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**Franchising in the Real Estate Agency Sector:
Multiple Perspectives
and
Converging Angles of Inquiry**

A thesis
submitted in partial fulfilment
of the requirements for the degree of
Doctor of Philosophy

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Abstract

This thesis investigates the widespread phenomenon of franchising in the real estate agency sector. To date, franchising research has been largely multi disciplinary, explanatory theory relatively undeveloped and there has been heavy reliance on the point of view of the franchisor. This thesis broadens investigation to include multiple perspectives of both the franchisor and franchisee. It examines the important contribution made to the relationship by both parties and the nature of their parallel business venturing.

Drawing on data collected from the main real estate franchisors operating in New Zealand and from samples of franchisee business owners in the Asia-Pacific region, the study uses a pragmatic mixed methodological approach. It is believed by breaking the quantitative tradition the complex nature and sector specific characteristics of franchising can be better understood. Two interlinked studies are undertaken. First, the franchisor's perspective of franchising is examined and a window study is used to illustrate the notion of resource competency. Second, franchising as an entrepreneurial activity mainly from the franchisee point of view expands existing debate linking franchising with the entrepreneurship domain.

It is argued that the strategic decision to franchise taken by real estate agency franchisors requires a wider explanation than offered by current agency and resource scarcity theory. The success of franchising in this sector is based on the development of a sophisticated resource competency that ensures a highly evolved, sustaining relationship with the franchisee and perpetuation into the mature growth phase. Franchising systems are defined as entrepreneurial organisations in which co-operation between two different types of entrepreneur takes place. The franchisor initiates the system and builds the brand while the franchisee develops the local market. Thus value is created as entrepreneurial ventures are established and flourish. Franchisors and franchisees amalgamate innovations and franchisees develop their own resource competencies complimentary to the parent organisation. Together with the people involved, wealth creation and innovative processes and activities undertaken by both parties in the relationship, franchising in real estate agency is shown to be fully compatible with entrepreneurship constructs.

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