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# **THE IMPACT OF FRANCHISING ON OUTPERFORMANCE IN THE RESTAURANT INDUSTRY: A LONG TERM PERSPECTIVE**

**Nan Hua  
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And  
Michael C. Dalbor**

## **ABSTRACT**

This paper utilizes the well-established Fama-French three factor model to test whether franchising significantly and systematically influence restaurant firms' financial performance in the long term. Findings suggest significant, systematic, and consistent impacts of franchising on excess returns of restaurant firms, controlling for Fama-French three factors and restaurant operation type in alternative long-term testing windows.