
| RESEARCH ARTICLE

The Progress of Social Enterprises Through Commercial Franchising in Saudi Arabia

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| ABSTRACT

Social enterprises across Saudi Arabia significantly impact socio-economic and community development by pursuing social impact and financial sustainability within their social and commercial activities. The current study employed a qualitative methodology to examine the effects of commercial franchising on enhancing the social impact and economic sustainability of social businesses. The present research conducts a thematic analysis of secondary data gathered from relevant electronic databases and academic journals through a secondary research design. Significant findings indicate the gradual growth and scaling of social enterprises through leveraging social franchising models to assist business ventures and entrepreneurs in developing sustainable businesses and promoting employment opportunities through scalability. Leveraging the franchisor's proven business model and existing resources, social enterprises scale their social impact and sustainability through social activism, empowerment campaigns, and skill development initiatives. Fundamentally, commercial franchises among social enterprises enhance organizational operations' scalability, profitability, and sustainability, thereby enhancing the social impact on the Saudi Arabian economy.

| KEYWORDS

scalability, commercial franchising, social impact, proven business model, sustainability

| ARTICLE INFORMATION

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1. Introduction

1.1 Background

Social enterprises encompass revenue-generating operations focused on addressing critical social challenges through leveraging market-based interventions (Pinheiro et al., 2020). Leveraging commercial franchising models, social enterprises across Saudi Arabia actively engage in the dual pursuit of social impact and financial sustainability through scaling mechanisms (Ávila et al., 2021). Unlike conventional nonprofit organizations that primarily rely on monetary donations and charities, social enterprises promote long-term sustainability by extending social impact while ensuring quality control. However, scaling the social impact of social enterprises remains a critical challenge due to resource constraints and operational complexities within the contemporary socio-economic landscape (Islam, 2021; Shepherd & Patzelt, 2020). Fundamentally, the modern business context acknowledges the importance of proactive action on issues ranging from local food systems to community finance, accessibility, social equity, and environmental impacts as a driving force for solutions-based practice (Crawford-Spencer & Cantatore, 2016). Social franchising offers a comprehensive platform for increased outreach to reach new beneficiaries, achieve a larger impact, and leverage scale efficiencies while mitigating high costs. In principle, social franchising leverages commercial franchising methods to achieve socially beneficial outcomes while maintaining financial performance (Temple et al., 2011).

To grow through commercial franchising, social enterprises must carefully select the right social franchise models, as this decision depends significantly on the details of these models (Abdelwahed, 2022). Social franchising mainly involves three

systems: those focused on doing social good and earning a profit, nonprofit models that use core franchising approaches but not fees, and subsidized systems that offer goods or services at a lower price, usually with support from outside sources. This variety of models allows social enterprises to adapt their work to their mission and resources, making it easier for them to grow their impact (Ziółkowska, 2018). Alotaibi (2025) also points out that social enterprises adopting franchising can replicate successful business models, giving franchisees a chance to use well-known brands, receive help with operations, and benefit from better purchasing deals, which improve their chances of lasting and quick growth. By using franchising, social enterprises can help entrepreneurs get started and improve their ability to handle challenging socio-economic problems by reaching more people and ensuring quality.

Manifesting as an adaptation of commercial franchising, social franchising endorses franchisees to replicate the contemporary business model through leveraging brand names and contractual relationships tailored to achieve social objectives (Ziółkowska, 2018). Grounded in business-format franchises, business models encapsulated within commercial franchising scale out to expand social impact by endorsing socio-economic solutions and social programs to new territories and organizations that rely on dynamic strategies and can be effectively adapted to new local contexts. Conversely, scaling up involves vertical appraisal of socio-economic systems through institutionalizing policy reforms and social changes that address the root causes that perpetuate social challenges. In principle, the scaling strategies of social franchises focus on imparting social impact by addressing critical social challenges within contemporary society, such as marginalization problems, unemployment, social cohesion, and systemic poverty. With the growth of a network impact of social enterprises and the maturation of the franchisor, there can be more influence and impact on the root causes and systematic barriers.

The Knowledge Exchange for Youth Supporting Society (KEYSS) social enterprise in Saudi Arabia reinforces Saudi youths' and social entrepreneurs' capacity and skillset, creating awareness of the individual's role in climate action and sustainability. The underlying need for social enterprises emerged from the social challenge of unsustainability and the failure of emerging projects that empower youths by enabling them to discover their intrinsic passion and purpose. Through the motivation of Saudi youths through comprehensive training programs and social campaigns, KEYSS social enterprise promotes human development by imparting critical skills, evoking cognitive thinking, and skills necessary for academic achievement and life success. The short-term impact of Saudi Arabian social enterprises remains exhibited by the tangible impact on the productivity of projects and the development welfare of Saudi Arabian society members.

Leveraging corporate accelerators and incubators, social enterprises such as Tadweem actively promote environmental conservation and fashion sustainability by implementing innovative solutions that improve the recycling of waste textile materials and encourage the use of eco-friendly materials in manufacturing fashion products. Alotaibi (2025) highlights how such initiatives reduce the significant environmental damage caused by the clothing and fashion industry. Beyond ecological benefits, these social enterprises foster social cohesion through collaborative efforts involving government agencies, social franchises, and the broader community. The ongoing progress of social enterprises using commercial franchising depends on the social franchise models they choose and the scaling strategies they implement. Ziółkowska (2018) emphasizes that these frameworks enable enterprises to replicate proven business models effectively while maintaining mission alignment and quality, thus maximizing sustainable social impact in today's complex socio-economic environment.

The Planned Lifetime Advocacy Network (PLAN) initially expanded its support for people living with disabilities by replicating its model across Canada, scaling out to new territories. However, Mattar (2021) explains that to tackle deeper systemic issues such as freedom, equity, and opportunity, PLAN shifted from iterative replication toward a more comprehensive strategy. This led to the development of the Registered Disability Savings Plan (RDSP), a financial security tool for individuals with disabilities, which required collaboration with policymakers and economic experts. Antadze and Westley (2010) observe that although social franchising traditionally focuses on scaling out by replication, maturing social enterprises increasingly scale up, addressing root causes and systemic barriers through broader network impact and strategic innovation.

1.2 Research Objectives

The study aims at achieving the following objectives;

1. To explore commercial franchises' influence in endorsing social enterprises' social impact and financial sustainability.
2. To assess the impact of social franchising on the scalability of social impact and financial sustainability among social enterprises in Saudi Arabia.

1.3 Research Questions

The following research questions guide the current research;

1. What is the contemporary progress of social enterprises leveraging commercial franchising across Saudi Arabia?
2. How does commercial franchising influence the scalability and financial sustainability of Saudi Arabia's social enterprises?

1.4 Research Significance

The present research offers a complete understanding of how social organizations may scale their operations and increase the positive impact on the environment and broader society.

The study's outcomes provide resourceful insights into how commercial franchising is endorsing social enterprises' social impact and financial sustainability, providing opportunities for local entrepreneurs, fostering job creation, skills development, and economic empowerment in communities.

2. Literature Review

The current literature review evaluates the theory behind and actual examples of social enterprise in Saudi Arabia, as well as the influence of commercial franchising on the growth of its positive impact and finances (Powell et al., 2018). The current research examines the foundations of social enterprises and the outcomes of applying commercial franchising to achieve social impact and sustainability by studying critical peer-reviewed publications, journal articles, and research papers.

2.1 Social Franchising

A critical analysis by Mattar (2021) emphasized the integral role of franchising practices and regulations across Saudi Arabia in shaping the contextual settings for the growth and scaling of social franchises, thereby enhancing public access to essential services for marginalized regions. Abdelwahed (2022) explained the importance of social entrepreneurs, the public, and students in Saudi Arabia to help economic growth by encouraging entrepreneurship and an innovation culture. Social franchising allows local businesses and business owners to benefit from tried and tested approaches that support solutions to local problems like financial and job inequity. Like Mattar (2021) and Abdelwahed (2022), the robustness and success of social franchising in Saudi Arabia are influenced by entrepreneurial orientation, market orientation, and available resources from the franchisor. Demand for franchises and supportive government measures are highlighted by Mattar (2021) for market orientation dynamics, while Powell et al. (2018) look at the impact of strong relationships between the franchising company and its outlets on the results of social franchise initiatives.

2.2 Impact of Social Enterprises Leveraging Commercial Franchising

The potential advantages of franchising for Saudi Arabian business owners and entrepreneurs are highlighted in the Gulf Cooperation Council (GCC). Work by both Al Bakri and Kisswani (2024) and Nasri et al. (2020) discussed the aspects of franchising in the GCC region, which can be used to analyze social franchising's impact on enterprises. In line with the arguments presented by Al Bakri and Kisswani (2024), Saudi businesses seeking to apply social franchising for economic development would benefit from adjusting franchising arrangements to suit a specific market. However, as Nasri et al. (2020) note in their analysis of opportunities for local Middle Eastern franchises, it can also favor regional franchising growth and help diversify the local economy. Nasri et al. (2020) focus on the strategic maneuvering strategies of indigenous franchisees, whereas Al Bakri and Kisswani (2024) examine the legal questions. Supporting the findings of Nasri et al. (2020), Al Bakri and Kisswani (2024) argued that franchising can help uplift business and economic growth. Nonetheless, social franchising in Saudi Arabia is threatened by inadequate rules. Moreover, in the GCC, franchising emphasizes the potential advantages for Saudi Arabian businesses and entrepreneurs, stressing the significance of local company growth prospects and legal issues.

Franchising is integral in enhancing Saudi Arabian social enterprises and entrepreneurs and addressing social needs through socio-economic initiatives. Khan and Iqbal (2021) contend that social franchising is crucial in attaining economic diversification goals because local business owners can grow and practice established business templates. Conversely, Mattar (2021) suggests that the region may have uneven or underdeveloped regularities that could hinder the growth and scale of different franchises, including social franchises, which can confuse investors and testers. Khan and Iqbal (2021) focus on the outcomes, including employment and profitability, while Mattar (2021) emphasizes the legalities and structures that would enable the sustained expansion of franchising in the long term. Although Khan and Iqbal (2021) and Mattar (2021) agree that franchising plays a significant role in economic development, their focal point of discussion is entirely different. As such, these findings suggest that one needs to address legal factors to maximize financial advantages related to franchising.

Several themes explore social franchising as a means of positively contributing to the Saudi Arabian economy by analyzing it from various perspectives, discussing the importance of investing in human capital development, understanding the franchisor-franchisee relationship, and addressing the sustainable development of entrepreneurship. While Sorenson (2021) focuses on theoretical issues, McKague et al. (2021) deliberate on operational issues like supply chain and quality requirements usually faced during growth. However, both Sorenson (2021) and McKague et al. (2021) argue that setting financial and social goals is essential when growing social franchise models. Thus, these results confirm that having both planning and action helps ensure that social franchises can grow and continue to be sustainable.

2.3 Theoretical Framework for Social Franchising

The contemporary theoretical framework combines social enterprise and franchise theory, making it easier to study how social enterprises scale and work toward their social aims with the help of commercial franchising. Social enterprise theory explains that social enterprises must join business and social strategies to reach different social goals and remain financially sustainable. The theory helps explain how social enterprises can keep their mission alive while using market-based methods for social franchising. The connection between agency theory and social franchising indicates that reducing agency costs, setting shared goals, and generating long-term success are all important. With the help of Alon et al. (2020) and Naatu (2022), the link between agency theory and social franchising can be described based on two main approaches.

2.4 Research gap

Research about the effects of commercial franchising on enhancing the social impact and economic sustainability of social businesses remains scarce despite franchising being a global business model. There remains a significant research gap in the understanding of the current progress of social enterprises within the business context (Akhmedova et al., 2022). Similarly, Naatu and Alon, (2019) identified minimal research on commercial franchising among social enterprises by reviewing the matrix of research in social franchising; Environmental occupational health (34%); health policy services (16%); health care sciences (15%); business (9%); multidisciplinary sciences (5%); tropical medicine (5%); obstetrics and gynecology (4%); general internal medicine (3%); infectious diseases (3%). The matrix indicates that approximately 88% of the research is in the health sector, and about 12% is in the area of business and management. Therefore, there exists a huge gap in research in the area of business management, which necessitates the review of the progress of social enterprises leveraging commercial franchising within the business and social context as shaped by the hybridity of SEs. Consequently, the current research focuses on exploring the organizational practices and support systems adopted for endorsing the progress of SEs seeking to facilitate positive social impact, long-term sustainability.

3. Methodology

3.1 Research Approach

This study uses qualitative methods to study how commercial franchising influences both the social impact and financial stability of social businesses. Qualitative methods should be used to study the many aspects of different study topics by looking at organizational approaches, plans, frameworks, and the influences on how social entities expand (Cheong et al., 2023). While quantitative research relies on data, qualitative research helps see the bigger picture and how SEs performing through commercial franchising are evolving (Arman, Ekşili, Kıran & Çetinkaya, 2019). In general, the study combined a detailed review of existing literature with an in-depth analysis to examine the study phenomenon.

3.2 Research Methods

The current research employed qualitative methods to comprehensively explore social enterprises' progress in leveraging commercial franchising to scale the socio-economic impact through social benefits and financial sustainability. Fundamentally, the methodology combines a systematic literature review and in-depth exploratory analysis to establish a firm understanding of the research phenomenon (Giudici et al., 2018). The systematic literature review encompasses the critical review of peer-reviewed research studies, business reports, and industry articles on social franchising, focusing on social enterprises' scalability, progress, and success. Predominant social enterprises were analyzed through exploratory analysis to identify resourceful insights, patterns, and business practices that influence the progress and outcomes of commercial franchising models adopted by SEs. Through purposive sampling of SE cases based on exhibited socio-economic impact and scalability, the research methodology focuses on assessing existing social enterprises to reveal the implementation of commercial franchising and its associated impact.

3.3 Data Collection

Secondary data collection was conducted on key electronic databases, including Web of Science (WOS), ProQuest, and Google Scholar, which enhanced access to high-quality peer-reviewed journals on the progress of social enterprises leveraging commercial franchising. To uphold the methodological rigor and integrity of the research, the data collection process was performed in multiple phases, including initial search, identification of data sources, filtering process, and inclusion (Khoa et al., 2023). Strategic keywords and search terms were applied to identify eligible peer-reviewed articles and business and industry reports regarding the progress of social enterprises leveraging commercial franchising. Boolean operators "OR," "AND," and "NOT" were interchangeably applied to expand the search outcomes, thereby enhancing access to high-quality evidence regarding the study phenomenon (Muhammad, 2017). The main search terms adopted include; "social enterprise franchising in Saudi Arabia" AND "scaling social impact," "The review of existing Research on the research phenomena commenced with the

initial search terms 'social enterprise AND commercial franchising "social enterprise progress AND commercial franchising" OR "Saudi Arabia social enterprise success AND commercial franchising."

The initial search process generated 32 search outcomes, which necessitated the application of relevant filters for the strategic selection of results that capture qualitative information on the research phenomenon. A "full-text availability" filter was applied to ensure that selected studies possessed accessible reports on the distinct research studies that support the review of social enterprise progress, as reviewed within the identified studies, resulting in 21 studies. Subsequently, the "publication type" filter was applied to exclude data sources associated with secondary research methods and systematic reviews. This supports including primary data to examine the study phenomenon, resulting in 12 search outcomes. Finally, a date range filter was applied for the selection of peer-reviewed articles and business and industry reports published between 2015 and 2025, thereby narrowing the data collection outcomes to 5 articles. Subsequently, the titles of all findings were evaluated to determine the relevance of individual articles to the current study topic, resulting in the exclusion of all irrelevant publications.

3.4 Inclusion/Exclusion Criteria

The present secondary research adopted inclusion criteria to ensure the selection of high-quality data sources for the integrity and eligibility of research outcomes (Dekkers et al., 2022). The research included studies, articles, and reports published between 2015 and 2025 to ensure the inclusion of recent data regarding the progress of Saudi Arabia's social enterprises. Further, the inclusion criteria selected studies and reports directly exploring the state of social enterprises leveraging commercial franchising models. Further, studies and reports conducted outside Saudi Arabia were excluded from the research due to the irrelevance of their findings in the Saudi context. Only reports published in English were included in the study, preventing potential translation bias or inconsistencies for articles published in foreign languages that require translation.

3.5 Data Analysis

Thematic analysis of literature was adopted within the current research for the critical analysis of eligible data and the identification of predominant themes and patterns within textual data. While leveraging thematic analysis for crucial examination of secondary data regarding the contemporary progress of social enterprises, the analysis process focused on identifying, analyzing, and interpreting predominant patterns within the data. Grounded on Braun and Clarke's (2006) phasic procedure for data analysis, the research focuses on initial exploratory familiarization with the secondary data, identification of codes, themes, and analysis based on the research problems. The coding process facilitated the assignment of secondary data segments with the scalability of social enterprises, social impact, mission, and the outcomes of social franchising across Saudi Arabia (Younas et al., 2022). The data analysis process generated two dominant themes: Social enterprises and the progress of scalability through standardization and franchising models. From a broader perspective, the emerging themes offer a comprehensive framework for understanding the contemporary progress of social enterprises that leverage commercial franchising.

4. Findings

Following the comprehensive analysis of eligible data sources regarding the study phenomenon, significant findings were established on the progress of social enterprises leveraging commercial franchising for amplification of social impact and financial sustainability (See Appendix A).

4.1 The Progress of Social Enterprises

Outcomes from the exploratory analysis exhibit significant advancement of Saudi Arabia's social enterprises from minor and localized initiatives to the adoption of structured and scalable franchising models that promote greater social impact and long-term financial sustainability. Findings indicate the constrained progress of social enterprises in Saudi Arabia in leveraging commercial franchising, considering the low rates of creation and retention of financially sustainable social enterprises. In contrast to Canada and France, which hold 50 and 200 SEs per 10,000 individuals, the research findings demonstrate a low incidence of social enterprises across Saudi Arabia at one not-for-profit social organization per 10,000 people, reflects the slow progress in the creation, growth, and scaling of social franchising to address pertinent social issues (Halaoui & Althukair, 2024). Outcomes established by Halaoui and Althukair (2024) indicate the necessity of the Saudi Arabian government to support the growth and scaling of social franchises by endorsing social infrastructure, access, networks, education, awareness, and training. Similar to the findings by Halaoui and Althukair (2024), Nieva (2016) demonstrated the impact of social enterprises supporting the cultivation of socially sustainable societies that alleviated social challenges arising from the social exclusion of marginalized society members, such as women. However, based on the economic transformation framework of Saudi Arabia, the progress of social enterprises is forecasted to significantly contribute to 2.5 percent of GDP per year, thereby addressing the social challenge of unemployment by creating approximately 250,000 job opportunities by 2030.

Following rapid technological advancement, findings indicate the significant adoption of e-commerce platforms and social networking for endorsing social enterprises' social impact and financial sustainability. A comparative analysis of Saudi

Arabia's social enterprises by Halaoui and Althukair (2024) indicated the constrained progress due to funding constraints, legal ambiguity, and retention challenges, impeding social impact and long-term financial sustainability. Consistent with Alotaibi (2025) and Halaoui and Althukair (2024), who demonstrated the low financial sustainability of contemporary social enterprises across Saudi Arabia, which adversely affects the overall progress of addressing varied social issues such as social exclusion, unemployment, and cohesion due to impaired dual pursuit of social impact and financial returns. In contrast to the constrained progress demonstrated by Halaoui and Althukair (2024), the works of Alotaibi and Abdullatif (2024) showed potential growth and scaling opportunities for social enterprises in Saudi Arabia within the contemporary digital society through leveraging social networking, the social presence of SEs, design, and communication.

Supporting social networks significantly promotes cooperation and efficient communication in modern society; social presence, sellers' informational support, emotional support, and customer testimonials were established to increase social support and impact. Significant outcomes from the analysis of Alotaibi and Abdullatif (2024) illustrate how community commitment, trust, and collective psychological indicators play a crucial role in the acceptance of social commerce since the advancement of SEs depends on the participation and confidence of society members in organizational activities. However, contrary to arguments drawn by Alotaibi and Abdullatif (2024) on the impact of social enterprises on majority communities, Nieva (2016) demonstrated the strategic measures adopted by social enterprises to ensure the empowerment of marginalized members of society, such as women, and economic prosperity through social entrepreneurship and personal development campaigns. Fundamentally, the contemporary state of social entrepreneurship in Saudi Arabia reflects the consideration of gender equity through social activism, professional training, and education programs geared at supporting women in the Saudi Arabian context.

4.2 Scalability Through Standardization and Franchising Models

Commercial franchising offers a comprehensive structural mechanism for significantly scaling the social impact of social enterprises in Saudi Arabia while promoting financial sustainability and operational consistency. Supporting the findings established by Alotaibi (2025) and Hakami (2021) on the influence of SES on community development, the analysis of Nieva (2016) revealed the significant impact of franchises focused on women's development through social activism, education, and socio-economic empowerment campaigns. Findings demonstrate the capacity of social franchises to replicate standardized processes and practices across different regions, thereby amplifying the social impact across Saudi Arabia (Halaoui & Althukair, 2024). According to Alotaibi and Abdullatif (2024), the contemporary social enterprises in Saudi Arabia combine decentralized service delivery and centralized quality control to ensure a broader social impact from SE's socio-economic initiatives. The scalability of social enterprises through commercial franchising depends on the proven business model and endorsement of social support and development initiatives. By leveraging commercial franchising, evidence from the analysis of Alotaibi (2025) and Hakami (2021) reveals that SEs promote community development through socio-economic opportunities, youth mentorship, and business endorsements in Saudi Arabia. Supporting the works of Alotaibi (2025), the impact of social franchising on the economic development of Saudi Arabia's economy. Hakami (2021) demonstrated the role of social empowerment and a vibrant society in supporting business startups, career ambition, and employment opportunities. However, in contrast to Halaoui and Althukair's (2024) comparative analysis of Saudi Arabia's social enterprises with other developed economies, Hakami (2021) highlighted the influence of Islam's religion and Saudi Arabia's cultural affiliations on the community development initiatives of social enterprises, which are guided by Sharia laws and Muslim tradition.

Saudi Arabia's social enterprises adopt a dynamic business strategy that facilitates the franchisor's brand distribution and entry into unexplored markets while minimizing the need for significant initial investments. Additionally, Alotaibi (2025) explained the potential of franchisors to leverage their expertise and establish business strategies by giving franchisees the privilege to operate under popular franchised brands. Such a framework increases the likelihood that the franchise will succeed. Selecting a franchise model offers a good chance to succeed in a new industry. Franchisees gain from using an established and proven business structure instead of starting from the beginning. Franchisors are essential because they train franchisees at the start and continue to help them, allowing them to run their businesses well and add real value. Due to their collective buying power, social enterprises often spend less on supplies and equipment. Recognizing a well-known brand encourages people to trust the company and stay loyal, which means more customers are attracted than to independent businesses.

5. Discussion

5.1 The Progress of Social Enterprises

Research reveals limited advancement of social businesses in Saudi Arabia utilizing commercial franchising due to the low rates of creation and sustainability of social organizations. However, contemporary social enterprises acknowledge the capacity of commercial franchising as an efficient distribution strategy due to its ability to leverage local experience, reduce operational risk, and leverage established consumer trust. Fundamentally, social enterprises across Saudi Arabia maintain an advantage of the strong brand reputation and proven business system franchisors offer, thereby enhancing the social impact and sustainability of the SEs. Across Saudi Arabia, the social franchise business strategy benefits local business owners and global

franchisors (Kelepouris, 2023). Commercial franchising enables international franchisors to tailor their offerings to local consumers' interests and inclinations, expanding their social impact and financial returns (Abdul Ghani et al., 2022). For longevity in an evolving marketplace, franchisors must adopt an adaptable strategy that prioritizes developing significant relationships with their franchisees and committing resources to extensive education and continuous support (Sanny et al., 2017). Understanding evolving problems and possibilities is critical to the continued prosperity of franchisors and social entrepreneurs.

The findings are consistent with the literature by Alon et al. (2020), which suggests that the rise of the franchise industry presents significant opportunities for both local companies and multinational brands. Many experts view franchising as a successful distribution method because it uses local talent, reduces risks, and fosters customers' trust in the brand. When franchisees can adapt their products to local customers and use the company's model, enterprises have a bigger impact on society (Abdul Ghani et al., 2022). The findings from the research suggest that social entrepreneurship in Saudi Arabia is growing thanks to programs in social activism, youth empowerment, and social empowerment using commercial franchising. The findings are similar to what was found in the literature by Azim and Hariri (2018) and prove that Saudi Arabia can encourage entrepreneurship and business startups through educational, training, and development campaigns. The results also support the literature review by Mattar (2021), showing how the franchisor's resources and successful business strategies help social enterprises expand their social and sustainable reach. The ideas of social enterprise and Agency Theory explain the low costs and similar goals in social franchising, just as the existing studies on social entrepreneurship in Saudi Arabia show.

5.2 Scaling through Standardization and Commercial Franchising Models

Using social commerce and social networking, Alotaibi and Abdullatif's (2024) analysis revealed that social enterprises can achieve greater social impact and financial stability. In today's digital world, social enterprises depend on social media, online shopping, and active communication methods to reach more people and make a bigger difference through their projects. As Nasri et al. (2020) found, Middle Eastern franchises can contribute to regional growth and social and economic development through smart commercial franchising. Moreover, social entities use the feedback and trends they find on social networks and media to update their successful business models, marketing approaches, and social initiatives to meet the needs and likes of people who use these channels.

Social impact goals and the financial sustainability of social enterprises depend significantly on the success of commercial franchising relationships, which help scale the consumer base and create a positive impact on society. As Sanfelix and Puig (2018) found, the research results reveal that franchising helps companies distribute products globally due to the helpful relationship between franchisors and franchisees. According to Hanafiah et al. (2023), the franchise business model requires the franchisor to provide independent franchisees with a license to use its brand, operating system, and expertise on the condition that they run their enterprise under a predetermined brand name. Essentially, the franchisor leverages the franchisee's local market knowledge and cultural subtleties to promote greater social impact through expanded reach (Alon et al., 2020). Similarly, companies can tailor their products and services to meet the unique demands and preferences of local clients (Varotto & Parente, 2016). Marketing can be accomplished through strategic alliances with regional franchisees who have an extensive understanding of the target market. Implementing a customized strategy assists in improving brand appeal while also strengthening links between franchisees and their communities. As a result, brand loyalty increases, and the company gains market prominence.

5.3 Research Limitations

Although the present study provides valuable information and insights into the progress of Saudi Arabia's social enterprises through commercial franchising, there remain significant study limitations that significantly affect the study process. Methodological limitations arising from the predominant utilization of secondary data sources from the Saudi Arabian context impact the generalizability of study findings. The omission of gray literature and old publications critically impacts the longitudinal evaluation of social enterprise success, restricting the inclusion of dynamic viewpoints on social franchising in the Gulf region (Abdelwahed, 2022). Despite the valuable insights derived from the interpretive analysis of social enterprises, adopting social enterprises automatically restricts the generalizability of study findings due to the limited sample size of these sampled SEs. Furthermore, social enterprises may fail to adequately depict SEs' success in meeting varied social needs through social franchising methods. In essence, the small sample size of social businesses using franchising models substantially impacts the generalizability of conclusions about Saudi Arabia's success in social entrepreneurship.

Saudi Arabia's socio-economic environment, which continues to be molded by cultural dynamics, centralized government, and excessive dependence on funding (Alotaibi & Abdullatif, 2024), exhibits contextual and temporal constraints. Additionally, the rapid advancement of technologies in Saudi Arabia potentially introduces temporal bias, considering that the findings on the progress of social franchising in Saudi Arabia may be inconsistent within a continuously evolving digital landscape. Additionally, the exclusion of primary data sources such as surveys and interviews with franchisors and franchisees significantly limits the quantification of the contemporary progress of social enterprises leveraging commercial franchising. Although thematic analysis remains supported by eligible secondary data, the data sources lack the specificity of individual

experiences on the socio-economic impact of social enterprises in Saudi Arabia. From a broader perspective, future research would significantly benefit from leveraging mixed methods approaches to triangulate findings on the progress of social enterprises in Saudi Arabia.

6. Recommendations

The research outcomes offer resourceful insights and recommendations for Saudi Arabia's social entrepreneurs, policymakers, and social researchers seeking to leverage commercial franchising as an effective scaling strategy for amplifying social enterprises' social impact and financial sustainability. Considering the cultural diversity and sensitivity of Saudi Arabia's society, social enterprises are recommended to cultivate and sustain modular operation frameworks that leverage the franchisor's expertise and decentralized commercial models to expand reach for greater social impact and financial returns. Additionally, social enterprises should integrate digital technologies within their commercial franchise models to mitigate potential logistical and geographic limitations, thereby promoting an expansive social impact, service delivery, and community engagement for these entities. While Saudi Arabia remains affected by unique socio-economic and cultural challenges, social enterprises are recommended to conduct extensive reconnaissance to understand the society's predominant social needs to align SE's mission and practices to achieve a greater social impact and long-term financial sustainability. Understanding the social needs and consumption gaps within the Saudi Arabian economy enhances the achievement of social impact thresholds and relevance within the socio-economic context.

To help franchisees learn the main principles of the business, a strong communication strategy and a detailed training program are necessary. Additionally, carefully screening potential franchisees creates a robust business distribution system by selecting dedicated and skilled partners (Abd Aziz et al., 2021). Social enterprises require a robust distribution strategy, as it enables them to leverage capital to replicate successful models and expand rapidly. More research is needed to examine the impact of franchising and social enterprises on the development of franchising. Searching for information in various places and employing multiple methods, such as bibliometric analysis, is recommended to gain a broader and more comprehensive view.

7. Conclusion

The first objective was achieved by exploring the social and financial impact of Saudi Arabia's Social enterprises leveraging commercial franchising models. Through an analysis of the current progress of social enterprises across Saudi Arabia, the findings offer valuable insights into the influence of social franchising on socio-economic impact and sustainability. The second objective was met by using standardization and franchising to interpret findings on social enterprises and encourage social entrepreneurship, new business startups, and skill development. Social enterprises utilize commercial franchising to sustain their finances and achieve greater social development on both local and global scales. With social franchising, organizations can use standard methods while still being flexible, which helps them grow and last. Social enterprises rely on commercial franchising to help them make a greater impact without compromising financial stability. The model helps social enterprises bring successful initiatives to other regions, allowing their business to remain stable and their brand to be recognized.

Social enterprises in Saudi Arabia find that franchising their initiatives is a faster way to grow than expanding them. Expanding a business in the traditional way requires a significant amount of time and effort, but franchising enables organizations to utilize local resources and staff to roll out their programs more quickly. When social enterprises allow local entrepreneurs to operate under their name, they can grow without managing every detail in new areas. Social enterprises utilize commercial franchising to enhance their financial stability and achieve a greater societal impact. Franchise fees and royalties provide social enterprises with a sustainable income that can be used to advance their primary objectives. The financial model helps reduce the need for grants and donations, which can be unreliable and are often limited in their application. Besides, social franchising encourages local ownership and empowerment by addressing significant social and economic disparities in the current society, enabling franchisees to utilize established social enterprise models. This approach allows local companies to support their communities while benefiting from the parent organization's resources and reputation.

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Appendices

Appendix (A). Analysis of Relevant Literature Published from 2015 to 2025

Author(s) name , date of publication ,and the title of the article	Research methods used	Limitations of the study	Summary of the findings	Country of origin
Halaoui and Althukair (2024). Unleashing the Power of the Social Enterprise Sector in Saudi Arabia	Mixed-methods research on the progress and power of social enterprises across Saudi Arabia. The authors surveyed 34 government bodies and social entrepreneurs. In collaboration with the Saudi Arabian government through the Small and Medium Enterprises General Authority (Monsha'at), the study applied quantitative and qualitative measures to explore the progress of the social enterprise sector in addressing varied social needs through innovative and financially sustainable approaches.	Comparative analysis of Saudi Arabia's social enterprises with developed economies such as the UK and Canada accounts for a potential bias in drawing conclusions and recommendations for Saudi Arabia due to differing social needs for these regions.	Outcomes indicate that most social enterprises across Saudi Arabia remain within the early stages of development with limited financial sustainability, reflecting slow progress in achieving social impact. Survey respondents reported critical challenges that significantly hinder the sector's potential, including funding constraints, legal ambiguity, and retention challenges. The government was highlighted as influencing the creation and scaling of social enterprises through enhancing access and networks, social infrastructure, awareness, and education.	Saudi Arabia
Nieva, F (2016). Towards Women's Empowerment: A Social Entrepreneurship Approach in the Kingdom of Saudi Arabia	The study collected primary data through a survey questionnaire, sixty women, including randomly selected social entrepreneurs and academics who transitioned into social entrepreneurship.	The study sample was limited to sixty women social entrepreneurs and academics turned entrepreneurs, which may not fully capture the diversity of experiences among women across different regions, age groups, and socio-economic backgrounds in the country. As such, the findings may not be generalizable to the broader population of Saudi women or male social entrepreneurs.	Social franchising enhanced the cultivation of socially sustainable societies and solved the challenge of social exclusion.	Saudi Arabia
Alotaibi (2025). Social Franchising as a Vehicle to Economic Prosperity in Saudi Arabia	Quantitative research exploring the impact of social franchising on economic development and social cohesion across Saudi Arabia.	The study involves small sample effect sizes, which reflect the minimal differences in growth and scalability; The research fails to leverage advanced digital technologies and strategic frameworks to improve social franchising outcomes.	Results indicate the crucial role of social franchising in addressing the sociopolitical divide and improving the sustainable economic development of Saudi Arabia through leveraging market strategies, entrepreneurial orientation, and franchisor reinforcements for amplification of economic and social impact.	Saudi Arabia
Alotaibi and Abdullatif (2024). Social Commerce in Saudi Arabia: Opportunities and Challenges in a Digital Society.	Mixed methods research leveraging sequential exploratory design for reviewing the progress of Saudi Arabia's social enterprise amidst digital transformation. The quantitative	The study remains limited by the factors influencing social impact and consumer attitudes regarding adopting and scaling social commerce across Saudi Arabia. Therefore, the research	Research outcomes reveal the significant progress of Saudi Arabia's social commerce through digital advancement, where organizational factors, such as brand reputation, and design	Saudi Arabia

	phase involved a comprehensive survey based on 504 responses, whereas the qualitative phase involved interview questions for 25 participants.	introduces a potential bias by exploring organizational factors such as sociocultural, design, content, and psychological aspects that influence social commerce in Saudi Arabia.	factors, such as usability and service quality, shape the scaling of social impact. Further, social presence, sellers' informational support, emotional support, and customer testimonials were established to influence the propagation of social support and impact through endorsing social networks that significantly foster collaboration and effective communication within contemporary society. The psychological theme exhibited the role of community commitment and trust in adopting social commerce, where the progress of SEs relies on the engagement and trust of the members of society in organizational campaigns.	
Hakami, S (2021). The Role of Social Entrepreneurship in Community Development. A Case Study of Social Entrepreneurship in Saudi Arabia	The study conducts a comprehensive literature review to explore existing theories and practices related to social entrepreneurship within the Saudi context.	Reliance on secondary data may not fully reflect the current realities or evolving trends in social entrepreneurship.	Youth unemployment remains a significant challenge in Saudi Arabia, and social entrepreneurship is a potential solution to create job opportunities and empower young people.	Saudi Arabia