

# The entrepreneurial ecosystem quality for sustainable franchising

## Mediating effects of public–private–partnership (PPP) support in Uganda

Abbey Mutumba

*Department of Leisure and Hospitality, Makerere University, Kampala, Uganda*

Mohammad Ngoma

*Department of Graduate Studies and Research,  
Makerere University, Kampala, Uganda*

John C. Munene

*FGSR, Makerere University, Kampala, Uganda, and*

Joseph Mpeera Ntayi

*Department of Management Sciences, Makerere University, Kampala, Uganda*

### Abstract

**Purpose** – The purpose of this paper is to establish the mediation effects of public–private–partnership (PPP) on the association between complementary entrepreneurial networking and the entrepreneurial ecosystem quality for sustainable franchising.

**Design/methodology/approach** – A structured questionnaire was used to collect this study's qualitative data from a study population of sub-franchisor organizations in Uganda. Statistical techniques were used to analyze the data.

**Findings** – Part of the authorized distributors' mutually beneficial networking is directly connected to multi-actor networks that continuously simplify their local access to affordable franchise financing, mentors and supportive leaders. Also, the same association is mediated through PPP supported franchise-business information and widely appealing awards to be won.

**Research limitations/implications** – One of the areas for further study is a related study on the moderating effects of the PPP support in another developing country, which is clarified in this study.

**Originality/value** – The complexity theory has provided an explanation of the entrepreneurial ecosystem quality for sustainable franchising across the rural and urban markets in an African country.

**Keywords** Sustainability, Sustainable development, Business, Entrepreneurship, Strategy

**Paper type** Research paper

### Introduction

Franchising has increasingly become a generic strategy for sustainable business expansion in the developing world. Leading international brands practice this strategy by appointing established enterprises as their authorized national and/or regional distributors, partners and master agents among other potential sub-franchisors in order to sustain their local market competitiveness (Mutumba *et al.*, 2016; Doherty, 2007). Partnering with such sub-franchisors simplifies the environment for the three parties' shared success for sustainable franchising. For instance, the parent company or franchisor quickly expands into the new markets using the potential sub-franchisors' money, staffing and local market networks, hence, reducing the



risk of business failure (Olotu and Awoseila, 2011). In return, the potential sub-franchisor uses the franchisor's attractive brand and time-tested model to recruit the authorized dealers, agents, centers, promoters, retailers and resellers (franchisees) who locally sell to the last customers in sustainable win-win ways (Ekelund, 2014; Doherty, 2007). However, such mutual success can only be realized within a conducive entrepreneurial environment (entrepreneurial ecosystem quality) for sustainable franchising especially in a developing country.

Progressively, there is emerging knowledge on the entrepreneurial ecosystem quality for sustainable franchising (McKague *et al.*, 2017; Locke and Golden-Biddle, 1997). The earlier studies of Hoffman and Preble (2004) and Zaki (2004) reveal that the ever-improving ICT infrastructure and franchise financing partly explain why franchising is more conducive in developing countries like Egypt. Later on, the findings of Khan (2013) show that Saudi Arabia's entrepreneurial ecosystem quality is starting to improve although it is yet to focus on how it sustains the franchising success. Recently, a knowledge-building study by McKague *et al.* (2017) shows that a franchising model's complementary proactiveness directly strengthens the entrepreneurial ecosystem quality for sustainable franchising in only the rural areas. Currently, our study contributes to the entrepreneurial marketing knowledge on why the entrepreneurial ecosystem quality for sustainable franchising results from both the direct/unmediated and indirect/mediated association through the public-private-partnership (PPP) support in both the rural and urban areas/markets (Seyyedamiri and Faghieh, 2015; Zaki, 2004). In this study, the public partners (government and development partners) are perceived to provide the supportive transport and communication infrastructure, policies/regulations, business-growth information and financing. So, the public partners are also engaged in improving the entrepreneurial ecosystem quality for sustainable franchising in the country (McKague *et al.*, 2017; Aslam and Hasnu, 2016). Consequently, the private partners (potential sub-franchisors and franchisees) are enabled to complement each other in proactive and innovative (entrepreneurial) ways that are networked to improve the entrepreneurial ecosystem quality for sustainable franchising.

For instance, the authorized distributors (potential sub-franchisors) under JESA Farm Dairy Limited (JESA) complement their authorized resellers (franchisees) by networking in ways that directly improve the entrepreneurial ecosystem quality of the distributors' loans and standards enforcement in Uganda. Specifically, they harmonize their distribution franchising standards by innovatively supporting their authorized distributors with feeds and milk processing technologies that are directly improving the entrepreneurial ecosystem quality of the sector's multi-actor networks of farmer cooperatives (Walugembe, 2017). However, the authorized distributors' (potential sub-franchisors') mediated interactions improve the entrepreneurial ecosystem quality for sustainable franchising through the PPP support from a diversity of partners. Consequently, both categories of interactions are improving the entrepreneurial ecosystem quality of the potential sub-franchisors' financing and multi-actor networks of other growth partners for sustainable franchising in Uganda (Abdulsamad and Gereffi, 2016; Agriterria Report, 2012). Scholars like Toffel (2016) and Knight and Cross (2012) argue that such best practices in the needed interactions should be explained by the right theory.

The complexity theory is the right theory because it posits that most of today's evolving phenomena co-exist and co-evolve in contexts which are ever-changing "but" are self-regulating, mutually beneficial and whose interactive exchanges strengthen the respective sustainable strategy (Weaver, 1948; Cleveland, 1994; McMillan, 2008; Goldstein *et al.*, 2010). This theory explains that the co-existing interactions between JESA's potential sub-franchisors and their diversity of private and public partners have been maximized toward improving the entrepreneurial ecosystem quality for sustainable franchising in Uganda. Similarly, Dalberg Global Development Advisors (2009) previously found out that the co-existence between potential sub-franchisors' unmediated and mediated complementary entrepreneurial networking is better at improving the entrepreneurial ecosystem quality for sustainable franchising in the developing countries. Their cross-country study reveals that the

mediated association through interactively accessed PPP support co-evolves with the unmediated complementarity in ways that maximize the needed improvements for sustainable franchising. However, the qualitative study of the Dalberg Global Development Advisors (2009) did not focus on the potential sub-franchisors like in our study besides it leaves a quantitative knowledge gap on the alternative associations. Therefore, the purpose of this study is to quantitatively establish the mediation effects of the PPP support in the association between complementary entrepreneurial networking and the entrepreneurial ecosystem quality for sustainable franchising in a developing country. In order to logically achieve this purpose, we first review the extant literature in the next section.

### Literature review

Entrepreneurial success stories are evolving from individuals who create small businesses that they grow into successful brands to the growth enterprises that also contribute to the entrepreneurial ecosystem quality for their enterprises and others in the country (Briggs, 2017; Toffel, 2016; Suresh and Ramraj, 2012; Kacou, 2011). Such growth enterprises are the best at interactively improving the entrepreneurial ecosystem quality for sustainable partnership strategies like franchising especially in a developing country (Chen *et al.*, 2013; Suresh and Ramraj, 2012; Kacou, 2011). A qualitative study conducted by Suresh and Ramraj (2012) reveals that the financial support from interacting with a diversity of family members, financial institutions and government-supported networks for enterprise development among others is a key indicator of the respective entrepreneurial ecosystem quality. Progressively, a study conducted by Chen *et al.* (2013) on USA–China entrepreneurship reveals that the entrepreneurial ecosystem quality of the needed financing for sustainable franchising depends on the potential sub-franchisors' complementary entrepreneurial networking.

### Complementary entrepreneurial networking

Sustainable franchising calls for the potential sub-franchisors to complement their potential and/or actual franchisees in proactive and innovative ways whose networking improves the entrepreneurial ecosystem quality for sustainable franchising (Lakhani, 2016; Chen *et al.*, 2013; Davis *et al.*, 1997). Therefore, complementary entrepreneurial networking values like proactive sharing of the product/market innovations are needed in order to improve the entrepreneurial ecosystem quality for sustainable franchising (Watson *et al.*, 2016). The hypotheses testing study by Watson *et al.* (2016) recommends that such values should be incorporated in the franchise system's diversity of engagements. In so doing, the potential sub-franchisors' complementary entrepreneurial networking improves the entrepreneurial ecosystem quality for sustainable franchising in the respective country. However, their study was conducted in a developed country moreover this study is based on the developing country context like in a related recent study. However, the recent study by Mutumba *et al.* (2016) only highlighted that there is a positive association between the complementary entrepreneurial networking and the entrepreneurial ecosystem quality for franchising in Uganda. For our study to address the pending quantitative gap by testing the highlighted positive association, we hypothesize that:

*H1.* Complementary entrepreneurial networking and the entrepreneurial ecosystem quality for sustainable franchising are positively associated.

A diversity of complementary external public and private partners like the financial institutions, universities/colleges, innovation centers, media houses, government and development partners usually provide the means through which the entrepreneurial ecosystem quality is improved (Chen *et al.*, 2013; Suresh and Ramraj, 2012; Zaki, 2004).

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### **Public-private-partnership (PPP) support**

The PPP support to a given sector's needed transport/distribution, communication, energy infrastructure, financing, regulatory enforcement and global value chain is more accessible when both the private and public partners are facing some economic development challenges (Muhumuza, 2017; Note by the UNCTAD Secretariat, 2013; Kacou, 2011). According to the Note by the UNCTAD Secretariat (2013), governments need to interactively support the needed infrastructure for sustainable private sector-led economic development. With the easily accessed PPP support, the local sub-franchisors and their franchisees contribute more energy that drives the small town and rural entrepreneurs' job and wealth creation (McKague *et al.*, 2017; Davis and Naqvi, 2012; Hausmann and Hidalgo, 2009). Similarly, SAB Foundation and Allan Gray Orbis Foundation (2017) reveals that the potential sub-franchisors' complementary entrepreneurial networking with other private and public partners enables their continued competitiveness in delivering today's highly demanded, complexity-produced goods. As implied by the recent findings of Walugembe (2017), the complementary entrepreneurial networking attracts more supportive-interactions between the public and private sector actors which results into the needed PPP support for the potential home-grown franchisors in Uganda. Similarly, this study's focus on the potential sub-franchisors is consistent with the respective positive association toward more PPP support for such potential home-grown franchisors which the entrepreneurial marketing field is calling for (Seyyedamiri and Faghieh, 2015). We therefore hypothesize that:

*H2.* Complementary entrepreneurial networking is positively associated with the PPP support.

The Note by the UNCTAD Secretariat (2013) reveals that PPP support engagements contribute to the entrepreneurial ecosystem quality which is partly indicated by multi-actor networks for sustainable franchising.

### **PPP support and the entrepreneurial ecosystem quality for sustainable franchising**

A collaborative study by Davis and Naqvi (2012) reveals that the entrepreneurial ecosystem quality for sustainable franchising depends on how the respective sub-franchisors co-evolve with a diversity of PPP support providers. Similarly, Stanworths *et al.* (2004) and Goldstein *et al.* (2010) demonstrate that the accessed PPP support is linked to the entrepreneurial ecosystem quality that sustains the franchising practice. Although Goldstein *et al.* (2010) did not mainly focus on sustainable franchising, their contribution to the complexity theory on which this study is founded justifies the implied positive association. In complement, a study by Suresh and Ramraj (2012) lends support to the complexity theory-founded positive association between the PPP support and the entrepreneurial ecosystem quality for partnership strategies like franchising. Furthermore, SAB Foundation and Allan Gray Orbis Foundation (2017) reveals that the institutionalized PPP support strengthens the potential franchisors'/sub-franchisors' contribution to the ever-improving entrepreneurial ecosystem quality for sustainable franchising in Africa. We therefore hypothesize that:

*H3.* There is a positive association between the PPP support and the entrepreneurial ecosystem quality for sustainable franchising.

The complexity theory explains that the PPP support plays a mediating role in the respective association toward the entrepreneurial ecosystem quality for sustainable franchising in a developing country context (Goldstein *et al.*, 2010).

### **The mediating role of public-private-partnership (PPP) support**

Accessible PPP support explains why Latin American countries like Brazil were able to attract international franchise brands like Pepsi and KFC in the 1990s (Wolfe, 1998). For instance,

Brazil's government passed and implemented the right franchising policies which sustained the country's franchising practice. Later on, the Dalberg Global Development Advisors (2009) study revealed that Mexico, Malaysia, South Africa were ranked among the Top 10 countries that offer a better entrepreneurial ecosystem quality for sustainable franchising. Such attractive ranking was associated with PPP-supported access to the local franchise financing and other indicators of the entrepreneurial ecosystem quality for sustainable franchising.

SAB Foundation and Allan Gray Orbis Foundation (2017) reveals that the institutionalized PPP support (financing incentive/schemes, infrastructure development collaborations and policy support) provides the medium/means through which the potential home-grown franchisors increasingly contribute toward the entrepreneurial ecosystem quality for sustainable franchising. However, this study only focuses on the potential sub-franchisors (authorized distributors/master agents) in Uganda where the PPP support is less institutionalized. Similarly, the qualitative findings (case studies) of Davis and Naqvi (2012) reveal that the PPP supported-collaborations mediate how the potential sub-franchisors' complementary entrepreneurial networking improves the entrepreneurial ecosystem quality. In order to test the qualitatively revealed mediation effect, we hypothesize and test whether:

*H4.* Complementary entrepreneurial networking and the entrepreneurial ecosystem quality for sustainable franchising is mediated through the PPP support.

### Methodology

The developed hypotheses were tested using a cross-sectional survey design where a structured questionnaire with a six-point Likert Scale (from 1 "for strongly disagree" to 6 "for strongly agree") to avoid middle responses was used (Nakyeyune, 2016; Krishnaveni and Deepa, 2013). A study population of 672 authorized distributors or potential sub-franchisor organizations was identified. Their respective head office databases, websites, notice boards and primary data (content analysis) were used across nine sub-sectors that popularly use the franchising strategy in countries like Uganda (Olotu and Awoseila, 2011; Neuman, 2007). Such organizations had existed for at least three years with at least two similar branches were the unit of analysis (Mutumba *et al.*, 2016; Doherty, 2007). Their respective owners and managers were the respondents/unit of inquiry (Stanworth *et al.*, 2004). A sample of 341 organizations with at least two questionnaires administered per organization was used (Neuman, 2007; The Research Advisors, 2006). The 670 completed and returned questionnaires were aggregated using the similar business name in the data set, resulting into 299 potential sub-franchisor organizations and a response rate of 80.4 percent.

### Operationalization and measurement of variables

The entrepreneurial ecosystem quality was operationalized in terms of how the business environment is favoring or not favoring the sub-franchisors within an ever-changing network of resourceful individuals, organizations and sub-systems that sustain their win-win success (Suresh and Ramraj, 2012). Based on the confirmatory factor analysis (CFA) results, the measurement model for this dependent variable was indicated by the ecosystem's co-evolving franchise financing potential, regulatory enforcement and multi-actor networks with three items, three items and four items, respectively, which were extracted/developed from previous scholars (Suresh and Ramraj, 2012; Neuman, 2007).

Complementary entrepreneurial networking was contextually defined as the sub-franchisor's shared belief in mutually beneficial innovativeness, proactiveness and risk-taking interactions with the franchisees (Dada and Watson, 2012). A total of eight adapted and literature-extracted items were used to measure this independent variable after the respective CFA (Knight and Cross, 2012; Hair *et al.*, 2010).

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The mediating variable, PPP support was operationalized as the sub-franchisor's interactive access to financial, informational and appreciation support from partnerships between both private and public actors in the environment (Zaki, 2004). The PPP support's confirmed measurement model had the constructs of franchising-related development collaborations and generative leadership incentives, both measured by a total of six items (Ekelund, 2014; Wongpakaran and Wongpakaran, 2012).

### Reliability, validity and multivariate normality

All the confirmed measurement models for the three study variables had their composite reliability (CR) within the 0.60 cut-off for this study's large sample (Hair *et al.*, 2010). For instance, the PPP support had its CR value at 0.67, hence, its measures were reliable at its inter-component level.

After seven experts rating the questionnaires' relevancy of its items, the variables' respectively calculated content validity index values were above the 0.70 cut-off (Nunnally, 1970). Construct validity, hence, fit between the measurement theory and the reality was confirmed using the structural equation modeling (SEM) approach. Convergent validity was confirmed because the average variance extracted (AVE) for all the three variables were above 0.60 (Hair *et al.*, 2010). Discriminant validity was also confirmed since the inter-construct correlations were below the 0.85 cut-off for the three measurement models (Henseler *et al.*, 2015).

Multivariate normality for the three study variables constructed together in the structural model was tested focusing on the multivariate kurtosis values (Hair *et al.*, 2010). The values were all below the 7.0 cut-off which allowed us to conduct the multivariate-based hypotheses testing using the SEM approach of the AMOS software Version 23.0 (Phan *et al.*, 2016; Gao *et al.*, 2008). Each hypothesis was statistically tested/confirmed by examining the significance ( $p$ -values), standardized regression scores ( $\beta$ -values), and the confidence intervals (CI) for the mediation hypothesis testing conducted using bootstrapping (Hair *et al.*, 2010).

### Sample characteristics

Most of the sampled organizations were from the manufacturing/processing, retail and the mobile telecom sub-sectors, meaning that we studied both the products and service sector. The majority (92 percent) of the organizations were already engaged in some kind of authorized distributorship/franchise/dealership arrangement across their branches. This means that they were able to provide real data on the entrepreneurial ecosystem quality for franchising. The sample was mainly (84 percent) composed of relatively smaller organizations with two to ten branches. Most (95 percent) of the organizations were willing to continue using the franchising strategy which means that the entrepreneurial ecosystem quality for sustainable franchising was an important issue to them. Most (78 percent) of the respondents (owners and managers) had the first degree or diplomas (32 percent) as their highest qualifications. So, the respondents had basic knowledge in entrepreneurship and franchising because they are taught at both levels in Uganda (Mutumba, 2010). So, this study's results, discussion, conclusions and respective implications are informed by the right sample and respondents.

### Results

In order to rule out the influence of the control variables on the entrepreneurial ecosystem quality, endogenous bias was tested (Menaldo, 2011). The results revealed that only the franchising exposure significantly ( $p < 0.05$ ) biased the ecosystem quality. This means that organizations which have already practiced franchising are easily associated with the ecosystem. Stanworth *et al.* (2004) also found out that already exposed entrepreneurs influence the conduciveness of their franchising environment.

*Hypotheses testing results*

*H1* examined the association between complementary entrepreneurial networking and the entrepreneurial ecosystem quality for sustainable franchising which was supported according to Table I which reveals a significant and positive association ( $p \leq 0.001$ ,  $\beta = 0.313$ ). This result means that potential sub-franchisors that innovatively build their suppliers' and retailers' multi-level capacity to engage other stakeholders in satisfying their brand's mutual customers improve the entrepreneurial ecosystem quality of their development loans for sustainable franchising. Similarly, *H2* examined the association between complementary entrepreneurial networking and PPP support was also supported ( $p \leq 0.001$ ,  $\beta = 0.473$ ). So, when the potential sub-franchisors' (authorized distributors') complementary innovations also benefit their community/local leadership, they easily access the government information on the avoidable taxes and better financing incentives that sustain their franchising success over time. *H3* examined the association between the PPP support and the entrepreneurial ecosystem quality for sustainable franchising which Table I shows that it supported ( $p \leq 0.001$ ,  $\beta = 0.582$ ). The supported *H3* means that when the mandated government bodies communicate that a highway/government university is to be constructed near the authorized hardware distributor's branch locations, they strengthen their working relationship with the district's/town's contracts committees which improves the entrepreneurial ecosystem quality. With the above three supported direct hypotheses as required by Baron and Kenny (1986), the mediation hypothesis was also tested.

*H4* aimed at testing whether PPP support mediates the association between complementary entrepreneurial networking and entrepreneurial ecosystem quality for sustainable franchising. According to Table II, there was a significant difference between the standardized total and direct effects of a point estimate of 0.277 within a 95% bootstrap CI of 0.192 (lower limit) and 0.407 (upper limit). So, the significant difference accounts for by the indirect (mediated effects) path. Since the direct (unmediated) effect of the complementary entrepreneurial networking was also significant ( $p \leq 0.003$ ), *H4* was supported as a partial mediation effect. Therefore, part of the potential sub-franchisors' mutually beneficial interactions with their diverse business partners is directly linked to the entrepreneurial ecosystem quality of the multi-actor networks (business accelerators) that favor their local access to affordable franchise financing and mentorship for sustainable franchising. The other part of their association improves the entrepreneurial ecosystem quality through the PPP-supported information on the next infrastructure investment and financing incentives in the country. Though this major result is more detailed in the next section (discussion), the discussion starts with the unmediated study results for the respective logical flow (Baron and Kenny, 1986).

**Discussion**

This study reveals that potential sub-franchisors that innovatively build their suppliers' and retailers' multi-level capacity to engage other stakeholders in satisfying their brand's mutual customers directly improve the entrepreneurial ecosystem quality for sustainable

**Table I.**  
Showing the standardized regression weights for the direct hypotheses

Hypotheses	Estimate	SE	CR	<i>p</i>	Label
PPPSupport ← CEN	0.473	0.064	9.264	***	par_2
EntrepreneurialEcosystemQuality ← CEN	0.313	0.041	7.649	***	par_1
EntrepreneurialEcosystemQuality ← PPPSupport	0.582	0.034	13.909	***	par_3
EntrepreneurialEcosystemQuality ← REGION_mean	0.102	0.022	2.808	**	par_4
EntrepreneurialEcosystemQuality ← already_mean	0.050	0.093	1.340	0.180	par_5

**Notes:** \*\*\* $p < 0.01$ ; \*\*\*\* $p < 0.001$   
**Source:** Primary Data

	Standardized estimates	Lower boundary	Upper boundary	p-value
<i>Standardized total effect</i>				
EntrepreneurialEcosystemQuality ← CEN	0.589	0.413	0.732	0.002
EntrepreneurialEcosystemQuality ← PPPSupport	0.582	0.404	0.709	0.007
<i>Standardized direct effect</i>				
EntrepreneurialEcosystemQuality ← CEN	0.312	0.131	0.499	0.003
EntrepreneurialEcosystemQuality ← PPPSupport	0.582	0.404	0.709	0.007
<i>Standardized Indirect effect</i>				
EntrepreneurialEcosystemQuality ← CEN	0.277	0.192	0.407	0.002

**Note:** CEN, complementary entrepreneurial networking  
**Source:** Primary Data

**Table II.**  
The standardized total, direct and indirect effects

franchising. Practically, such potential sub-franchisors share some of their innovative credit management knowledge during their meetings with the local franchising-related association(s). Consequently, the entrepreneurial ecosystem quality of local financing options from a diversity of win-win actors which sustains the franchising success is improved in Uganda. This social reality is consistent with Watson *et al.* (2016) who recommend the incorporation of such complementary entrepreneurial networking values in the respective franchise system's partner selection criteria. Similarly, Mutumba *et al.* (2016) reveal that most of Uganda's mobile telecom companies consider the interested super dealers/authorized distributors' (potential sub-franchisors') complementary innovativeness before appointing them. This implies that their contribution to the entrepreneurial ecosystem quality is important for sustainable franchising.

The second hypothesis testing result reveals that as the potential sub-franchisors' complementary innovations are recognized for improving the entrepreneurial ecosystem quality of the franchising-related association(s), they increase their respective networking strengthened in ways that also increase their access to the PPP-supported information on the avoidable taxes. Similarly, Ahmad (2011) argues that the accessing such PPP-supported information simplifies the potential franchisors' access to other franchise financing incentives that strongly improve the entrepreneurial ecosystem quality for sustainable franchising in Malaysia. However, Aslam and Hasnu (2016) found out that the government-supported sustainability mainly works when the country is facing some socio-economic transformation challenges that call for improvement in a developing country's respective entrepreneurial ecosystem quality.

For instance, Roofings' authorized distributors/potential sub-franchisors are supported with information on the upcoming tarmac road or hydropower dam construction projects because Uganda is facing the challenge of lowering the cost of goods transportation and electricity. However, the supported potential sub-franchisors have to continuously be recognized for contributing toward the entrepreneurial ecosystem quality for sustainable franchising across several sectors. Similarly, when the clients increasingly appreciate the awards that are won by the sub-franchisors, the latter are easily connected to more opinion leaders who recommend them to be continuously awarded the bigger business (government construction) deals. In relation to this study, SAB Foundation and Allan Gray Orbis Foundation (2017) highlights that the institutionalized PPP support strongly improves the entrepreneurial ecosystem quality for sustainable franchising. Progressively, we found out that the PPP-support presents partial mediation effects on the association between the

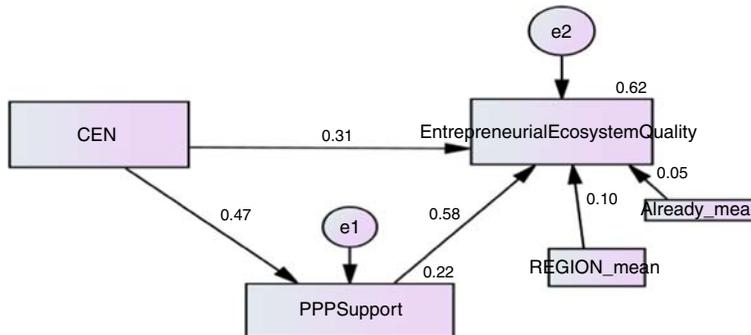
complementary entrepreneurial networking and the entrepreneurial ecosystem quality for sustainable franchising. The discussion of this major result is more detailed in the next paragraph(s) in order to further contribute to the needed knowledge in the entrepreneurial marketing field where this study is appropriately situated. Therefore, the next paragraph on the partially mediated result reveals a flexible yet co-evolving knowledge contribution for understanding the entrepreneurial ecosystem quality for sustainable franchising.

The major knowledge contribution is that it is important for the potential sub-franchisors' unmediated complementary entrepreneurial networking to co-exist and co-evolve with their respectively mediated association through the PPP support in a developing country. This revealed partial mediation/co-existence and/or co-evolution offers a stronger improvement toward the entrepreneurial ecosystem quality for sustainable franchising in such a country. For instance, the authorized electronics distributors (potential sub-franchisors) and/or their retailers/franchisees can directly sell their branded smart phones using the local online shopping platforms like [www.jumia.com](http://www.jumia.com) among others. However, such accessible internet platforms are government constructed and maintained. The infrastructure partly improves the entrepreneurial ecosystem quality of the multi-actor marketing networks for the potential sub-franchisors' sustainable franchising success. This emerging knowledge is consistent with Hoffman and Preble (2004) whose global study revealed similar effects.

Alternatively, the potential sub-franchisors can sell their computers/electronics to their local institutional clients by participating in the business information sharing meetings/collaborations that are usually held without any form of the respective PPP support. The revealed co-existence between both options lends support to the complexity theory which posits for the interactive approach to sustainable partnership strategies (Goldstein *et al.*, 2010). Our empirical support to this flexible theory is built on its assumption that when such positively deviant patterns are allowed to co-evolve, the respective entrepreneurial ecosystem quality is best improved. However, our study has revealed that the mediated option through the PPP support's financing incentives and information sharing is stronger at improving the entrepreneurial ecosystem quality for sustainable franchising. The social reality is demonstrated in Mutumba *et al.* (2016) whose study also reveals that MTN's potential sub-franchisors use the PPP-supported information sharing to continuously win the mobile money and solar products distribution deals. Consequently, their amplified winning/success stories are improving how the other partners/actors perceive the entrepreneurial ecosystem quality for sustainable franchising across the country's other sectors, which further explains the franchising growth in Uganda. However, some potential sub-franchisors are still small-sized to attract the media to highly publicize/hype their respective success stories. This social reality is consistent with McKague *et al.* (2017) who also found out that the smaller potential sub-franchisors are located in the rural areas that rarely attract the influential TV/radio stations. As we conclude this study, we argue that the unmediated complementary entrepreneurial networking is important, the mediated option is more important while the co-existence and co-evolution between both options is the most important approach for sustainable franchising in a developing country (Figure 1).

### **Conclusion**

Potential sub-franchisor enterprises that network with more local retailers and other partners in mutually beneficial ways are directly connected to the entrepreneurial ecosystem quality's franchise financiers, opinion leaders and regulators/self-regulating associations. Complementary innovations like marketing the respective products using a locally accessible online shopping network are linked to opinion leaders who amplify the potential sub-franchisors' socio-economic transformation contribution, hence, attracting the



**Notes:** Model Fit Indices:  $\chi^2=31.693$ ,  $p=0.000$ ,  $df=5$  (Baseline Fit Indices); GFI=0.959, RMSEA=0.134, AGFI=0.873 (Absolute Fit Indices); CFI=0.932, NFI=0.921 (Incremental Fit Indices)

**Figure 1.**  
The tested  
structural model

continued government-supported incentives. Consequently, such incentives sustain the potential sub-franchisor's franchising success in line with the complexity theory's concept of amplifying the shared benefits.

Increased collaborations with the policy makers provide the long-term networks for affordable financing and influence/motivation, hence, providing a stronger route toward an enabling environment (entrepreneurial ecosystem quality) for sustainable franchising across the country. We learnt that the supported networks of win-win partners become a medium for the generative leadership awards to be organized and amplified in ways that are associated with an increase in the locally attractive franchise financing. Similarly, media-hyping of the winning potential sub-franchisors enables them to continuously win the lucrative supply and distribution deals/projects within their cities/districts/towns/territories. However, the sub-franchisor's exposure influences the entrepreneurial ecosystem quality. This calls for partnering with already franchising-exposed enterprises that interactively-access the PPP support as progressively recommended.

### Implications

The complexity theory was found to explain the benefits and needed interactions which are associated with the entrepreneurial ecosystem quality for sustainable franchising. Therefore, the local franchising-related networks/associations should be more interactively organized for their nationally/internationally appealing incentive events (awards) to attract the country's influential media and franchising role models. This recommended approach calls for early stakeholder engagement of the opinion leaders and TV/radio/print/social media partners in order to hype/amplify the role models' attractive contribution to the local socio-economic transformation. Since the region does not significantly influence the entrepreneurial ecosystem quality, the media-enabled hype can sustainably be implemented in both the urban and rural areas, especially with the development partners' support.

Therefore, a public policy of organizing periodical information-sharing meetings between the franchising/business community, the government officials, media and the development partners should be implemented on a rotational basis across the major towns/cities. Such a franchising forum/multi-actor network makes it easier for the potential sub-franchisors to continuously access the local franchise development financing like winning the big distribution deals. However, the complementary entrepreneurial networking of some potential sub-franchisors may still be limited to only their franchise

networks. So, a further study on the moderating effects of the PPP support is needed in another developing country. Furthermore, research collaborations between leading universities that are reputed for entrepreneurial ecosystem and/or franchising studies are needed across other countries for more sustainable franchising in Africa/Asia.

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#### Corresponding author

Abbey Mutumba can be contacted at: [amutumba@mubs.ac.ug](mailto:amutumba@mubs.ac.ug)