciences Citation Index (SSCI) databases, with more than 100 studies published each year in the past 5 years (Web of Science, 1 December 2016).

To elucidate the development and application of TCE in franchising, publications were sourced from SSCI journals related to management and business. From the website of Master Journal List—IP and Science—Thomson Reuters, we found that 248 journals in management and business categories were suitable for this study. The goal is to search and identify articles related to the development and application of TCE in the Franchise research. Our research adopted a systematic set of procedures named the SALSA (Search, Appraisal, Synthesis and Analysis) method with complementary snowballing methods (Grant and Booth 2009; Szutowski et al. 2017) (see Figure 1).

First, we chose the following databases as the “population” of sampling, where potential target papers have been indexed and abstracted. These databases include: EBSCO Business Source Complete (EBSCO-BSC), ProQuest Center, ScienceDirect Online (SDOL) and Web of Science (SCI and SSCI). Second, we searched for data by using the following keywords: “transaction cost” and “franchis*” (the “*” means “any string” in the web sites’ information columns). The scope of the search was set to include the titles, keywords and abstracts of the studies. Third, we selected 1975–2016 as the year of publication since 1975 is the year Williamson started to advocate and make systematic research on TCE. Through the procedures, a final effective sample of 46 studies were sorted and used for further analyses.

As was explained above, the fundamental objective is to facilitate in-depth understanding of the literature’s knowledge structure and development. In such premise we decided not to overlook either of the most important research types—conceptual and empirical papers. This allowed us to address more complete aspects of analyses of a scientific study—concept, thought development, methodology and so forth...

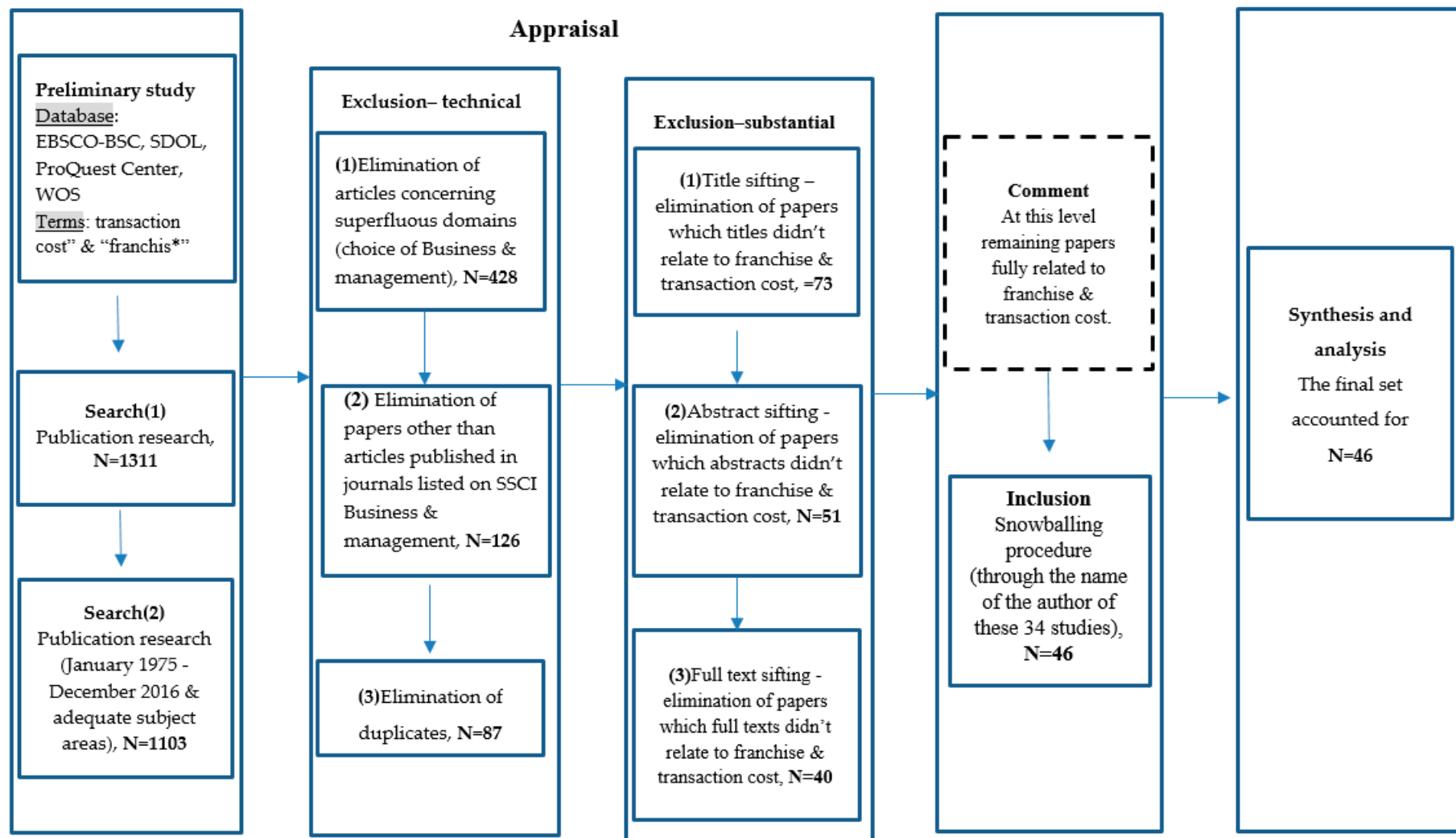


Figure 1. The SALSA method and Snowballing procedures. Note: modified from Szutowski et al. (2017).

4. Results and Discussion

Table 1 shows the structural characteristics of the 46 sample studies. Among 248 SSCI journals related to management and business with complementary snowballing journals, 29 journals contributed sample studies related to the development and application of TCE in the context of franchising. According to SSCI and the journal names listed in Table 1, these 29 journals were categorized as general management coverage (GM), strategic management (SM), international management (IM), marketing management (MM) and Economics (E). Some journals were assigned to two or more categories, due to their broad coverage of issues. The results showed that targeted outlets were mainly related to the contexts of small business, international business and international marketing/management. Due to the hybrid organizing forms, the organizations involving in franchising systems have become increasingly diversified, leading to diversified publication in journals that reflect these organizations nature. For example, while thirteen percent of the sampled paper were published in small business management journals (e.g., Journal of Small Business Management and Small Business Economics), 21 papers (45.65%) appeared in International Marketing journals, demonstrating the prosperity of international franchising activities. This may also be related to the emphases on cross-border governance imperatives in Franchising that can be well explained by TCE. For instance, global franchises usually stipulate contract provisions to prevent unexpected incidents that occur under bounded rationality conditions (Sashi and Karuppur 2002).

Table 1. Structural characteristics of the sampled articles.

Serial	Discipline	Journal Title	No. of Papers	Percentage
1	GM; IM	Journal of International Business Studies	4	8.70%
2	GM	Journal of Business Research	4	8.70%
3	GM	Journal of Small Business Management	4	8.70%
4	MM; IM	Journal of International Marketing	3	6.52%
5	GM	Journal of Business Venturing	2	4.35%
6	GM	Journal of Applied Business Research *	2	4.35%
7	MM	Journal of Marketing Research	2	4.35%
8	GM	Small Business Economics	2	4.35%
9	IM	Management International Review	2	4.35%
10	GM	Managerial and Decision Economics *	2	4.35%
11	GM	Cornell Hotel and Restaurant Administration Quarterly	1	2.17%
12	GM; IM	International Business Review	1	2.17%
13	GM; IM	International Journal of Contemporary Hospitality Management	1	2.17%
14	GM; IM	International Journal of Management Reviews	1	2.17%
15	MM; IM	International Marketing Review	1	2.17%
16	MM; IM	International of Research Marketing	1	2.17%
17	GM; IM	Journal of International Management	1	2.17%
18	MM	Journal of marketing	1	2.17%
19	MM	Journal of Marketing Channels *	1	2.17%
20	GM	Journal of Retailing	1	2.17%
21	MM	Journal of Services Marketing	1	2.17%
22	GM	Management Science	1	2.17%
23	GM	Review of Industrial Organization	1	2.17%
24	GM	Service Business	1	2.17%
25	GM	Service Industries Journal	1	2.17%
26	SM	Strategic Management Journal	1	2.17%
27	SM	Journal of Economics & Management Strategy	1	2.17%
28	E	The American Economic Review *	1	2.17%
29	E	The Bell Journal of Economics *	1	2.17%
Sum			46	100.00%

Categories are based on the general division of scientific areas in management; GM: General management coverage; IM: International Management; SM: Strategic management; MM: Marketing Management; E: Economic; Editorial policies of the journals were reviewed. *: non-SSCI journals

Table 2 lists the categories of research topics of the sample. We have consulted the Gómez and colleague (Guo et al. 2015) work in order to be rigor and objective when categorizing subject topics in our researched sample articles. After Williamson extend to all transaction costs arising from the transaction process, ex ante and ex post costs, (Geyskens et al. 2006) showed that transaction costs

can be divided into seven basic constructs (i.e., asset specificity, volume uncertainty, technological uncertainty, behavioral uncertainty, hierarchical governance, relational governance and performance) as analysis framework of the TCE and franchise. This framework assisted our analyses here. Because some studies in our sample simultaneously investigated on two to three topics, the total number of the categorized studies exceeded 46 (Table 2). Among the studies in the research sample, the categories accounting for the highest number of studies were: hierarchical governance (26.98%), behavioral uncertainty (17.46%), technological uncertainty (14.29%) and Relational governance (12.70%). The result for hierarchical governance in franchising reflect the interests in investigating on the fit between contract implementation and organization design. Favorable research intention may be directed to the observation of the functionality of the authorized control structure in influencing opportunism (e.g., Reference (Dahlstrom and Nygaard 1999)). The result for studying behavioral uncertainty in franchising setting also reflect that researchers care about the opportunism and uncertainty when franchiser and franchisees are inherently cooperative dyads with collective action arrangements.

Despite the finding for the major issues the studied researchers interested in, we also tried to sort the studied issues in a period difference fashion. Table 2 showed that the issue coverage become wider and heterogeneous in the seven categories. At first (period 1975–1984), only the hierarchical governance and behavior uncertainty issues were brought into franchising studies, while gradually the theoretical elements of TCE were applied. This reflects the fact that the phenomena of franchising have been growing economically complex over the years (e.g., technological uncertainty added in when comprehending uncertainty in franchising; asset specificity and relational governance justified the importance of lateral inter-organizational governance in the franchising system).

Both the TCE and the franchising researches in their separate streams care about the international settings (Hoffman et al. 2016; Jell-Ojobor and Windsperger 2014). Thus we also look into this issue for TCE-applied franchising literature. Table 3 showed a large portion of the sampled studies have been focusing primarily on topics related to international franchise management models, with twenty-one studies published (45.65%). Topics of these twenty-one papers include: behavioral uncertainty (24%), due to the difficulty of monitoring for opportunism behaviors (Dahlstrom and Nygaard 1999; Dimou et al. 2003) due to a wider, cross-boundary management scope (Jell-Ojobor and Windsperger 2014; Fladmoe-Lindquist and Jacque 1995), technological uncertainty (19%), due to the importance of cross-border technological transfer and control of franchisor (Burton et al. 2000; Dimou et al. 2003), hierarchical governance (19%) for more efficient authorization structures (Contractor and Kundu 1998a) and asset-specificity (19%) for adding franchisor-franchisee inter-organizational relationship stability (Jell-Ojobor and Windsperger 2014; Sashi and Karuppur 2002). Previous studies have demonstrated the importance of applying TCE in the fields of international management (Hill and Kim 1988) and international marketing (Seggie 2012). In Franchise research, such importance is also supported by the result here, suggesting promising opportunities for more detailed studies by applying TCE to examine international franchises.

We also found the knowledge heterogenization trend in the international part of the TCE applications in franchising research (Tables 3 and 4). The non- and international part of the sample studies both grew strongly, indicating decentralization of either of them. Moreover, within the scope of the international part, we can observe that the interested countries have grown diverse—the coverage of countries from different continents increased and to the last period there were studies regarding the Africa countries. For a note, more recent studies (year 2012–2016) have been focused primarily on topics related to international franchise management (e.g., References (Jell-Ojobor and Windsperger 2014; Hoffman et al. 2016)), intraorganizational trust (Eser 2012; Hoffman et al. 2016), contracts (e.g., References (Solis-Rodriguez and Gonzalez-Diaz 2012; Evanschitzky et al. 2016)), performance (e.g., Reference (Peris-Ortiz et al. 2012)) and business partner relations (e.g., References (Altinay and Brookes 2012; Kang and Jindal 2015)).

Table 2. Academic content of the sampled articles.

Specific Topics	Year	1975–1984	1985–1994	1995–2004	2005–2016	Total	Percentage
Hierarchical governance		1 (Klein 1980)	3 (Minkler and Park 1994; Brill 1994; Hennart 1989)	3 (Spinelli and Birley 1996; Contractor and Kundu 1998b; Stanworth and Curran 1999)	10 (Chen and Dimou 2005; Evanschitzky et al. 2016; Solis-Rodriguez and Gonzalez-Diaz 2012; Srinivasan 2006; Petersen et al. 2010; Windsperger and Dant 2006; Hussain et al. 2012; Argyres and Bercovitz 2015; Hendrikse et al. 2015; Hoffman et al. 2016)	17	26.98%
Behavioral uncertainty		1 (John 1984)	1 (Hennart 1989)	5 (Dahlstrom and Nygaard 1999; Michael 2000; Fladmoe-Lindquist and Jacque 1995; De Kok and Uhlaner 2001; Dimou et al. 2003)	4 (Jell-Ojobor and Windsperger 2014; Hussain et al. 2012; Hussain and Windsperger 2011; Kang and Jindal 2015)	11	17.46%
Technological uncertainty				3 (Burton et al. 2000; Dimou et al. 2003; Erramilli et al. 2002)	6 (Chen and Dimou 2005; Evanschitzky et al. 2016; Safón and Escribá-Esteve 2011; Dev et al. 2007; Mumdziev and Windsperger 2013; Hussain et al. 2012)	9	14.29%
Relational governance				1 (Gassenheimer et al. 1996)	7 (Eser 2012; Sheng et al. 2006; Altinay and Brookes 2012; Dev et al. 2007; Seggie 2012; Perrigot et al. 2015; Hendrikse et al. 2015)	8	12.70%
Asset specificity			2 (Minkler and Park 1994; Brill 1994)	3 (Fladmoe-Lindquist and Jacque 1995; Hutchinson 1999; Sashi and Karuppur 2002)	2 (Jell-Ojobor and Windsperger 2014; Hussain et al. 2013)	7	11.11%
Performance			1 (Mirus and Yeung 1986)	3 (Contractor and Kundu 1998a; Bronson and Morgan 1998; Stanworth and Curran 1999)	2 (Peris-Ortiz et al. 2012; Eser 2012)	6	9.52%
Volume uncertainty		1 (Williamson 1976)	1 (Hennart 1989)	2 (Fladmoe-Lindquist and Jacque 1995; Clegg and Cross 2000)	1 (Hussain et al. 2012)	5	7.94%
Sum		3	8	20	30	63	100.00%

Table 3. Compare international and non-international management issues of the sampled articles.

Specific Topics	Year	1975–1984	1985–1994	1995–2004	2005–2016	Total	Percentage
International Management		1 (Klein 1980)	2 (Hennart 1989; Mirus and Yeung 1986)	9 (Dahlstrom and Nygaard 1999; Fladmoe-Lindquist and Jacque 1995; Clegg and Cross 2000; Sashi and Karuppur 2002; Contractor and Kundu 1998a, 1998b; Burton et al. 2000; Dimou et al. 2003; Erramilli et al. 2002)	9 (Jell-Ojobor and Windsperger 2014; Chen and Dimou 2005; Altinay and Brookes 2012; Petersen et al. 2010; Dev et al. 2007; Hussain and Windsperger 2011; Seggie 2012; Perrigot et al. 2015; Hoffman et al. 2016)	21	45.65%
Non-international Management		2 (John 1984; Williamson 1976)	2 (Minkler and Park 1994; Brill 1994)	7 (Michael 2000; Hutchinson 1999; Spinelli and Birley 1996; Bronson and Morgan 1998; De Kok and Uhlaner 2001; Stanworth and Curran 1999; Gassenheimer et al. 1996)	14 (Peris-Ortiz et al. 2012; Eser 2012; Sheng et al. 2006; Evanschitzky et al. 2016; Solis-Rodriguez and Gonzalez-Diaz 2012; Safón and Escribá-Esteve 2011; Srinivasan 2006; Windsperger and Dant 2006; Mumdzhev and Windsperger 2013; Hussain et al. 2012, 2013; Argyres and Bercovitz 2015; Hendrikse et al. 2015; Kang and Jindal 2015)	25	54.35%
Sum		3	4	16	23	46	100.00%

Table 4. Geographic location in International Management of the sampled articles.

	Geographic Location	1975–1984	1985–1994	1995–2004	2005–2016	Total	Percentage
International Management	Europe		1 (Hennart 1989)	7 (Dahlstrom and Nygaard 1999; Fladmoe-Lindquist and Jacque 1995; Clegg and Cross 2000; Contractor and Kundu 1998a, 1998b; Burton et al. 2000; Erramilli et al. 2002)	4 (Altinay and Brookes 2012; Dev et al. 2007; Hussain and Windsperger 2011; Perrigot et al. 2015)	12	35.29%
	North America			4 (Clegg and Cross 2000; Contractor and Kundu 1998a, 1998b; Erramilli et al. 2002)	4 (Jell-Ojobor and Windsperger 2014; Altinay and Brookes 2012; Dev et al. 2007; Hoffman et al. 2016)	8	23.53%
	Asia		1 (Hennart 1989)	4 (Fladmoe-Lindquist and Jacque 1995; Contractor and Kundu 1998a, 1998b; Erramilli et al. 2002)	2 (Altinay and Brookes 2012; Dev et al. 2007)	7	20.59%
	Africa				2 (Altinay and Brookes 2012; Dev et al. 2007)	2	5.88%
	Other		1 (Hennart 1989)	2 (Fladmoe-Lindquist and Jacque 1995; Erramilli et al. 2002)	2 (Altinay and Brookes 2012; Dev et al. 2007)	5	14.71%

Note: some papers adopt more than one geographic location and some concept papers have no geographic location.

If we do not separate international and non-international studies, the result revealed that Europe is investigated most frequently, followed by North America and Asia. An alternative explanation for such result is that our collection of sample paper was from the SSCI database, in which “major” outlets were published by publishers from those geographic locations. However, the result also sends future studies an important message that more high quality studies should be conducted toward empirical settings other than reported here. Especially, Franchising is heavily adopted in emerging economies that are not located in Europe or North America, as businesses in these areas demands rapid growth. Important observations may not be invested in research or they may only be just published in local languages, leaving an important gap to be filled up in international publications. Again, we found knowledge structure becoming heterogeneous in the Table 5, demonstrating good generalization of our argument.

Table 6 show the 15 most frequently cited references by the sample papers. Not surprisingly, the books by Williamson in 1975 and 1985 were cited most frequently, appearing in the references in 26 (11.98%) and 25 (11.52%) out of the 46 sampled papers respectively. The reference lists in our sampled papers also indicated that no cited study was written before 1975 amplifying Williamson work as one of classic root for franchising research. Consequently, the 16 most frequently cited references were evenly distributed in the 1970s, 1980s and 1990s, being accounted for 6.90% of all (217 of 3147) citations in our research sample, indicating these exemplary studies have gained widespread attention soon as TCE begin to be applied in franchising studies.

Table 7 list the top 10 most frequently cited authors, indicating the most crucial experts being referred by our sampled papers. The authors with the highest citation frequency were Williamson (averagely 2.37 publications being cited by each of our sampled paper), followed by Lafonatine (1.11) and Klein (0.89), providing the most substantial contribution to and intellectual influences on research related to TCE’s application in franchising. Both Tables 6 and 7 showed that citation pattern to works and authors gained diversely distributed as the time of the research stream grew and paced into recent period. That is, we also gain evident information regarding to the heterogenization of cited knowledge intellectuals and their publications.

Table 8 reports that nearly 20 percent of the total studies are longitudinal and 80 percent are Cross-sectional. Most of the longitudinal studies utilized archival data sets from secondary databases (e.g., United Nations Conference on Trade and Development, UNCTAD), which might save costs for collecting first-hand materials. Table 8 indicated the increasingly dominant usage of cross-sectional design as time goes by. Table 9 indicated that most of the sampled papers adopted quantitative analytic strategies. The table also revealed that relatively few have adopted qualitative method. Nonetheless, a qualitative design is important for exploring innovative phenomena or issues that can bring radical progress of a scientific field, thus present a call for more adoptions in the studies literature. Analysis of the methodologies adopted in the sampled articles is presented in Table 9. Most of the sampled papers adopted quantitative methods (63.04%), followed by qualitative and conceptual papers. Combining Tables 8 and 9, our judgement suggests that there were no apparent knowledge heterogenization in the abovementioned two methodological issues. Cross-sectional and quantitative designs dominated the scientific adoption in the literature.

Table 5. Geographic location of the sampled articles.

Specific Topics	Year	1975–1984	1985–1994	1995–2004	2005–2016	Total	Percentage
Europe			2 (Brill 1994; Hennart 1989)	8 (Dahlstrom and Nygaard 1999; Fladmoe-Lindquist and Jacque 1995; Clegg and Cross 2000; Contractor and Kundu 1998a, 1998b; Burton et al. 2000; De Kok and Uhlaner 2001; Erramilli et al. 2002)	14 (Peris-Ortiz et al. 2012; Eser 2012; Evanschitzky et al. 2016; Altinay and Brookes 2012; Solis-Rodriguez and Gonzalez-Diaz 2012; Safón and Escribá-Esteve 2011; Windsperger and Dant 2006; Dev et al. 2007; Mumdziev and Windsperger 2013; Hussain et al. 2012, 2013; Hussain and Windsperger 2011; Perrigot et al. 2015; Hendrikse et al. 2015)	24	43.64%
North America		1 (John 1984)	1 (Minkler and Park 1994)	7 (Michael 2000; Clegg and Cross 2000; Contractor and Kundu 1998a, 1998b; Bronson and Morgan 1998; Gassenheimer et al. 1996; Erramilli et al. 2002)	7 (Jell-Ojobor and Windsperger 2014; Sheng et al. 2006; Altinay and Brookes 2012; Srinivasan 2006; Dev et al. 2007; Argyres and Bercovitz 2015; Hoffman et al. 2016)	16	29.09%
Asia			1 (Hennart 1989)	4 (Fladmoe-Lindquist and Jacque 1995; Contractor and Kundu 1998a, 1998b; Erramilli et al. 2002)	3 (Chen and Dimou 2005; Dev et al. 2007; Kang and Jindal 2015)	8	14.55%
Africa					2 (Altinay and Brookes 2012; Dev et al. 2007)	2	3.64%
Other			1 (Hennart 1989)	2 (Fladmoe-Lindquist and Jacque 1995; Erramilli et al. 2002)	2 (Altinay and Brookes 2012; Dev et al. 2007)	5	9.09%

Note: some papers adopt more than one geographic location and some concept papers have no geographic location.

Table 6. Sorted citation frequency based on the citations extracted.

Source	Year	1975–1984	1985–1994	1995–2004	2005–2016	Number of Citations	Being Cited/per Sample Article
Williamson (1985)			2 (Hennart 1989; Minkler and Park 1994)	8 (Bronson and Morgan 1998; Dahlstrom and Nygaard 1999; Dimou et al. 2003; Fladmoe-Lindquist and Jacque 1995; Hutchinson 1999; Michael 2000; Spinelli and Birley 1996; Stanworth and Curran 1999)	16 (Altinay and Brookes 2012; Argyres and Bercovitz 2015; Chen and Dimou 2005; Evanschitzky et al. 2016; Hussain et al. 2012, 2013; Jell-Ojobor and Windsperger 2014; Mumdziev and Windsperger 2013; Peris-Ortiz et al. 2012; Petersen et al. 2010; Seggie 2012; Sheng et al. 2006; Solis-Rodriguez and Gonzalez-Diaz 2012; Srinivasan 2006; Windsperger and Dant 2006; Hendrikse et al. 2015)	26	11.98%
Williamson (1975)		3 (John 1984; Klein 1980; Williamson 1976)	1 (Brill 1994)	8 (Burton et al. 2000; Dahlstrom and Nygaard 1999; Dimou et al. 2003; Fladmoe-Lindquist and Jacque 1995; Gassenheimer et al. 1996; Michael 2000; Sashi and Karuppur 2002; Stanworth and Curran 1999)	13 (Argyres and Bercovitz 2015; Chen and Dimou 2005; Evanschitzky et al. 2016; Hoffman et al. 2016; Hussain et al. 2012, 2013; Jell-Ojobor and Windsperger 2014; Kang and Jindal 2015; Mumdziev and Windsperger 2013; Seggie 2012; Srinivasan 2006; Hendrikse et al. 2015; Perrigot et al. 2015)	25	11.52%
Brickey and Frederick (1987)			1 (Minkler and Park 1994)	9 (Burton et al. 2000; Contractor and Kundu 1998a; Dahlstrom and Nygaard 1999; Dimou et al. 2003)	8 (Altinay and Brookes 2012; Argyres and Bercovitz 2015; Chen and Dimou 2005; Hussain et al. 2013; Jell-Ojobor and Windsperger 2014; Solis-Rodriguez and Gonzalez-Diaz 2012; Srinivasan 2006; Windsperger and Dant 2006)	19	8.76%
Lafontaine (1992)			1 (Minkler and Park 1994)	6 (Dahlstrom and Nygaard 1999; Fladmoe-Lindquist and Jacque 1995; Hutchinson 1999; Michael 2000; Sashi and Karuppur 2002; Stanworth and Curran 1999)	12 (Altinay and Brookes 2012; Chen and Dimou 2005; Hoffman et al. 2016; Hussain et al. 2012, 2013; Hussain and Windsperger 2011; Jell-Ojobor and Windsperger 2014; Kang and Jindal 2015; Seggie 2012; Solis-Rodriguez and Gonzalez-Diaz 2012; Srinivasan 2006; Windsperger and Dant 2006)	19	8.76%
Fladmoe-Lindquist and Jacque (1995)				9 (Burton et al. 2000; Clegg and Cross 2000; Contractor and Kundu 1998a, 1998b; Dimou et al. 2003; Erramilli et al. 2002; Fladmoe-Lindquist and Jacque 1995; Michael 2000; Sashi and Karuppur 2002)	4 (Chen and Dimou 2005; Hussain et al. 2013; Petersen et al. 2010; Windsperger and Dant 2006)	13	5.99%
Caves and Murphy (1976)			1 (Minkler and Park 1994)	7 (Bronson and Morgan 1998; Burton et al. 2000; Contractor and Kundu 1998a; Dimou et al. 2003; Fladmoe-Lindquist and Jacque 1995; Michael 2000; Sashi and Karuppur 2002)	5 (Hoffman et al. 2016; Jell-Ojobor and Windsperger 2014; Safón and Escrivá-Esteve 2011; Solis-Rodriguez and Gonzalez-Diaz 2012; Windsperger and Dant 2006)	13	5.99%
Norton (1988)				9 (Bronson and Morgan 1998; Burton et al. 2000; Dimou et al. 2003; Fladmoe-Lindquist and Jacque 1995; Gassenheimer et al. 1996; Hutchinson 1999; Michael 2000; Sashi and Karuppur 2002; Stanworth and Curran 1999)	5 (Argyres and Bercovitz 2015; Chen and Dimou 2005; Hussain et al. 2013; Jell-Ojobor and Windsperger 2014; Windsperger and Dant 2006)	14	6.45%

Table 6. Cont.

Source	Year	1975–1984	1985–1994	1995–2004	2005–2016	Number of Citations	Being Cited/per Sample Article
Rubin (1978)			1 (Minkler and Park 1994)	7 (Burton et al. 2000; Fladmoe-Lindquist and Jacque 1995; Spinelli and Birley 1996; Hutchinson 1999; Michael 2000; Sashi and Karuppur 2002; Stanworth and Curran 1999)	5 (Argyres and Bercovitz 2015; Chen and Dimou 2005; Jell-Ojobor and Windsperger 2014; Solis-Rodriguez and Gonzalez-Diaz 2012; Windsperger and Dant 2006)	13	5.99%
Williamson (1991)				4 (Bronson and Morgan 1998; Gassenheimer et al. 1996; Michael 2000; Spinelli and Birley 1996)	8 (Evanschitzky et al. 2016; Jell-Ojobor and Windsperger 2014; Mumdzhev and Windsperger 2013; Petersen et al. 2010; Seggie 2012; Sheng et al. 2006; Solis-Rodriguez and Gonzalez-Diaz 2012; Srinivasan 2006)	12	5.53%
Brickley et al. (1991)				6 (Contractor and Kundu 1998a; Fladmoe-Lindquist and Jacque 1995; Hutchinson 1999; Michael 2000; Sashi and Karuppur 2002; Stanworth and Curran 1999)	5 (Argyres and Bercovitz 2015; Hussain et al. 2013; Hussain and Windsperger 2011; Jell-Ojobor and Windsperger 2014; Windsperger and Dant 2006)	11	5.07%
Anderson and Gatignon (1986)				6 (Burton et al. 2000; Contractor and Kundu 1998b; Dimou et al. 2003; Erramilli et al. 2002; Fladmoe-Lindquist and Jacque 1995; Sashi and Karuppur 2002)]	5 (Chen and Dimou 2005; Dev et al. 2007; Jell-Ojobor and Windsperger 2014; Mumdzhev and Windsperger 2013; Safón and Escibá-Esteve 2011)	11	5.07%
Comb and Ketchen (1999)				1 (Sashi and Karuppur 2002)	8 (Argyres and Bercovitz 2015; Hoffman et al. 2016; Hussain et al. 2012, 2013; Peris-Ortiz et al. 2012; Safón and Escibá-Esteve 2011; Solis-Rodriguez and Gonzalez-Diaz 2012; Windsperger and Dant 2006)	9	4.15%
Carney and Gedajlovic (1991)				6 (Bronson and Morgan 1998; Burton et al. 2000; Contractor and Kundu 1998a; Spinelli and Birley 1996; Michael 2000; Stanworth and Curran 1999)	6 (Chen and Dimou 2005; Evanschitzky et al. 2016; Hoffman et al. 2016; Jell-Ojobor and Windsperger 2014; Petersen et al. 2010; Srinivasan 2006)	12	5.53%
Erramilli and Rao (1993)				5 (Contractor and Kundu 1998a, 1998b; Dimou et al. 2003; Erramilli et al. 2002; Fladmoe-Lindquist and Jacque 1995)	6 (Chen and Dimou 2005; Dev et al. 2007; Jell-Ojobor and Windsperger 2014; Mumdzhev and Windsperger 2013; Safón and Escibá-Esteve 2011; Seggie 2012)	11	5.07%
Martin (1988)			1 (Minkler and Park 1994)	3 (Contractor and Kundu 1998a; Dimou et al. 2003; Fladmoe-Lindquist and Jacque 1995)	5 (Chen and Dimou 2005; Jell-Ojobor and Windsperger 2014; Safón and Escibá-Esteve 2011; Srinivasan 2006; Windsperger and Dant 2006)	9	4.15%

Note: Being cited/per sample article (n = 46). Only top 15 were listed (217/3147).

Table 7. Combined analysis for the most cited scholars.

Rank	Name	Number of Times Being Cited	Being Cited/per Sampled Article	1975–1984	1985–1994	1995–2004	2005–2016
1	Williamson, OE	109	2.37	11 (John 1984; Klein 1980; Williamson 1976)	4 (Minkler and Park 1994; Brill 1994; Hennart 1989)	34 (Fladmoe-Lindquist and Jacque 1995; Gassenheimer et al. 1996; Spinelli and Birley 1996; Bronson and Morgan 1998; Contractor and Kundu 1998a; Dahlstrom and Nygaard 1999; Hutchinson 1999; Stanworth and Curran 1999; Burton et al. 2000; Michael 2000; Sashi and Karuppur 2002; Dimou et al. 2003)	60 (Chen and Dimou 2005; Sheng et al. 2006; Srinivasan 2006; Windsperger and Dant 2006; Petersen et al. 2010; Hussain and Windsperger 2011; Altinay and Brookes 2012; Hussain et al. 2012, 2013; Peris-Ortiz et al. 2012; Seggie 2012; Solis-Rodriguez and Gonzalez-Diaz 2012; Mumdziev and Windsperger 2013; Jell-Ojobor and Windsperger 2014; Argyres and Bercovitz 2015; Kang and Jindal 2015; Hendrikse et al. 2015; Perrigot et al. 2015; Evanschitzky et al. 2016; Hoffman et al. 2016)
2	Lafontaine, F	51	1.11		1 (Minkler and Park 1994)	20 (Spinelli and Birley 1996; Dahlstrom and Nygaard 1999; Hutchinson 1999; Stanworth and Curran 1999; Michael 2000; Sashi and Karuppur 2002)	30 (Chen and Dimou 2005; Srinivasan 2006; Windsperger and Dant 2006; Hussain and Windsperger 2011; Safón and Escribá-Esteve 2011; Hussain et al. 2012, 2013; Solis-Rodriguez and Gonzalez-Diaz 2012; Jell-Ojobor and Windsperger 2014; Argyres and Bercovitz 2015; Kang and Jindal 2015; Hendrikse et al. 2015; Hoffman et al. 2016)
3	Anderson, E	36	0.78	2 (John 1984)	1 (Hennart 1989)	10 (Fladmoe-Lindquist and Jacque 1995; Gassenheimer et al. 1996; Contractor and Kundu 1998b; Dahlstrom and Nygaard 1999; Burton et al. 2000; Sashi and Karuppur 2002; Dimou et al. 2003; Erramilli et al. 2002)	23 (Chen and Dimou 2005; Sheng et al. 2006; Srinivasan 2006; Dev et al. 2007; Petersen et al. 2010; Safón and Escribá-Esteve 2011; Altinay and Brookes 2012; Seggie 2012; Mumdziev and Windsperger 2013; Jell-Ojobor and Windsperger 2014; Kang and Jindal 2015; Hendrikse et al. 2015)
4	Klein, B	41	0.89	4 (John 1984; Klein 1980)	3 (Minkler and Park 1994; Hennart 1989)	8 (Fladmoe-Lindquist and Jacque 1995; Spinelli and Birley 1996; Hutchinson 1999; Michael 2000; Sashi and Karuppur 2002)	26 (Chen and Dimou 2005; Windsperger and Dant 2006; Hussain and Windsperger 2011; Hussain et al. 2012, 2013; Peris-Ortiz et al. 2012; Solis-Rodriguez and Gonzalez-Diaz 2012; Mumdziev and Windsperger 2013; Jell-Ojobor and Windsperger 2014; Argyres and Bercovitz 2015; Hendrikse et al. 2015)
5	Brickley, JA	39	0.85		1 (Minkler and Park 1994)	17 (Contractor and Kundu 1998a; Dahlstrom and Nygaard 1999; Fladmoe-Lindquist and Jacque 1995; Spinelli and Birley 1996; Hutchinson 1999; Stanworth and Curran 1999; Burton et al. 2000; Michael 2000; Sashi and Karuppur 2002; Dimou et al. 2003)	21 (Chen and Dimou 2005; Srinivasan 2006; Windsperger and Dant 2006; Hussain and Windsperger 2011; Altinay and Brookes 2012; Hussain et al. 2012, 2013; Solis-Rodriguez and Gonzalez-Diaz 2012; Jell-Ojobor and Windsperger 2014; Argyres and Bercovitz 2015; Hendrikse et al. 2015)
6	Hennart, JF	25	0.54		4 (Hennart 1989)	9 (Fladmoe-Lindquist and Jacque 1995; Contractor and Kundu 1998b; Burton et al. 2000; Clegg and Cross 2000; Erramilli et al. 2002; Sashi and Karuppur 2002; Dimou et al. 2003)	12 (Petersen et al. 2010; Mumdziev and Windsperger 2013; Jell-Ojobor and Windsperger 2014; Chen and Dimou 2005)

Table 7. Cont.

Rank	Name	Number of Times Being Cited	Being Cited/per Sampled Article	1975–1984	1985–1994	1995–2004	2005–2016
7	Combs, JG	32	0.70			2 (Bronson and Morgan 1998; Sashi and Karuppur 2002)	30 (Jell-Ojobor and Windsperger 2014; Peris-Ortiz et al. 2012; Solis-Rodriguez and Gonzalez-Diaz 2012; Safón and Escribá-Esteve 2011; Windsperger and Dant 2006; Hussain et al. 2012, 2013; Argyres and Bercovitz 2015; Evanschitzky et al. 2016; Hoffman et al. 2016; Perrigot et al. 2015)
8	Shane, SA	31	0.67			13 (Michael 2000; Hutchinson 1999; Sashi and Karuppur 2002; Contractor and Kundu 1998a, 1998b; Stanworth and Curran 1999; Dimou et al. 2003; Erramilli et al. 2002)	18 (Jell-Ojobor and Windsperger 2014; Chen and Dimou 2005; Peris-Ortiz et al. 2012; Eser 2012; Altinay and Brookes 2012; Solis-Rodriguez and Gonzalez-Diaz 2012; Safón and Escribá-Esteve 2011; Windsperger and Dant 2006; Argyres and Bercovitz 2015; Evanschitzky et al. 2016; Hoffman et al. 2016)
9	Dant, RP	32	0.70			7 (Dahlstrom and Nygaard 1999; Michael 2000; Spinelli and Birley 1996; Sashi and Karuppur 2002; Stanworth and Curran 1999; Gassenheimer et al. 1996)	25 (Jell-Ojobor and Windsperger 2014; Solis-Rodriguez and Gonzalez-Diaz 2012; Safón and Escribá-Esteve 2011; Srinivasan 2006; Windsperger and Dant 2006; Hussain et al. 2012, 2013; Hussain and Windsperger 2011; Hendrikse et al. 2015; Evanschitzky et al. 2016; Hoffman et al. 2016; Perrigot et al. 2015)
10	Contractor, FJ	28	0.61			20 (Fladmoe-Lindquist and Jacque 1995; Hutchinson 1999; Clegg and Cross 2000; Contractor and Kundu 1998a, 1998b; Burton et al. 2000; Dimou et al. 2003; Erramilli et al. 2002)	8 (Jell-Ojobor and Windsperger 2014; Chen and Dimou 2005; Safón and Escribá-Esteve 2011; Petersen et al. 2010; Dev et al. 2007; Seggie 2012)

Table 8. Time period in the sampled articles.

Specific Topics	Year	1975–1984	1985–1994	1995–2004	2005–2016	Total	Percentage
Cross-sectional		1 (John 1984)	2 (Minkler and Park 1994; Brill 1994)	8 (Fladmoe-Lindquist and Jacque 1995; Contractor and Kundu 1998a, 1998b; Bronson and Morgan 1998; Burton et al. 2000; De Kok and Uhlaner 2001; Gassenheimer et al. 1996; Erramilli et al. 2002)	16 (Chen and Dimou 2005; Peris-Ortiz et al. 2012; Eser 2012; Sheng et al. 2006; Solis-Rodriguez and Gonzalez-Diaz 2012; Safón and Escribá-Esteve 2011; Windsperger and Dant 2006; Dev et al. 2007; Mumdziev and Windsperger 2013; Hussain et al. 2012, 2013; Perrigot et al. 2015; Hendrikse et al. 2015; Kang and Jindal 2015; Evanschitzky et al. 2016; Argyres and Bercovitz 2015)	27	84.38%
Longitudinal		0	1 (Hennart 1989)	2 (Dahlstrom and Nygaard 1999; Michael 2000)	2 (Hoffman et al. 2016; Srinivasan 2006)	5	15.62%

Note: some papers adopt Conceptual model.

Table 9. Research methodologies in the sampled articles.

Specific Topics	Year	1975–1984	1985–1994	1995–2004	2005–2016	Total	Percentage
Qualitative				1 (Clegg and Cross 2000)	3 (Altinay and Brookes 2012; Hussain and Windsperger 2011; Jell-Ojobor and Windsperger 2014)	4	8.70%
Quantitative		1 (John 1984)	3 (Minkler and Park 1994; Brill 1994; Hennart 1989)	10 (Fladmoe-Lindquist and Jacque 1995; Contractor and Kundu 1998a, 1998b; Bronson and Morgan 1998; Burton et al. 2000; De Kok and Uhlaner 2001; Gassenheimer et al. 1996; Erramilli et al. 2002; Dahlstrom and Nygaard 1999; Michael 2000)	18 (Chen and Dimou 2005; Peris-Ortiz et al. 2012; Eser 2012; Sheng et al. 2006; Solis-Rodriguez and Gonzalez-Diaz 2012; Safón and Escribá-Esteve 2011; Windsperger and Dant 2006; Dev et al. 2007; Mumdziev and Windsperger 2013; Hussain et al. 2012, 2013; Perrigot et al. 2015; Hendrikse et al. 2015; Kang and Jindal 2015; Evanschitzky et al. 2016; Hoffman et al. 2016; Srinivasan 2006; Argyres and Bercovitz 2015)	32	63.04%
Conceptual		2 (Klein 1980; Williamson 1976)	1 (Mirus and Yeung 1986)	5 (Hutchinson 1999; Spinelli and Birley 1996; Sashi and Karuppur 2002; Stanworth and Curran 1999; Dimou et al. 2003)	2 (Petersen et al. 2010; Seggie 2012)	10	21.74%

The statistics of sample sizes reported in the sampled papers are shown in the Table 10. Although the 46 studies have a big sample size average (mean = 568.23), the standard deviation is also large, indicating a variation of small and large sample size distributed in our sample. The fact that one sample paper contains data from 12 firms (Fladmoe-Lindquist and Jacque 1995), while another contains 5479 franchisee (entrepreneurs) can support this interpretation. What has been implicated here, may be the issue of levels-of-analyses. The results here reflect that the sample of TCE applied franchising studies can be located from macro- (e.g., a whole franchising system) and also micro levels (e.g., individual persons, whether who s/he is). Cross-level investigation may also be encouraged. This may add flexibility and creativity in empirical methodology.

Table 10. Sample size in the 32 quantitative papers.

	Sample Size
Mean	568.23
SD	1128.71
Range	12~5479

Table 11 presents other theories integrated with TCE then were applied to franchising research. As is seen in Table 11, the mostly integrated was the Agency theory (42.50%), which is generally most complementary in the Organization and Management field of research (Argyres and Bercovitz 2015). For the franchising studies, there are agency relationships existing in a franchising system, which may reflect concerns in the TCE dimensions of behavior uncertainty and asset specificity (Jell-Ojobor and Windsperger 2014). Studies also investigated the utility of contract for resolving agency cost stemmed from moral hazard and reverse selection. Next, Resource-based theory (12.50%) followed in complementing the TCE when scholars studying franchising. Studies generally tend to understand the effect of the valuable, rare, inimitable and non-substitutable resources and knowledge can assist in lowering transaction costs (Dev et al. 2007). Thirdly, Organizational capability theory (10.00%) stresses on the experiences and (often dynamic) capability of governing transaction costs in franchising systems (Jell-Ojobor and Windsperger 2014), based on the thesis that alone with the generation process of transaction cost, strategic capability will also be developed from experiences coping with transaction costs (Contractor and Kundu 1998a). Moreover, we may observe from Table 11 that the theories adopted in integration with TCE and being applied in franchising studies become more and more heterogeneous as the stream grew mature. We can read the most observable knowledge heterogenization in terms of the increasingly diverse scope for theoretical complementarity. Such result has witnessed the healthy development of theorization on TCE-focused franchising phenomena.

Table 11. Other Theories Integrated.

Theory	Year	1975–1984	1985–1994	1995–2004	2005–2016	Total	Frequency (%)
Agency theory			1 (Minkler and Park 1994)	6 (Contractor and Kundu 1998a, 1998b; Fladmoe-Lindquist and Jacque 1995; Dimou et al. 2003; Sashi and Karuppur 2002; Hutchinson 1999)	10 (Chen and Dimou 2005; Peris-Ortiz et al. 2012; Hussain et al. 2012, 2013; Hussain and Windsperger 2011; Windsperger and Dant 2006; Kang and Jindal 2015; Evanschitzky et al. 2016; Jell-Ojobor and Windsperger 2014; Safón and Escribá-Esteve 2011)	17	42.50%
Resource-based theory				1 (De Kok and Uhlaner 2001)	4 (Peris-Ortiz et al. 2012; Hussain and Windsperger 2011; Dev et al. 2007; Jell-Ojobor and Windsperger 2014)	5	12.50%
Organizational capabilities theory (OCT)				2 (Contractor and Kundu 1998b; Erramilli et al. 2002)	2 (Hussain and Windsperger 2011; Jell-Ojobor and Windsperger 2014)	4	10.00%
Property rights theory (PRT)					2 (Hussain et al. 2013; Jell-Ojobor and Windsperger 2014)	2	5.00%
Information Asymmetry				1 (Hutchinson 1999)		3	7.50%
Institutional Theory				1 (De Kok and Uhlaner 2001)	1 (Hoffman et al. 2016)	2	5.00%
Signaling Theory				1 (Hutchinson 1999)		1	2.50%
Relational exchange theory (RET)				2 (Gassenheimer et al. 1996; Spinelli and Birley 1996)		1	2.50%
Inter-organizational-relationship theory					1 (Eser 2012)	1	2.50%
Social network					1 (Sheng et al. 2006)	1	2.50%
Power dependence					1 (Altinay and Brookes 2012)	1	2.50%
Resource scarcity theory					1 (Safón and Escribá-Esteve 2011)	1	2.50%
Regulation theory					1 (Perrigot et al. 2015)	1	2.50%

5. Conclusions

This study is a review of papers that apply TCE on Franchise studies. In general, the subject of the article is of high relevance for socio-economic researchers, including those associated with Institutional Economics and Management. A major contribution of this paper is to reveal the observed knowledge heterogenization as an approach of sustainable academic development. The extant studies on academic sustainability have mostly been addressed from a macro-level, institutional (Wiek et al. 2011) or a micro-level, practice (Mulder 2010) perspective, statically. This study goes beyond those lens by exploring the influence of the heterogenization of knowledge structure and contents of an interdisciplinary academic literature (and research community). The approach that this study utilized is both a dynamic and meso-level approach. Hence, this study contributes by filling gaps in analytical level and time-frames for academic sustainability studies and adding insights on the literature.

Interestingly, as a result, we found such development “emerged” as a form of knowledge heterogenization (a dynamic process that a scientific literature develops its own heterogeneous knowledge structure). This finding could not only facilitate scholars and practitioners understanding of this literature’s knowledge bases and applications but it also stimulates imagination for future research. Mentally, it is always good to see a literature grow diverse in terms of its domain contents and methodological aspects. Needing to be cautious, however, is whether the degree of heterogenization would “go wild” to generate negative impacts, such as difficulty in communication between scholars and scholarly works, foci loses to distract a literature’s development trajectories, fragmented accumulation of knowledge and so forth.

5.1. Implications

The 46 sample studies chosen for this research were mostly related to business topics, international business, international marketing, small business management and international management reviews, indicating that TCE and franchising are frequently applied to issues in these streams of research. Several studies have focused on small business management and international management reviews and the results of those studies may assist future studies with determining the direction of their research. Currently, TCE is applied most frequently to studies related to hierarchical governance, followed by behavioral uncertainty. Technological uncertainty and asset specificity are ranked third and fourth, most frequent topics, respectively, indicating that uncertainty and asset specificity are topics worthy of further study. We determined that studies related to international franchising, including uncertainty and international management, have attracted considerable attention among researchers, suggesting that researchers can focus on investigating this topic in their future studies.

The references by Williamson in 1985 and 1975 were most cited, appearing in the references in 56.52% and 52.17%. This result is consistent with our perspective that the application of TC on Franchising research gained acceptance right after Williamson began advocating TCE. Hence the works of (Williamson 1976, 1979, 1981, 1991, 1999) and so on are seminal works that one might not neglected. Moreover, the top 10 most frequently cited authors in our research sample (i.e., Williamson, Lafontaine, Brickley, Klein, Anderson, Contractor, Shane, Combs, Hennart and Dant) constitute a diverse expertise set from a variety of disciplines, such as Economics, Finance, International Business and Marketing, etc.), suggesting a good example of theoretical integration on the Franchise phenomenon.

Because of its unique governance model, franchising systems have been welcomed by the majority of entrepreneurs. But through our systematic review of the scientific literature found that there are several important challenges which need to be overcome.

Technological uncertainty. It is well known that when the technological uncertainty, Enterprises will be thinking Make - or - buy decisions. But, using make-or-buy decisions in a franchising system is difficult. A franchisor acts for the core technology of a product to control the franchisee, indicating that a franchisor possesses numerous measures for preventing information leakage. For franchisees,

because they depend heavily on franchisors to provide the technologies and products they require to operate their business. Therefore, technological uncertainty is high and difficult to resolve.

Opportunism. Opportunistic behavior exists in any form of business organization. Especially, franchising system is particularly serious. Franchise attempt to prevent monopolies and satisfy bounded rationality through the use of contract. But key points how do reduce opportunism and efficient allocation of resources, simultaneously. Profit is an important factor to maintain the balance. If the profit is low, franchising system easy collapse.

Performance Oriented. Franchise system is based on a way of high-powered incentive to survive. Profit performance is pursued important goals by the whole system. This is the inevitable consequence of business organization. May be attempts to reduce the intensity of performance-oriented by develop a model of the other governance mechanism.

5.2. Limitations and Future Research Directions

The first interesting point impressed from the emergence of the results mentioned above, is that the current discussions in the literature obviously focused on one of the important theoretical elements of TCE, opportunism but not on another element of bounded rationality. As both are critical elements of the TCE, the latter is, based on our analysis, largely neglected in the Franchising literature that adopts TCE. Alone the process of knowledge heterogenization we found from the literature, the part of bounded rationality has yet grown in such pattern. Future studies, whether conceptual or empirical, could put more emphasis on the bounded rationality and its interactive use together with opportunism in scholarly works. Also, future studies can expand the current research by considering TCE in a broader perspective with the focus on the evolution of institutional economics for example, Reference (Hodgson 2010). Some issues could be addressed, with the focus on the possibilities and limitations of the transactional approach to analyze organizational and institutional change applicable to the franchising research contexts.

Adopt TCE in explaining the functions of a franchising system, which is an important organization and business area issue, has implications for future studies. For example, the review offers some inspiration by identifying issue gaps for further research. We found that bounded rationality and opportunism as the core elements of TCE were widely mentioned in the Franchise studies. Furthermore, they were extended to roughly seven factors (i.e., asset specificity, volume uncertainty, technological uncertainty, behavioral uncertainty, hierarchical governance, relational governance and performance.), when discussing for the Franchise related issues. However, each of these factors was not sufficiently theorized and conceptualized based on the special context of franchising. Hierarchical governance, though, has grasped more attention from researchers. Thus, future studies could concentrate on one of these extended dimensions and theorize the meanings and operational contents in the specific context of Franchising systems.

This study, though with an orientation of reviewing for the intersection of TCE and Franchising literatures, puts more emphases on TCE's application in a franchising system as a phenomenological context for TCE. What might be relatively lost, is a reverse influence of Franchising literature's use in refining or extending the TCE per se. For example, a franchising system also demands organizational capability development of the franchisor and franchisees, which cannot be perfectly explained by the asset specificity that might limit imagination for capability development (Badrinarayanan et al. 2016; Minkler and Park 1994). More example, a franchise system also runs with social rationale in additional to the economic lines of logics of TCE. The franchisor and franchisees largely interact within a social embeddedness situation, which is one significant solution for inter-organizational transaction cost reduction might offer reverse-way theoretical feedback to TCE's limitations (Stanworth and Curran 1999; Öberg et al. 2016; O'Brien et al. 2014). For enrichment of the answers for the same research question, future studies can extend this current one to examine the relevance of TCE and Franchising literatures with a reverse-causality.

We have also used general word settings (i.e., TC and its variation and Franchise and its variation) for sample paper search. Future studies are encouraged to either conduct a similar study on the same SSCI database with detailed keywords that reflect more detailed issues regarding to Franchise and TCE. More can be done by going beyond SSCI database and replicate and compare the findings of this study. Also, due to the finding that the mostly cited scholars were from a wide array of academic disciplines, future studies can conduct a cross-disciplinary comparison on the focal topic of this paper. Also, knowledge heterogeneity can evolve over time (Guo et al. 2015), hence both researchers of TCE applied in Franchising and observers of the literature like us should constantly update the state of heterogenization for better understanding of the literature. Last but not least, as the heterogeneous structure of scholarly collaboration is critical in assessing scientific performance (Bordons et al. 2013), future studies are encouraged to investigate into the structure of scientific collaboration from the knowledge heterogeneity perspective.

Methodologically, this paper is a result of a fully self-initiated collaborative project between co-authors. While the data collection had been finished, the co-authors turned to other projects. Like most studies, there is an ending point of data collection. As the analysis ended at the year of 2017, we strongly encourage future studies to continue paying attention to data afterward to trace the developmental trajectory of the topic researched here. Last but not least, there several major approaches for sample paper selection in a systematic literature review, such as the SALSA used in this present study or the PRISMA technique. Systematic bias might happen when researchers choose different methods that might come up with different sets of sampled papers. Nonetheless, SALSA has been widely used in social science and the PRISMA has been in engineering and other areas (see Reference (Mengist et al. 2020) for a review). Future studies with a methodological emphasis could compare across different samples filtered by different methods to check the potential methodological issues.

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