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This article empirically assesses the relationship between power and the sources of power in a channel of distribution that has a well-defined power source: the franchisor-franchisee channel. In addition, the consequences of franchisors utilizing coercive versus noncoercive sources of power are examined.

Power in a Channel of Distribution: Sources and Consequences

INTRODUCTION

The concept of power is considered central in understanding the means by which one channel member can change or modify the behavior of another member within its channel of distribution [1,3,5,7,8, 11,14,17,18,19,21]. The recent article by El-Ansary and Stern is the only published effort to measure empirically power in a channel of distribution [5]. El-Ansary and Stern tested the hypothesis that the power of any given channel member is a function of the sources of power available to him at any given time. In testing this hypothesis, no significant relationship was found between power and the sources of power. El-Ansary and Stern attributed this finding to the fact that a well-defined power structure did not exist in the specific channel of distribution they studied.

This article will empirically assess the relationship between power and the sources of power in a channel of distribution that has a well-defined power source: the franchisor-franchisee channel. In addition, the consequences of franchisors utilizing coercive versus noncoercive sources of power are examined.

THEORETICAL FOUNDATIONS

Power in a Channel of Distribution

Power, in its most general sense, refers to the ability of one individual or group to control or influence the behavior of another. Dahl, for example, defines power as the ability of one individual or group to get another unit to do something that it would not otherwise have done [4, p. 203]. El-Ansary and Stern applied this notion to distribution channels by operationally defining power as the ability of a channel member to control the decision variables in the marketing strategy of another member at a different level in the channel of distribution [5, p. 47].

In the franchisor-franchisee channel of distribution, the direction of power for most decisions has already been built into the relationship by means of the franchise contract. Previous analysis has suggested that most franchisees enter the negotiations at an extreme bargaining disadvantage vis-a-vis the franchisor and that franchisors go to great lengths in developing the contract to protect their own prerogatives [10, p. 261]. Therefore, power in a franchisor-franchisee channel usually refers to the ability of the franchisor to control the business decision variables of the franchisee.

Power as a Function of Sources of Power

Simon has suggested that an index of power might be determined from the magnitude of the power sources [16]. El-Ansary and Stern applied this notion to distribution channels by indicating that the power of any given channel member is probably a function of the sources or bases of power available to him at any given time [5, p. 48]. Although there are many possible sources of power, French and Raven have defined five which seem common and important: reward, coercive, legitimate, referent, and expert power [6]. A model of power in a channel of distribution relying on the work of Simon and French and Raven could be depicted as follows:

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(1) $$P_{ij} = f(R_{ij}, C_{ij}, L_{ij} F_{ij} E_{ij})$$

where:

P_{ij} = power of channel member i over j,
R_{ij} = reward power of i over j, i.e., power based on the belief by j that i has the ability to mediate rewards for him,
C_{ij} = coercive power of i over j, i.e., power based on the anticipation of the part of j of possible punishment by i if he fails to yield to the influence attempt,
L_{ij} = legitimate power of i over j, i.e., power originating from internalized values in j which dictate that i has a legitimate right to influence j and that j is obligated to accept this influence,
F_{ij} = referent power of i over j, i.e., power based on the identification of j with i where identification means a feeling of oneness or a desire for such an identity, and
E_{ij} = expert power of i over j, i.e., power based on the extent of knowledge which j attributes to i within a given area.

In an empirical case, coercive power can be differentiated from the others because it, alone, involves potential punishment. For all the other noncoercive sources of power, i.e., reward, legitimate, expert, and referent, the individual willingly (rather than begrudgingly) yields power to another. Because the various power sources dichotomize meaningfully into coercive and noncoercive sources, and because other researchers [3, p. 113] have pointed out the extreme difficulty of empirically differentiating the various noncoercive sources of power, the research reported here tested the following power model:

(2) $$P_{ij} = f(C_{ij}, N_{ij})$$

where:

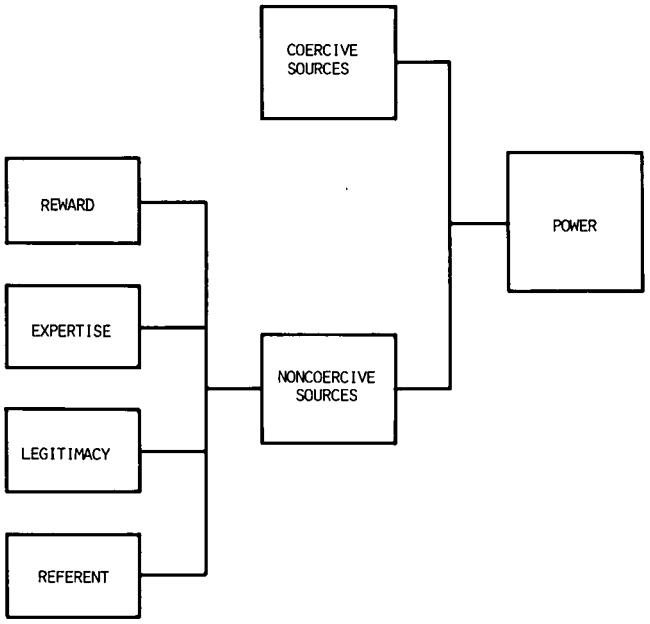
P_{ij} = power of channel member i over member j,
C_{ij} = coercive power of i over j, and
N_{ij} = noncoercive power of i over j, i.e., power that j willingly yields to i because j believes that: (1) i has the ability to mediate rewards for him; (2) i has a legitimate right to prescribe behavior for him; (3) he has an identification with i; or (4) has some special knowledge or expertise in a given area.

This modified model of power is shown schematically in the figure.

Personal interviews with franchisees during the exploratory phase of the research served as a basis for suggesting the following research hypothesis:

H_1: Franchisors will rely primarily on coercive sources rather than noncoercive sources to achieve power over their francisees.

MODIFIED MODEL OF POWER



Consequences of Exercising the Sources of Power

The franchisor-franchisee relationship is essentially a channel of distribution with a unilateral dependency relationship. The franchisor, being the strong channel member, has coercive and noncoercive sources of power that can be exercised to control the franchisee. No published research has empirically examined the consequences of exercising coercive versus noncoercive sources of power in a channel of distribution. Some authorities, however, have suggested that the noncoercive sources of power appear to be better alternatives for enhancing the satisfaction of the weak channel members [3,6]. If this hypothesis is true, franchisors can attain higher levels of satisfaction among franchisees by using noncoercive sources than by using coercive sources of power. This issue is important because franchisees who are more satisfied will probably: (1) have higher morale; (2) cooperate with the franchisor better; (3) be less likely to terminate the contract voluntarily; (4) be less likely to file *individual* suits against the franchisor; (5) be less likely to file *class action* suits, as in the Chicken Delight case [15]; and (6) be less likely to seek protective legislation like the "Franchise Full Disclosure Act of 1970" or the "Franchise Competitive Practices Act" proposed by Senator Philip Hart of Michigan [10, pp. 1-4]. The preceding discussion suggests the following hypothesis:

H_2: Franchisors who rely less on coercive sources and more on noncoercive sources will have franchisees who are more satisfied with the franchise relationship.

METHOD

Empirical measures of power, coercive sources, noncoercive sources, and satisfaction of franchisee were needed to test the two research hypotheses. The data used to develop these empirical measures came from a recently completed study on the economic effects of franchising conducted at the University of Wisconsin-Madison [10]. The data base is a probability sample of approximately 950 completed questionnaires (26% response rate) from franchisees in the fast food restaurant area. Only 815 fast food franchisees were used in this study after deleting subjects for no response.

Measuring Power

Power does not refer to the *objective* ability of one individual or group to control or influence the behavior of another, but rather to the potential ability of the controlling or influencing agent as *perceived* by the controllee or influencee. March expressed this viewpoint when he suggested that attributed influence be used to measure power directly [9]. Raven expressed a similar viewpoint when he stated that:

> . . . it is not the objective ability of the influencing agent to mediate such rewards and punishments that is important, but rather the potential rewards and punishments as perceived by the influencee [13, p. 373].

Therefore, power in this study refers to the ability of the franchisor, as perceived by the franchisee, to control the decision variables of the franchisee. Seven franchisee decision variables were used to develop an index of perceived power: (1) determining the hours of operation; (2) specifying the bookkeeping system; (3) adding or deleting items from the product line (menu control); (4) approving the content and media for local advertising; (5) setting the retail prices for products and services; (6) determining the appropriate standards of cleanliness; and (7) determining the number of employees. The extent of the franchisor's power would seem to be related to the degree of control he was perceived to have over these seven key decision areas.

Each franchisee indicated the degree to which he had "responsibility for" (a euphemism thought to be semantically preferable to "control over") each of the decision areas. In each case, a rating scale ranging from one through six was used as a measuring tool (see Appendix). An index of power (Y_1), defined as the mean of the franchisee's responses for each of the seven decision areas, was used as an empirical measure of power with large numbers indicating high franchisor control.

Noncoercive Sources of Power

In an empirical case, noncoercive sources of power can be distinguished from coercive sources of power in that they involve a willingness on the part of one individual or group to yield power to another. In the franchisor-franchisee channel, franchisors provide franchisees with several types of assistances designed to influence franchisee behavior. To the extent that these assistances are of high quality, they establish the franchisor as an expert in the eyes of the franchisee; they legitimize the franchisor's efforts to gain power; and they help to get the franchisee to yield power willingly to the franchisor. The franchisor assistances used as measures of noncoercive sources of power in this study include: site location assistance (X_1); formal training at a central location (X_2); "on-the-job" training (X_3); equipment sold to franchisee by franchisor (X_4); operating manual (X_5); bookkeeping assistance (X_6); methods of product preparation (X_7); field supervisors (X_8); supplies sold to franchisee by franchisor (X_9); deletions and additions to product line (X_{10}); day-to-day business advice (X_{11}); pricing assistance (X_{12}); national advertising program (X_{13}); and local advertising assistance (X_{14}).

Each franchisee indicated the quality of each of the assistances provided by his franchisor on a rating scale ranging from one to five (see Appendix). The franchisee's quality ratings for his franchisor's assistances were used as empirical measures of these noncoercive sources of power with large numbers indicating high quality franchisor assistance.

Coercive Sources of Power

In an empirical sense, coercive sources of power can be differentiated from the noncoercive sources of power in that they involve potential punishment. A franchisor has coercive power over a franchisee when the franchisee anticipates possible punishment if he fails to yield to the franchisor's influence attempt. There are various coercive sources of power that a franchisor can use to get a franchisee begrudgingly (rather than willingly) to yield power. A franchisor's coercive sources of power are frequently built into the franchisor-franchisee relationship during the negotiation phase which precedes the granting of a franchise to a potential franchisee.

This research employed six measures to attempt to identify empirically potential coercive sources of power:

1. Control of building (X_{15}): A dummy variable coded "1" if the building was owned or controlled by the franchisor, and coded "0" if not.
2. Control of land (X_{16}): A dummy variable coded "1" if the land was owned or controlled by the franchisor, and coded "0" if not.
3. Threaten to revoke franchise (X_{17}): A dummy variable coded "1" if a franchisor has threatened to revoke a franchisee's franchise, and coded "0" if not.
4. Need for legislation (X_{18}): Each franchisee indicated the extent of need for federal legislation that would restrict the right of franchisors to terminate a franchise on a rating scale having values from one through five

Table 1
MCA ANALYSIS
PERCEIVED POWER AS A FUNCTION OF NONCOERCIVE SOURCES OF POWER[a]

Noncoercive sources of power Number	Name and response category	Adjusted coefficients	β	F-ratio
$\bar{Y}$	Grand mean	2.30		
X_{14}	Local advertising		.205	13.77[b]
	1 & 2	.37		
	3	−.17		
	4	−.06		
	5	−.21		
X_{12}	Pricing assistance		.190	11.80[b]
	1 & 2	−.21		
	3	−.11		
	4	.36		
	5	.42		
X_4	Equipment		.149	7.21[b]
	1 & 2	.34		
	3	.13		
	4	−.02		
	5	−.26		
X_{10}	Deletions & additions		.142	6.64[b]
	1 & 2	.09		
	3	−.13		
	4	.20		
	5	.30		
X_7	Product preparation		.132	5.66[b]
	1 & 2	−.23		
	3	−.14		
	4	−.05		
	5	.22		
X_9	Supplies		.124	7.55[b]
	1 & 2 & 3	.15		
	4	.03		
	5	−.25		
X_6	Bookkeeping		.121	4.81[b]
	1 & 2	−.03		
	3	−.07		
	4	.02		
	5	.38		
X_8	Field supervisors		.117	4.51[b]
	1 & 2	−.10		
	3	−.08		
	4	.25		
	5	.17		
X_{11}	Day-to-day advice		.082	2.19
	1 & 2	.12		
	3	−.19		
	4	.19		
	5	.59		
X_3	"On-the-job" training		.051	.83
	1 & 2	.10		
	3	−.05		
	4	−.04		
	5	.06		
X_5	Operating manual		.044	.63
	1 & 2	−.18		
	3	.02		
	4	−.01		
	5	.03		
X_1	Site location		.032	.34
	1 & 2	.05		
	3	.00		
	4	−.07		
	5	.03		
X_{13}	National advertising		.032	.33
	1 & 2	−.04		
	3	.03		
	4	−.04		
	5	.04		
X_2	Formal training		.030	.28
	1 & 2	.08		
	3	−.03		
	4	.01		
	5	.00		

Adjusted R^2 = .171

[a]The order in which the independent variables are arranged is by descending Beta (β) values.
[b]$p < .01$.

with large numbers indicating high need (see Appendix).

5. Right to sell franchise (X_{19}): Each franchisee indicated the extent of his right to sell his franchise on a rating scale, ranging from one through five with large numbers indicating that the franchisor has greater control over the resale of the franchise (see Appendix).
6. Fairness of agreement (X_{20}): Each franchisee indicated the extent to which the agreement favored either the franchisor or the franchisee on a rating scale having values from one through six with large numbers indicating more weight in favor of the franchisor (see Appendix).

Control of the building or land by the franchisor is an indicant of coercive power because of the franchisor's right to dispossess the franchisee physically. Similarly, threats to revoke the franchise and need for legislation are indicants of coercive power because they measure the franchisee's real and perceived fear of having his franchise revoked. Limiting a franchisee's right to sell his franchise is also an indicant of coercive power in that the franchisee unwillingly yields control of this decision to the franchisor. Fairness of the agreement is a global measure indicating coercive power in that a franchise agreement weighted in favor of the franchisor also forces the franchisee to yield some control of his decision areas unwillingly to the franchisor.

Franchisee's Level of Satisfaction

The overall level of satisfaction of the franchisee with the franchisor was measured by asking the franchisee what he would do "if he had it to do over again." The franchisee's level of satisfaction (Y_2) is a dummy variable coded "1" if the franchisee would still choose to be a franchisee with this franchise system, and coded "0" if not.

TESTS AND RESULTS

Multiple Classification Analysis (MCA)

Multiple Classification Analysis (MCA) was used in testing the research hypotheses [2]. The MCA program is a convenient variant of dummy variable multiple regression, which, like all dummy variable regression programs, does not require intervally scaled independent variables. The model assigns a coefficient to each category of each independent variable and expresses the dependent variable as the sum of the grand mean, the coefficients for each category, and an error term. Thus,

$$Y = \bar{Y} + X_{1i} + X_{2j} + \ldots + e \quad (3)$$

where:

Y = a particular value of the dependent variable,
$\bar{Y}$ = the grand mean of the dependent variable,
X_{1i} = the effect of membership in the ith category of independent variable X_1,
X_{2j} = the effect of membership in the jth category of independent variable X_2, and
e = error.

Results of the MCA Analysis

In testing H_1, three separate MCA analyses were run with the index of perceived power (Y_1) as the dependent variable. Table 1 shows the results of the MCA analysis with perceived power (Y_1) as the dependent variable and the noncoercive sources of power ($X_1, X_2, \ldots, X_{14}$) as the independent variables. The variables are arranged in order of descending Beta (β) values. The β statistic measures the ability of the independent variable to explain variation in the dependent variables after adjusting for the effects of all other independent variables.[1] The independent variable X_{14} (local advertising) has the greatest ability to explain variation in Y_1 and is displayed first. In addition, the table shows the adjusted coefficients for each category of each independent variable and F-ratios with their associated levels of significance for each independent variable.[2] An adjusted coefficient is an estimate of the effect of a category alone holding constant all other categories in the analysis. The F-ratio is used to determine whether an independent variable explains a significant portion of the variance of the dependent variable holding constant all other independent variables. The results of the MCA analysis with perceived power (Y_1) as the dependent variable and the coercive sources ($X_{15}, X_{16}, \ldots, X_{20}$) as the independent variables are shown in a similar format in Table 2.

Table 2
MCA ANALYSIS
PERCEIVED POWER AS A FUNCTION OF COERCIVE SOURCES OF POWER[a]

Coercive sources of power				
Number	*Name and response category*	*Adjusted coefficients*	β	*F-ratio*
$\bar{Y}$	Grand mean	2.30		
X_{16}	Land		.321	127.81[b]
	0	−.32		
	1	.46		
X_{20}	Fairness		.224	12.46[b]
	1	−.52		
	2	−.32		
	3	−.44		
	4	−.13		
	5	.20		
	6	.23		
X_{19}	Right to sell		.213	18.81[b]
	1	−.50		
	2	−.09		
	3	.19		
	4 & 5	.85		
X_{15}	Building		.090	10.05[b]
	0	−.09		
	1	.13		
X_{18}	Legislation		.040	.65
	1 & 2	.06		
	3	.00		
	4	.04		
	5	−.05		
X_{17}	Threaten		.020	.50
	0	.01		
	1	−.06		

Adjusted R^2 = .344

[a]The order in which the independent variables are arranged is by descending Beta (β) values.
[b]$p < .01$.

Hypothesis 1 predicted that franchisors would rely primarily on coercive sources rather than noncoercive sources to achieve power over franchisees. Table 1 shows that noncoercive sources explain only 17.1% of the variance in the index of perceived power. In addition, three of the eight significant noncoercive sources (including the variable that does the greatest "explaining") have adjusted coefficients that decrease over the range of categories (one through five) when all of them were hypothesized to be positively related to perceived power. According to the adjusted coefficients, as the *quality* of local advertising assistance, supplies sold by franchisors, and equipment sold by franchisors *increases*, perceived power *decreases*. To suggest that franchisees would more willingly yield power when their franchisors' assistance is of low quality than when it is of high quality seems to be contrary to reason and suggests that the observed

[1] In the article by Peters [12], Beta (β) was defined properly but a typographical error improperly reported β as β^2.

[2] Some categories of independent variables were combined to meet the 40 observation minimum category size that has been personally recommended by other users of the program [12]. Failure to meet the minimum size requirement can produce results which are likely to be meaningless [2].

relationships may be spurious.

The coercive sources of power as shown in Table 2 explain 34.4% of the variance in perceived power. *All* of the significant coercive sources (X_{16}, X_{20}, X_{19}, X_{15}) have adjusted coefficients that increase from the lowest through the highest response category as hypothesized. This means that the perceived power of the franchisor increases: when the land and/or building is controlled by the franchisor; as the franchise agreement is considered weighted in favor of the franchisor; and as the franchisor's right to sell is restricted.

When a third MCA analysis was run with perceived power as the dependent variable and both the noncoercive and coercive sources of power as independent variables, R^2 was only increased to .420. The addition of noncoercive sources to coercive sources provides only a small improvement in the percent of variance explained. *Taken collectively, the above results suggest that franchisors, as hypothesized, primarily employ coercive sources of power to achieve power over their franchisees.*

Three MCA analyses with franchisee satisfaction (Y_2) as the dependent variable were run in testing H_2. Table 3 shows the results of the MCA analysis with franchisee satisfaction (Y_2) as the dependent variable and the noncoercive sources of power (X_1, X_2, ..., X_{14}) as the independent variables. The results of the MCA analysis with franchisee satisfaction (Y_2) as the dependent variable and the coercive sources of power (X_{15}, X_{16}, ..., X_{20}) as the independent variables are shown in Table 4.

Hypothesis 2 predicted that franchisors relying less on coercive sources and more on noncoercive sources would have franchisees who are more satisfied with the franchise relationship. Table 3 shows that all six of the noncoercive sources significant at the 1% level

Table 3

MCA ANALYSIS FRANCHISEE SATISFACTION AS A FUNCTION OF NONCOERCIVE SOURCES OF POWER[a]

Noncoercive sources of power				
Number	*Name and response category*	*Adjusted coefficients*	β	*F-ratio*
$\bar{Y}$	Grand mean	.65		
X_4	Equipment		.155	8.49[b]
	1 & 2	−.17		
	3	−.06		
	4	.06		
	5	.04		
X_1	Site locations		.150	8.01[b]
	1 & 2	−.12		
	3	−.02		
	4	.07		
	5	.09		
X_{13}	National advertising		.122	5.31[b]
	1 & 2	.01		
	3	−.06		
	4	.09		
	5	.08		
X_3	"On-the-job" training		.112	4.42[b]
	1 & 2	−.11		
	3	.02		
	4	.02		
	5	.04		
X_{14}	Local advertising		.109	4.23[b]
	1 & 2	−.07		
	3	.02		
	4	.08		
	5	.00		
X_{12}	Pricing assistance		.097	3.36[c]
	1 & 2	−.06		
	3	−.01		
	4	.09		
	5	.05		
X_{10}	Deletions & additions		.091	2.93[c]
	1 & 2	−.07		
	3	.03		
	4	−.05		
	5	−.08		
X_7	Product preparation		.080	2.24
	1 & 2	−.07		
	3	.00		
	4	−.03		
	5	.05		
X_8	Field supervisors		.074	1.94
	1 & 2	−.02		
	3	.04		
	4	−.03		
	5	−.05		
X_2	Formal training		.069	1.72
	1 & 2	.01		
	3	−.03		
	4	.05		
	5	.01		
X_9	Supplies		.065	2.25
	1 & 2 & 3	−.04		
	4	.00		
	5	.05		
X_5	Operating manual		.065	1.49
	1 & 2	.05		
	3	.01		
	4	−.04		
	5	.02		
X_6	Bookkeeping		.042	.63
	1 & 2	.02		
	3	−.01		
	4	.05		
	5	−.03		
X_{11}	Day-to-day advice		.042	.63
	1 & 2	−.01		
	3	.00		
	4	−.01		
	5	.06		

Adjusted R^2 = .234

[a]The order in which the independent variables are arranged is by descending Beta (β) values.

[b]$p < .01$.

[c]$p < .05$.

Table 4
MCA ANALYSIS
FRANCHISEE SATISFACTION AS A FUNCTION OF COERCIVE SOURCES OF POWER[a]

Coercive sources of power				
Number	*Name and response category*	*Adjusted coefficients*	β	*F-ratio*
$\bar{Y}$	Grand mean	2.30		
X_{20}	Fairness		.388	30.96[b]
	1	.02		
	2	.02		
	3	.02		
	4	.01		
	5	.04		
	6	−.25		
X_{17}	Threaten		.150	23.01[b]
	0	.03		
	1	−.19		
X_{18}	Legislation		.097	3.24[c]
	1 & 2	.03		
	3	−.02		
	4	.05		
	5	−.05		
X_{19}	Right to sell		.069	1.62
	1	−.09		
	2	.00		
	3	.01		
	4 & 5	.10		
X_{15}	Building		.028	.80
	0	−.01		
	1	.02		
X_{16}	Land		.028	.80
	0	−.01		
	1	.02		

Adjusted R^2 = .207

[a]The order in which the independent variables are arranged is by descending Beta (β) values.
[b]$p < .01$.
[c]$p < .05$.

have increasing adjusted coefficients as hypothesized. This means that as the quality of these franchisor assistances (noncoercive sources of power) increases, so does the level of franchisee satisfaction. For example, as the quality of the equipment sold by the franchisor to the franchisee improves, the level of franchisee satisfaction increases. The noncoercive sources of power explain 23.4% of the variance in franchisee satisfaction.

As hypothesized, the two coercive sources of power significant at the 1% level are inversely related to franchisee satisfaction. This means that franchisees are less satisfied with the franchise relationship as agreements are perceived to be weighted more heavily in favor of the franchisor, and when they have been threatened with a revocation of their franchise. The coercive sources of power explain 20.7% of the variance in franchisee satisfaction.

The coercive and noncoercive sources of power taken together explain 30.3% of the variance in franchisee satisfaction. Although the noncoercive sources explain slightly more of the variance in franchisee satisfaction than the coercive sources, the proportion of explained variance is increased considerably by including both the noncoercive and coercive sources in the analysis. *The above results suggest that, as hypothesized, franchisors can increase franchisees' level of satisfaction with the franchise relationship by relying more on noncoercive sources and less on coercive sources of power.*

CONCLUSIONS

The results provide empirical evidence that a significant relationship exists between the power of a channel member and the sources of power available to him. In one kind of franchisor-franchisee channel of distribution, franchisors were found to rely primarily on coercive sources of power to achieve power over their franchisees. The coercive sources of power significantly related to perceived power were: control of land, fairness of the contractual agreement, restriction of the right to sell the franchise, and control of building.

The results also provide empirical evidence that the consequences of exercising power in a channel of distribution depend on the sources of power exercised. Franchisors were found to be able to increase the franchisees' satisfaction with the franchise relationship by relying more on noncoercive sources of power, such as providing higher quality assistance in the areas of equipment, site location, national advertising, "on-the-job" training, local advertising, pricing assistance, and product deletions and additions. The results also showed that franchisors could increase franchisee satisfaction by relying less on the coercive sources of power.

The results of this research suggest several additional research questions on the role of power in channels of distribution: (1) Is the power of channel members other than franchisors a function of the sources of power available to them? (2) What sources of power do members of other channels of distribution rely upon? (3) Do the consequences of exercising power depend on the sources of power that are exercised in channels of distribution other than the franchisor-franchisee channel?

APPENDIX

RATING SCALES

This section presents the rating scales not discussed in the body of the article.

Power (Y_1)

The six points of the scale were: "I have almost complete responsibility for this," "I have much more responsibility for this than my franchisor does," "I have a little more responsibility for this than my franchisor does," "My franchisor has a little more

responsibility for this than I do," "My franchisor has much more responsibility for this than I do," "My franchisor has almost complete responsibility for this."

Noncoercive Sources ($X_1, X_2, \ldots, X_{14}$)

The five points of the scale were: "Poor Quality," "Below Average Quality," "Average Quality," "Above Average Quality," and "Excellent Quality."

Need for Legislation (X_{18})

The five points of the scale were: "Very Unnecessary," "Unnecessary," "Neither Necessary Nor Unnecessary," "Necessary," and "Very Necessary."

Right to Sell Franchise (X_{19})

The five points of the scale were: "I may sell to anyone without my franchisor's approval," "I may sell to anyone who is approved by my franchisor," "I may sell to any approved person, but my franchisor has the 'right of first refusal' to buy back the franchise," "I may sell only to my franchisor," and "I do not have the right to sell my franchise."

Fairness of Agreement (X_{20})

The six points of the scale were: "Weighed very much in favor of the franchisee," "Weighed moderately in favor of the franchisee," "Weighed slightly in favor of the franchisee," "Weighed slightly in favor of the franchisor," "Weighed moderately in favor of the franchisor," and "Weighed very much in favor of the franchisor."

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