# Boosting Success: Optimizing Network Configurations for Franchised Outlet Survival

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**Abstract**

Franchised outlets are not isolated actors; instead, they are embedded within a regional network characterized by diverse ownership structures. While extant research has widely acknowledged the interlinks between constituent stores within the franchise network, few studies have examined how an outlet's performance is affected by the franchise network configurations. Bridging network theory with organizational studies, we view a regional franchise network as consisting of multiple subgroups (i.e., outlets owned by different franchisees). Franchisee subgroups come with different sizes (i.e., outlet number). Outlets from multi-unit franchisees share strong cohesive ties with other outlets from the same franchisee, while outlets from single-unit franchisees are isolated and lack strong ties with other outlets. We conceptualize and empirically test how the network configuration, including overall network cohesion, subgroup number and subgroup size imbalance, individually and jointly, affect individual outlet failure. Our findings offer franchisors a wholistic consideration in strategically configuring the regional franchise network.

*Keywords: Franchised Outlet Failure; Network Cohesion; Subgroup configurations*

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