An Evaluation of Relational Control in International Franchise Networks in Emerging Markets

By

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ABSTRACT

Controlling international franchise networks in emerging markets presents complex challenges due to cultural and geographical distance between franchise partners. This distance is created by the external factors in the environment of local franchisees, which is characterised by political, economic, socio-cultural and technological factors. Other challenges include corruption, lack of supporting industries and lack of supplies. The franchisee's desire to adapt the franchisor's business format, to his external environment creates the standardisation-adaptation tensions in a typical international franchise network. The franchise literature recognises the role and importance of relational control in combating the control challenges and overcoming the standardisation-adaptation tensions in international franchise networks. However, there has been limited research undertaken to investigate how relational control develops in emerging markets like Nigeria, where control challenges may be exacerbated. There is also an ongoing debate regarding the relationship between formal and relational control in franchise networks. This research seeks to explore how relational control develops through an investigation of international hospitality franchise networks.

This study draws on resource dependence, agency, relational exchange and social exchange theories, to address identified gaps relating to the factors that influence the evolution of relational control. It also contributes to the current debate on the relationship between formal and relational control. Based on a qualitative case study approach, international fast-food and hotel organisations were used for the primary investigation. The research was conducted in three stages. The first stage explored the development of relational control in an international fast-food franchise. The second stage explored relational control further in two international hotel franchises and provided insight into variations in the development of relational control, due to differences in service offering, when compared to the fast-food sector. The third stage explored relational control in-depth in one international hotel organisation in order to verify the findings in stage two.

A major contribution of this study is the identification of the role and interplay between external (political, economic, socio-cultural and technological) and internal factors (franchisees' local knowledge, entrepreneurial tendencies, franchisors' recognition of franchisees' entrepreneurial tendencies and the existence of relational norms between the franchise partners) that drive adaptations within the franchise networks. The external factors drive the need for franchisors to adapt their business format, while the internal factors enhance greater adaptation within the franchise networks. A further contribution is the emergence of flexibility (inbuilt flexibilities) from the foundation of franchise relationships in the hotel sector, due to the complexity of the service offering and diversity of customer markets. The study therefore, suggests that the complexity of hospitality offering, influences the timing and extent of adaptations. This study also contributes to the ongoing debate about the complementarity of relational control, by presenting empirical evidence that suggests the development of relational control serves to complement formal control in international franchise networks in emerging markets.

The impact of external and internal factors and the development of relational norms underpin the need for franchise partners to be sensitive to the dynamic environment of emerging markets. Sensitivity enables franchise partners to agree on the realities of the business environment and work together to surmount challenges. The order in which different relational norms develop, was highlighted by this study. The understanding of this order can guide international franchisors and educate them regarding the norms to prioritise and develop first in order to channel their resources effectively.

DEDICATION

To the almighty God who has shown me unlimited, unconditional love and mercy through his son Jesus. I recognise it is your grace alone that enabled me to begin and finish this research;

To my parents, Mr Chekwa and Mrs Evelyn Akomas for their love, support and understanding;

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CHAPTER ONE

1 INTRODUCTION

The past several decades have borne witness to the use of franchising as a significant strategy for business growth, job creation, economic development and firms' international expansion (Watson and Johnson, 2010; Dant and Grunhagen, 2014). Franchising has dispersed globally to become an established method of doing business in many countries, including emerging markets, which are reported to account for 70% of the countries targeted by US franchisors (Hoffman et al., 2016). Ribeiro and Akehurst (2014) assert that the inherent advantages of franchising, including efficiency, explain its popularity today. In mutually beneficial franchise relationships, a key goal of franchisors is to maintain control over franchisees operating dispersedly at multiple sites (Mukherjee, 2003). This study investigates the development of relational control in international franchise networks in emerging markets. This chapter begins by presenting the rationale for this research. It identifies the aim and objectives of the study as well as the two major research questions (RQs) to be addressed by the study. The argument for the suitability of the context of the study is presented. The chapter ends with an overview of the structure of this thesis.

1.1 Research Rationale

Business format franchise (BFF) is a cooperative agreement, by which one firm (the franchisor) sells the right to market its goods and/or services and use its business practices under its brand name to a second firm (the franchisee), (Combs, et al., 2004). Upholding uniformity and standardisation across the franchise network is a core element of BFF (Gomez et al., 2011) due to the well-recognised significance of upholding a tightly controlled and integrated system that mirrors a definite brand and image (Quinn, 1999). However, the franchisor's desire to control franchisees, in order to protect the successful brand from distortion, often conflicts with the desire of local franchisees to adapt the franchise format to their various local market conditions. This conflict generates the standardisation-adaptation tension in a typical franchise network (Cox and Mason, 2007). Franchising is therefore recognised as a hybrid business form which places the franchisee somewhere between an employee and an entrepreneur. They are subject to monitoring and control by the franchisor, like an employee, and yet desire for some degree of autonomy, like an entrepreneur (Alon, 2012).

The issue of control becomes more complex and exacerbated by cultural and geographical distances between franchise partners (Baena, 2012; Chen, 2010a). The control challenges encountered by international franchisors bring to light the significance of relational control in a franchise network (Brookes and Roper, 2011). Relational control can be defined as the norms of expected behaviour and unwritten codes of conduct which exist to safeguard cooperative exchanges against conflict and opportunistic behaviour. (Cochet et al., 2008). Early organisation studies underscore the disciplining effect of formal control mechanisms. This includes monitoring which is perceived to be a critical mechanism for mitigating opportunism (e.g. Jensen and Meckling, 1976; Williamson, 1975). However, more recent studies suggest a positive relationship between monitoring and dysfunctional behaviour of exchange partners due to its negative impact on motivation (Crosno and Brown, 2015; Ishida and Brown, 2011; Heide et al., 2007). Presently, attention is focused on alternative control mechanisms. These include relational control based on trust and relational norms which may reduce the need for monitoring (Brown et al., 2016) as well as generating greater cooperative behaviour and satisfaction of franchise partners (Altinay et al., 2014b; Davies et al., 2011). Further, relational control steers franchise partners away from opportunistic behaviour and encourages a collective desire to achieve mutual goals (Solis-Rodriguez and Gonzalez-Diaz, 2016; Heide et al., 2007).

Presently, research carried out in the context of international franchising arrangements is relatively limited (Khan, 2016). However, researchers who have examined relationships in international franchise networks recognise that the quality of these relationships develops over time. This development occurs as trust, mutual commitment and other relational norms develop and facilitate flexibility within franchise networks (Jackson and Jung, 2017; Herz et al., 2016; Altinay et al., 2014b; Altinay, and Brookes, 2012; Brookes and Roper, 2011). Most of the research which explores the dynamics of relationships in franchise networks does so only within one country context (Robson, et al., 2018; Lee et al., 2016; Dant and Grunhagen, 2014). Researchers therefore, call for investigations across wider country and industry settings to increase the generalisability of their findings (Jackson and Jung, 2017; Lee et al., 2016; Lee et al., 2015; Altinay et al., 2014b). Researchers recognise that the constructs of power, control and support in franchise relationships remain under-researched (Robson, et al., 2018; Doherty et al., 2014; Nijmeijer et al., 2014). In so doing, they call for research that investigates how complex international franchise relationships are controlled and coordinated (Stankovic, 2017; Brookes and Roper, 2011; Doherty, 2007). Researching control, particularly relational control in franchising is significant, considering the fact that franchise control is correlated to the economic sustainability of the franchise (Calderon-Monge et al., 2017).

Emerging markets are among the fastest growing markets for international franchisors and are currently undergoing substantial economic transformation (Baena and Cervino, 2015; Dant and Grunhagen, 2014; Alon and Welsh, 2002). Emerging markets are markets/countries "in the process of rapid growth and development with lower per capita incomes and less mature capital markets than developed countries" (Rodriguez-Arango and Gonzalez-Perez, 2016:196). They represent 80% of the global population that constitute the primary recipients of both exports and direct investment (Baena, 2009) and thus present the most dynamic potential for long-term growth to businesses, in general, and to franchisors specifically (Welsh et al., 2006). Researchers have started focusing on franchisor/franchisee relationship in these markets (Brookes et al., 2015; Doherty et al., 2014; Altinay et al., 2014a & b) but there is a scarcity of research literature on the franchisee/franchisor relationships in some emerging markets including Nigeria (Baena, 2012).

The main theories underlying the concepts used to develop the analytical framework of this study include resource dependence, agency, relational exchange, and social exchange theories. These theories have been used by researchers to understand control in franchising and are therefore considered helpful in achieving the aim of this study. These theories formed the basis for investigating and understanding the implementation of control within the franchise networks studied and also provided the analytical framework for data collection.

1.2 Research Aim and Objectives

This research study aims to investigate and evaluate the development of relational control in international franchise networks in emerging markets. To achieve this aim five research objectives are identified:

I. To identify and analyse key components of relational control by critically reviewing the literature on relationships in alliance and franchise networks.

II. To produce an initial conceptual framework that focuses on key performance indicators of relational control in international franchise networks.

III. To explore franchisors' and franchisees' perception/experience of relational control through a multiple case study research in four international hospitality franchise networks in an emerging market-Nigeria.

IV. To use the conceptual framework to examine the extent of relational control in international franchise networks in emerging markets.

V. To contribute to knowledge by proposing approaches for improvement and refinement of relational control in international franchise networks in emerging markets.

1.3 Research Context

Nigeria is one of the MINT countries – an acronym which introduces Mexico, Indonesia, Nigeria and Turkey as the countries representing the new beacons of economic progress for shrewd investors (Akpan et al., 2014; Zaiwalla, 2014). According to some economists, MINT countries appear destined to become future global economic leaders (Zaiwalla, 2014). MINT countries have some features in common. These include large and growing young populations, that contrast with the ageing and shrinking populations in many developed countries and China (Akpan et al., 2014). Nigeria in particular, has a population of about 182.2 million, a labour force of 78.6 million, of which 56.1 million are currently employed (Alagoa, 2017). With an average GDP of $79.89billion between 1960 and 2014, the record high being $568 billion in 2014 (Oloni et al., 2017); forty four (44%) percent of the population falls within the 0-14 age bracket, while 53% falls within the

15-64 age range, with only 2.7% above 65 (Durotoye, 2014). More significantly, the economy of Nigeria has been growing annually at above 6.5% -7%. This GDP growth has drawn the attention of the world to Nigeria as a major investment destination (Durotoye, 2014). Recognised as Africa's largest economy (Alagoa, 2017) Nigeria has the potential to become the economic hub of Africa. Although it is not yet a member of the G20 group of developed and developing countries, like the other MINT countries, it is richly endowed with natural resources (Akpan et al., 2014). The economic growth reported above has been largely a jobless growth for over two decades. Its main driver has been the petroleum which creates relatively few jobs (Oloni et al., 2017). Worse still, the price of petroleum, which has been declining since 2015, has led to a drastic economic downturn (Stober, 2017). Industry estimates and market reports (e.g. reports of international organisations such as International Finance Corporation (IFC) show that small, medium and large enterprises constitute about 87%, 9% and 4% of businesses in Nigeria respectively (The West Africa-USA Business Opportunity Forum, 2014). The biggest challenge facing Nigerian business enterprises, particularly small-to-medium ones, is the lack of basic understanding and commitment to business process-management. This critical factor accounts for more than 80% of business failure in Nigeria (The West Africa-USA Business Opportunity Forum, 2014). Therefore, the potential of franchising as a major tool for employment generation, economic growth and diversification becomes increasingly significant. The ability of franchising to make a major contribution in diversifying and boosting the Nigerian economy is well recognised (Adeiza et al., 2017a; Mbah, 2017; Agu, 2013). The Nigerian franchise market, though in its infancy, is considered by analysts to have a potential market value of over a hundred billion U-S dollars in annual revenue from products and services (Agu, 2013).

There are daunting challenges to exploiting these economic benefits, as there is clearly a risk involved in entering emerging markets like Nigeria (Walker, 2013). Challenges prevail due to political instability, lack of franchising legislations, regulatory uncertainty, corruption and undeveloped infrastructure, lack of supporting industries and availability of supplies (Alon and Welsh, 2002). These challenges increase the risk and cost of doing business and are important components of the uncontrollable environment of international franchising (Alon and Welsh, 2002). The use of franchising arrangements which involve strong local partners, with the local knowhow, as a huge asset to the franchisor (Hoffman et al., 2016; Walker, 2013) is therefore critical under such a challenging environment.

The foregoing issues clearly point to the need to investigate the development of relational control in international franchise networks in Nigeria, as well as how it could ultimately contribute towards achieving better business-process management and sustainability. There appear to be few studies on relational control of international franchise networks in emerging markets like Nigeria. Therefore, there is a lack of in-depth understanding concerning the factors that influence the processes of development of relational control in emerging markets. Filling this gap will provide a deeper understanding of the dynamics of franchise relationships in emerging markets, and will assist relevant stakeholders in understanding, refining and improving control in international franchise networks in emerging markets. It will also contribute to knowledge, by developing an understanding of how geographically and culturally distant franchise relationships develop.

This research has focused on the hospitality sector (international fast-food[1] and hotel organisations). The main reason for this choice is the significance of franchising in the Nigerian hospitality sector. Franchising arrangement has become the most widely used business form in hotel and restaurant industries (Jackson and Jung, 2017) especially amongst hospitality organisations seeking to expand into developed and emerging markets (Altinay et al., 2014b). This popularity of franchising is due to the benefits franchising offers hospitality franchisors through minimal capital and other expenditures connected with managing a hotel property; increased revenue from fees paid by franchisees and growth of the franchise network (Jackson and Jung 2017). Hospitality franchisees, on the other hand, are attracted to franchising because it increases the likelihood of business success through immediate access to a reputable, trusted and experienced brand; expert services such as training of key personnel; marketing support and access to

[1] Fast-food restaurants are restaurants characterised by the commercial provision of quick, easily accessible and ready-to-eat meals (Hellesvig-Gaskell, 2015).

systems such as reservation services (Jackson and Jung 2017). The hospitality industry differs from other services in terms of complexity of logistics and supply chain, and also in terms of high investment required to start a business (Stankovic, 2017). There is, thus a high risk involved in expanding the hospitality business into new markets (Alon et al., 2012). These circumstances justify the relevance of investigating relational control in international franchise networks within the hospitality sector.

1.4 Structure of the Thesis

This thesis is comprised of six chapters. Chapter One presents the introduction in which the research problem (RP), research gaps and context are identified, as well as the aim and objectives set forth for achieving the aim. Major theories underpinning the study are also identified in Chapter One. Chapter Two presents a critical review of literature on control in alliances and franchises with a view to identifying the key components of relational control and producing an initial conceptual framework for the study. Chapter Three is a detailed explanation of the methodology of this research, including the processes of data collection and analysis and the justification for the techniques of data analysis used. Chapter Four presents the research findings, which are analysed and discussed in Chapter Five, based on the literature and on the emerging themes. Chapter Six presents the conclusion, highlighting theoretical and methodological contributions, as well as practical implications, limitations of the research, directions for future studies and a personal reflection on the research journey.

CHAPTER TWO

2. CONTROL IN ALLIANCES AND BUSINESS FORMAT FRANCHISE.

2.1 Introduction

The purpose of this chapter is to identify and analyse key components of relational control by critically reviewing the extant literature on relationships in alliance and franchise networks. In order to develop a conceptual framework for investigating control and the evolution of relational control in international franchise agreements in emerging markets, the chapter begins by defining business format franchising. The chapter discusses the theories of control in alliances and business format franchises. It then examines the theoretical arguments for business format franchising from control perspectives. Further, this chapter explores the underlying concepts of different types of control with a view to identifying research gaps and research propositions. The chapter concludes by drawing the conceptual framework and key propositions from the reviewed literature which are used to frame the investigation of this thesis.

2.2 Business Format Franchising

Two variant forms of franchising include product trade name franchising[2] and business format franchising (BFF) (Kaufmann and Stanworth, 1995). However, BFF is the form of franchising dominantly studied by researchers (Aliouche and Schlentrich 2009; McIntyre et al., 2006; Stanworth and Curran, 1999) and is the most commonly used form of franchising (Doherty and Alexander, 2004; Gillis et al., 2011). Lindblom and Tikkanen, (2010) acknowledge that BFF is the distinct form of franchising that most clearly differentiates franchising from other business models. In the hospitality industry, it has been used as a major mechanism for corporate expansion for over sixty decades (Jackson and Jung, 2017) and is therefore the focus of this research.

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[2] Product tradename franchising is the creation of a contractual channel of distribution for one or more products by a manufacturer who licenses the right to sell the products in downstream markets (Kaufmann and Stanworth, 1995; Combs and Ketchen, 1999). Product tradename franchising is predominant in automobile, oil and soft drink industries (Combs and Ketchen, 1999).

BFF is defined as a business arrangement in which an owner of a business format (the franchisor) 'sells the right to market its products and services using a proven business concept and its brand name to legally independent entrepreneurs, the franchisees' (Cochet and Garg, 2008:135). Similarly Preble and Hoffman (2006:34) define BFF as "an elaborate form of licensing, whereby, a firm (franchisor) grants an independent entrepreneur (franchisee) the right to use both intangible assets (e.g., brand name or service) along with tangible assets (e.g., products, methods of operation) in a specified geographic area over a specific time frame (e.g., 10 or 15 years)". Evanschitzky et al., (2011) also define BFF as an arrangement in which an independent franchisee, who is typically a small business owner, licenses an entire way of doing business under a brand name from a franchisor for a fee. Grace and Weaven (2011) render a more elaborate definition of BFF, which indicates the franchisor's right to charge fees and offer support to franchisees. The authors define BFF as a legally binding business arrangement between two independent parties (the franchisor and the franchisee) in which the franchisor grants the franchisee the right to apply a proven format of operation, obtain support and ongoing advice, and in return receive fee payments and royalty contributions. Other authors also indicate that the franchisee who takes advantage of the franchisor's successful business blueprint pays an up-front fee and on-going royalties to the franchisor (Watson et al., 2005; Combs et al., 2004).

These definitions indicate that the franchisor sells not just the trade name but the processes and methods of operation of the business format; they imply that an on-going interaction has to be in place. The franchisor operating under the umbrella of a shared brand name with the franchisee (Quinn, 1999) ensures that his business format is upheld to maintain the desired image. The franchise contract details the rights and responsibilities of each party and so guides the interactions and relationship of franchise partners, including the franchisor's right to enforce the brand standards (Paswan and Witmann, 2009). Franchisees must replicate the franchisor's format in order to maintain the brand image and uniformity across the franchise network. The franchisor assists the franchisee by providing the business know-how, training, marketing and continual support. The definitions also indicate two distinct organisations involved in the franchise arrangement such that the processes of selling and sustaining the business format would normally involve ongoing inter-organisational interactions. Another point which may be deduced from the definitions is that a principal-agent relationship is present in franchise agreements. The franchisor (principal) depends on the franchisee (agent) to undertake the responsibility of maintaining his brand standards on his behalf (Kashyap et al., 2012). The principal-agent relationship and its control implications are discussed further in section 2.3.5 below.

BFF is preferred locally and internationally as a market entry method because of the unique advantage it offers to both franchisors and franchisees (Alon et al., 2012; Jackson and Jung, 2017). It is generally recognised as an effective business strategy that guarantees a high rate of business success (Alon et al., 2015) due to the benefits of a strong and well recognised brand. Particularly for the franchisor, BFF offers the advantage of overcoming the difficulty of raising capital necessary for expansion through equity ownership (Jackson and Jung, 2017). This advantage underpins the existence of economically efficient relationships between franchisors who own the brand and franchisees who operate the brand (Brookes et al., 2015). Franchisors also benefit from increased revenue from fees paid by franchisees and from the growth of their brand (Jackson and Jung, 2017). Organisations who seek to penetrate international markets prefer BFF because it enables them to become less susceptible to political, economic, and cultural risks as they sell the franchise, usually to local franchisees who are more familiar with local laws, language, culture, business norms and practices (Welsh et al., 2006).

A major advantage of BFF to franchisees is its ability to suppress the constraints and uncertainty of starting a business through the provision of marketing assistance by the franchisor (Chiou et al., 2004). Franchisees gain competitive advantage over other business models by accessing reputable, trusted and experienced brands, value-chain activities and services such as access to established distribution networks; all of which increase the likelihood of business success (Jackson and Jung, 2017).

However, constraints to harnessing the mutual benefits of BFF persists due to challenging political, economic, socio-cultural and technological climate of franchisees' environment, particularly in international markets (Davies et al., 2011; Dant et al., 2016; Mylonakis and Evripiotis, 2016). Researchers indicate that these challenges impact on the control mechanisms employed within international franchise networks (Doherty and Alexander, 2006; Quinn and Doherty, 2000; Quinn, 1999). They therefore emphasise the need for franchisors to adapt the degree and type of inter-organisational control employed in the host countries of franchisees in order to overcome the aforementioned challenges (Baena, 2013).

One of the franchisors' key aims for providing franchisees with continual assistance is to ensure brand uniformity and maintain control over franchisees (Mukherjee, 2003). Maintaining control is underpinned by the well-recognised significance of upholding a tightly controlled and integrated system within franchise networks that mirrors a definite brand and image (Quinn, 1999). On the other hand, the need to adapt to local market conditions often conflicts with the franchisor's desire for control (Evanschitzky et al., 2016) because environmental variables require local responsiveness and adaptation of the franchise format to the demands of the foreign market environment (Jell-Ojobor and Windsperger, 2014). The need to resolve these conflicting issues, in order to maximise the mutual benefits of a franchise agreement, signifies the key role and sensitivity of control in franchise agreements.

Different types of BFF arrangements used when expanding into international markets, which also lead to variations in control methods adopted are discussed in the next section.

2.2.1 Types of Business Format Franchising

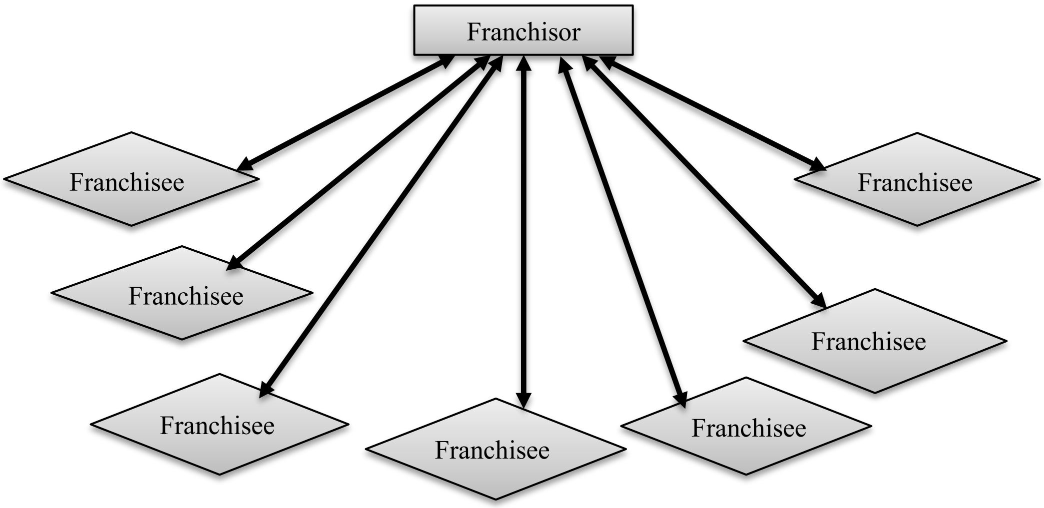
The focus of this research is on international business format franchising. Thus four major types of BFF adopted by franchisors for the purpose of international expansion are discussed. The different types of BFFs involve different control related risks (Griessmair, et al., 2014).

i. Direct franchising

Direct franchising (DF) involves the franchisor directly selling the business format to individual franchisees (Fladmoe-Lindquist and Jacque 1995). It involves the recruitment and management of local franchisees from the host country (Burton and Cross, 2015). The franchisees are established and coordinated directly by the franchisor (Baena and Cervino, 2015; Baena, 2013) who also manages the resulting franchise network (Preble and Hoffman, 2006). DF allows the franchisor to maintain direct control and maximum profitability (Preble and Hoffman 2006). However, because franchisees are supported directly from franchisors' home country, the effectiveness of control is affected by the geographical distance and the different environment of the host countries (Brookes, 2007). This condition entails that DF carries significant costs of selection and monitoring of franchisees (Sashi and Karuppur, 2002) and is recognised as a particular concern in DF (Quinn and Doherty, 2000). Franchisors that possess more resources and experience in international marketing are believed to be more likely to employ DF (Cross et al., 2003). But Preble and Hoffman, (2006) suggest in addition that the use of DF, in preference to other types of franchising, depends on the similarity of the host market to the home market. The authors indicate that similarity is determined by various market conditions, such as level of economic development, geographic/cultural proximity and political/regulatory conditions and suggest that an experienced franchisor may adopt DF in a similar country.

DF arrangement creates several two-party agreements between a franchisor and each of his single-unit franchisees within a location (Jindal, 2011). Sometimes there could be multi-unit agreement under the DF arrangement where a franchisee acquires two or more franchise outlets over time (Griessmair et al., 2014). Fig 2.1 below depicts the flow of interactions that could exist between franchisors and franchisees within a direct franchise arrangement.

Figure 2. 1 Network Outlook of a Direct Franchise



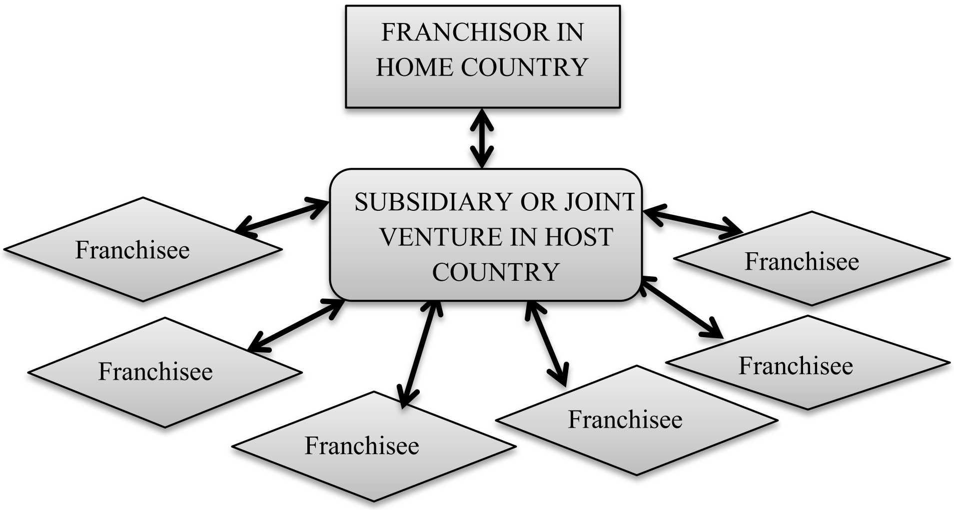
Adapted from Jindal, 2011

ii.Direct investment franchising

Direct investment franchising (DIF) involves creating a subsidiary organisation in a foreign location either through a wholly owned, joint venture or alliance arrangements (Baena, 2013). The subsidiary firm directly enters into a contractual agreement with individual franchisees. DIF facilitates greater control and adaptations to the franchise package (Quinn, 1998). Organisations that are concerned about the issue of control may choose this route for launching into new markets, but are likely to face the greatest political and economic risks (Herrmann and Datta, 2002). The joint venture form of DIF has a lower cost implication and provides a link to a local company with greater local knowledge. These reasons make it a preferable choice in culturally distant markets (Quinn, 1998). Baena and Cervino (2015) suggest from their research in emerging markets that only franchisors with high international experience will undertake franchise agreements via DIF.

In DIF, a more complex organisational structure is formed. Interactions run at three levels namely the home office, the subsidiary firm or joint venture-organisation in the host country and the local franchisees. The levels of interaction may involve a more complex managerial structure for controlling franchisees (Jell-Ojobor and Windsperger, 2014). Fig. 2.2 demonstrates the network perspectives of DIF.

Figure 2. 2 Network Outlook of a Direct Investment Franchise



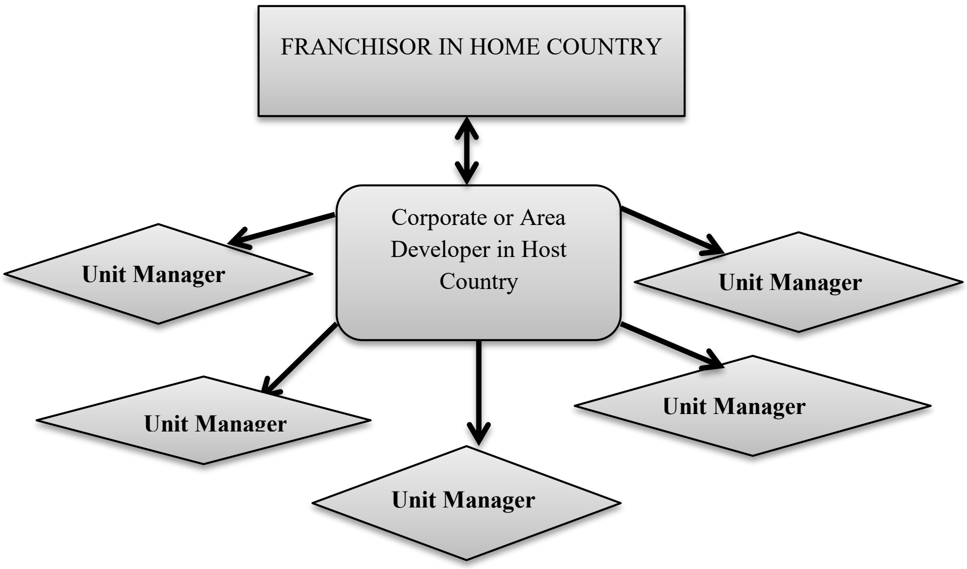
Adapted from Baena, 2013

iii. Corporate franchise

Corporate franchise (CF) is referred to as area development and as a kind of multi-unit franchising by some researchers (Gomez et al., 2010; Grunhagen and Mittelstaedt, 2005). It is an arrangement where a franchisee, called the developer, is exclusively authorised by the franchisor to develop a specific territory by establishing and managing a number of franchise units directly (Chen, 2010b). The corporate franchisee cannot sub-franchise units to other entrepreneurs (Kalnins, 2005). Instead every unit is operated by employee-managers (Doherty and Quinn, 1999). This arrangement creates a two-level control between the franchisor and the corporate franchisee. The two-level control exists because the area developer who is controlled by the franchisor is in turn faced with the challenge of controlling the employee-managers to ensure conformity with the standards prescribed by the franchisor (Doherty and Quinn, 1999). Corporate franchising is often adopted where developers possess the capability to exploit the market with their own resources; this affords the franchisor a faster market penetration (Connell, 1997). However, under the CF arrangement, much of the control is devolved to the franchisee (area developer) who exercises direct control over the franchise outlets within his territory (Jell-Ojobor and Windsperger, 2014).

Despite devolving much control, some of the advantages which motivate international franchisors to go into CF arrangement include the reduction in monitoring cost, information sharing and lower risk of franchisee opportunistic behaviour (Chen, 2010b). Opportunism is self-interest-seeking behaviours with guile ((Williamson, 1985) at the expense of an alliance partner (Das and Rahman, 2010). Opportunistic behaviour in BFF is discussed further under agency theory below. CF also affords economies of scale to franchisees and enable them to participate in the franchisor's decision making process (Grunhagen and Mittelstaedt, 2002). Figure 2.3 below shows the network outlook of a CF arrangement.

Figure 2. 3 Network Outlook of a Corporate Franchise



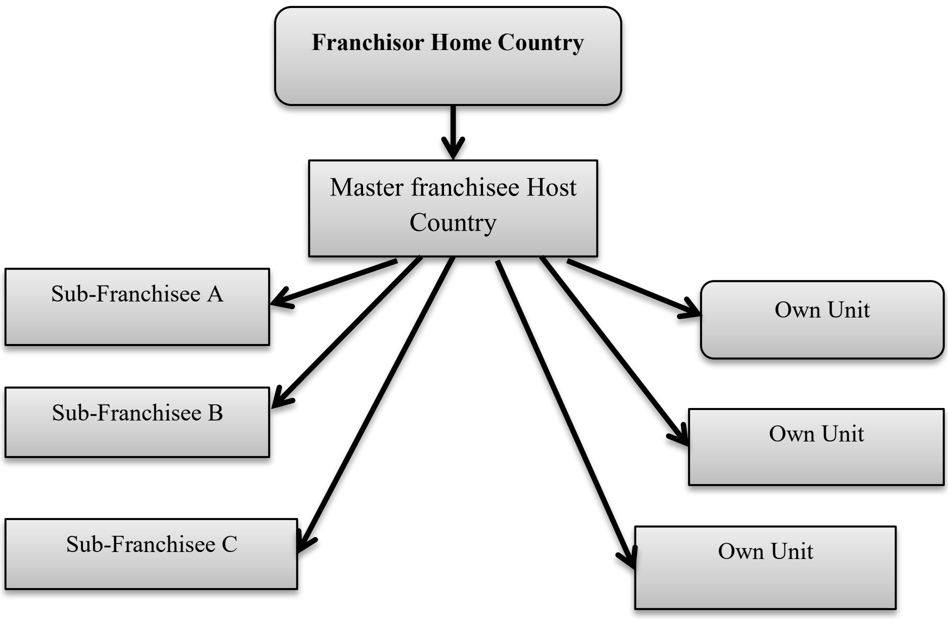
Adapted from Gomez et al., 2010; Hussain and Windsperger, 2011; Kalnins, 2005; Doherty and Quinn, 1999

iv. Master franchising

Master franchising (MF) is a franchise agreement in which the franchisor authorises an intermediary to develop a specified number of franchises either by itself or by granting the right to third parties (sub franchisees) using the business format for a specified time period in a particular geographic setting (Baena, 2012; Alon, 2006; Garg and Rasheed 2006). The franchisor concentrates on the global strategy of the network, while the sub-franchisor selects and monitors franchisees in a particular area (Gomez et al., 2010). This arrangement thus creates a three-level franchise relationship between the franchisor, the master franchisee and the sub-franchisees. Brookes and Roper, (2008) note that within this three-level relationship, greater degree of control is devolved to the master franchisee. Most of the tasks involved in expanding operations in the foreign market like training, coordination and performance monitoring are executed by the master franchisee (Quinn and Alexander, 2002).

Thompson and Stanton, (2010) observe that MF is conceivably different from other franchise modes. Its uniqueness lies in the fact that the master franchisor contractually shares the ownership rights to the business format with the master franchisee (Klein and Saft, 1995) but without sharing the ownership rights to the brand name. MF differs from corporate franchise as it assumes a more complex network and control levels. Fig. 2.4 demonstrates the network outlook of a master franchise network.

Figure 2. 4 Network Outlook of a Master Franchise

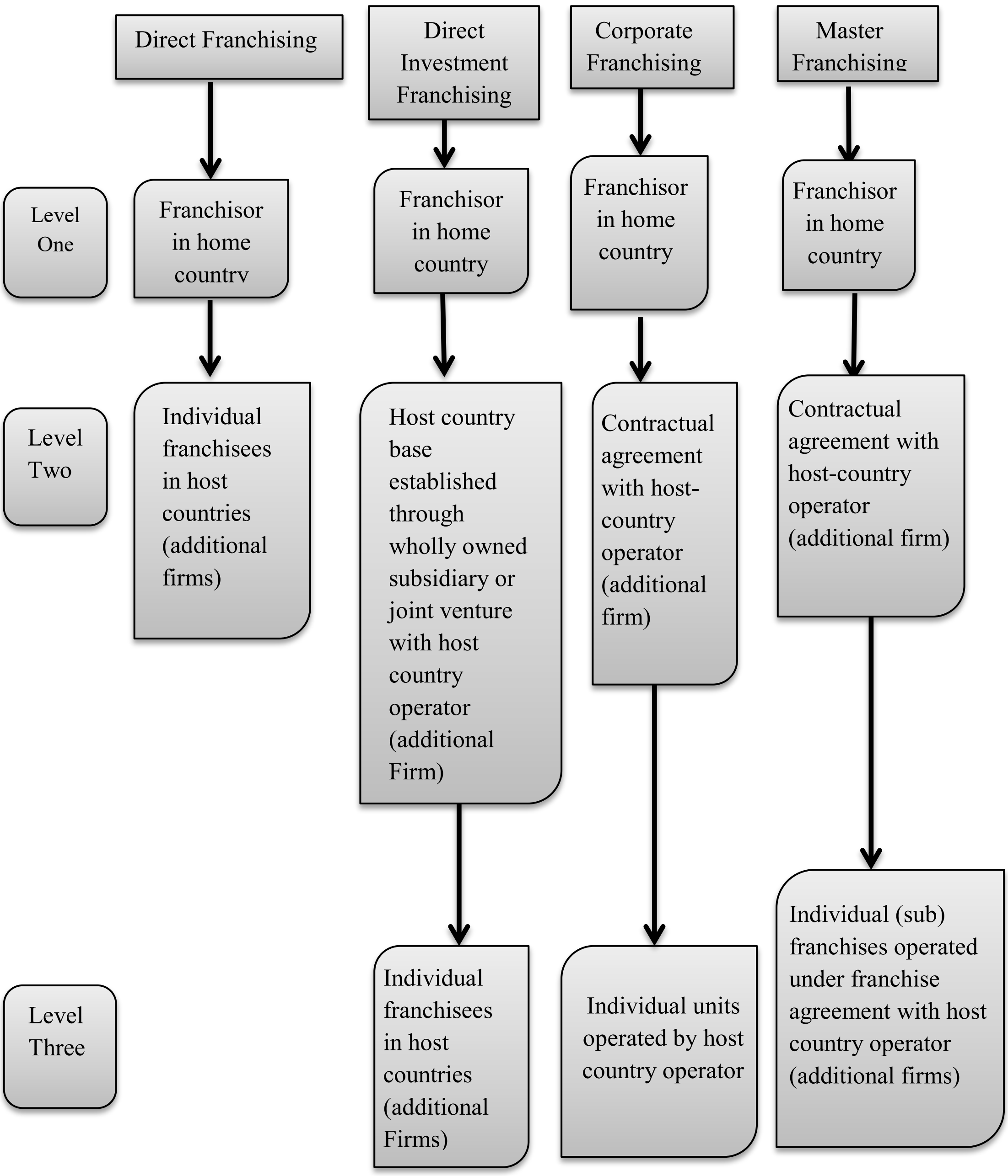


Adapted from Baena, 2012; Alon, 2006; Garg and Rasheed 2006; Quinn and Alexander, 2002).

Brookes (2007) highlights the way in which the four types of franchise arrangement differ in the number of firms and number of organisational levels existing between the franchisor and the franchisee. The author specifically demonstrates how the different franchise types culminate in different types of relationships, which among other things, influence the risks associated with control. Fig 2.5 below is adapted from Brookes (2007).

As highlighted earlier, the different types of franchising arrangement present different control challenges (Griessmair, et al., 2014). This fact underscores the need to understand the dynamics of control in inter-organisational relationships. The next section therefore discusses control in alliances and BFF.

Figure 2. 5 Control Levels in Different Business Format Franchise Types



Adapted from Brookes, (2007)

2. 3 Control in Inter-Organisational Arrangements (Alliances and BFF)

2.3.1 Introduction

This section defines alliances and presents arguments for BFF as a unique form of alliance. Definitions and issues as well as the theoretical foundations of control in alliances and BFFs are presented. The role of formal and relational control is discussed with a view to identifying research gaps for investigating the development of relational control.

2.3.2 Definition of Alliances

Researchers have defined alliances in different ways such that there is a lack of a common definition. The reason for the lack is partly explained by the existence of a large variety in types of alliances (Vergauwen et al., 2009). Different definitions, each with a particular focus, have been tendered by scholars. For example, some of the definitions focus on inter-firm agreement (Medlin and Quester, 2015) exchange of resources for co-development (Dushnitsky, 2012) and inter-firm creation of competitive advantage (Dyer et al, 2008). Yoshino and Rangan (1995:5) however, note three characteristics that delineate an alliance agreement which include:

(1) The firms remain legally independent after the alliance is formed;

(2) They share benefits and managerial control over the performance of assigned tasks and

(3) The firms make continuing contributions in one or more strategic areas, such as technology or products.

Despite the varied focus, one concept that stands out is that alliances are hybrid organisational arrangements that utilise resources or governance structures drawn from more than one organisation (Borys and Jemison, 1989). Alliances may therefore be defined generally as different kinds of agreement between firms, that involves various degrees of integration and formalisation (Marciukaityte et al., 2009). Table 2.1 outlines some of the varied definitions which indicate various purposes of alliances as well as their common elements. The table illustrates the fact that definitions of alliances differ, mainly on the basis of the purpose for which they are established.

Table 2.1 Definitions and Categories of Alliances

General Alliances	
An inter-business arrangement or agreement between two companies for the purpose of pursuing a particular product in a particular market.	Medlin and Quester, (2015)
A voluntary arrangement between independent firms that share and exchange resources in the co-development or provision of products, services, or technologies.	Dushnitsky, (2012)
Hybrid cooperative arrangements between two or more firms that differ significantly from market and hierarchical arrangements. Independent partners pool strategic decision rights and some property rights, but maintain distinct ownership over key assets such that they employ specific schemes in coordinating their collaborative activities.	Menard, (2012)
Mutual reliance among firms that creates competitive advantage, information exchange and resources. Emphasise on alliances as non-market relationships.	Dyer et al., (2008)
Cooperative relationships which are not fully qualified either by formal contracts or by ownership. In the context of the theory of economic organisation, alliances fall between the polar models of markets and hierarchies. As a result, cooperative relationships between firms have been viewed as hybrid organisational forms.	Grant and Baden-Fuller, (2004).
Any governance structure established to manage an incomplete contract between separate firms and in which each partner has limited control. The author argues that the degree of incompleteness determines whether an interfirm exchange qualifies as an alliance, not whether or not there is a stand-alone structure to govern the relationship. Alliances may be structured as complex equity joint ventures, or they may be looser arrangements for cooperating in R&D, or marketing, or for managing supply and sales relationships.	Gomes-Casseres, (2003)
A close collaborative relationship between two or more firms, with the intent of accomplishing mutually compatible goals that would be difficult for each to accomplish alone.	Spekman et al., (2000)
An agreement between two or more enterprises based on exchange but without the creation of common property.	Barringer and Harrison, (2000)

Alliances are long-term, trust-based relations between enterprises which involve highly relationship-specific investments in ventures that cannot be fully specified in advance of their execution.	Phan and Peridis, (2000)
"Voluntary arrangements between firms involving exchange, sharing or co-development of products, technologies or services".	Gulati, (1998:293)
Strategic Alliances	
Define strategic alliances as long-term collaborative partnerships between two organisations.	Boone and Ivanov, (2012)
Purposive relationship between two or more independent firms that involves the exchange, sharing or co-development of resources or capabilities to achieve mutual benefits.	Kale and Singh (2009)
Cooperative agreements created among organisations which involve varying degrees of contributions by partner firms, of resources and/or technology as well as some degree of on-going sharing or exchange of information. Such alliances can include joint ventures, licensing, R&D collaboration and purchasing agreements.	Standifer and Bluedorn, (2006).
A co-operative agreement in which two or more separate organisations team up in order to share reciprocal inputs while maintaining their own corporate identities.	DeMan and Duysters, (2005)
A purposive arrangement between two or more independent organisations that form part of, and are consistent with participants' overall strategies. The arrangement contributes to the achievement of strategically significant objectives that are mutually beneficial.	Pansiri, (2005).
"Strategic alliances are broad ranging relationships and can encompass joint ventures, franchises, joint research and development, joint marketing ventures, long-term supply arrangements, and outsourcing relationships".	Langfield-Smith and Smith, (2003:281).
"Agreements characterized by the commitment of two or more firms to reach a common goal entailing the pooling of their resources and activities".	Teece, (1992:19)

The variety and complexity of alliances between organisations result in hybrid arrangements that present variant control challenges (Borys and Jemison, 1989). Hybrid arrangements thus have a unique category of controls which combine contractual agreements with administrative elements, and seek to generate rewards from mutual dependence while controlling for the risk of opportunism (Menard, 2012). Unique categories of control required by hybrids significantly induce the use of a blend of market and hierarchy governance structures which evolve various discrete control structures (Reuer and Devarakonda, 2016). Transaction cost theory (TCT) studies interfirm transactions by focusing on determining the suitable governance structure and formal control systems for transactions between firms, based on differentiation between two polar arrangements (Spekle, 2001). At one end of the polar arrangement is the market governance, which suggests that transactions take place on the open market, while the opposite end situates the hierarchy governance, which implies that transactions take place within the domain of the firm (Williamson, 1985). Transactions commonly referred to as market arrangements are governed mainly by prices, which control behaviour indirectly by measuring outputs through price constraints (Hennart, 1993). Control is achieved in hierarchies by imposing behaviour constraints (Hennart, 1993). Alliances are perceived as a hybrid between the two polar extremes (Menard, 2012).

BFF qualifies as an interfirm alliance since it involves two distinct organisations engaged in a cooperative agreement. However, it is marked by unique characteristics which are discussed below.

2.3.3 BFF as a Unique Form of Alliance

Previous researchers show evidence of the distinct characteristics of BFF as a hybrid arrangement well-suited for comprehending the dynamics and strategies needed for business development relationships (Khan, 2013; Dant et al., 2011). This uniqueness stems from its entrepreneurial business structure which consists of legally independent organisations that are economically interdependent yet operationally indistinguishable (Evanschitzky et al., 2016; Meek et al., 2011; Wu, 2015; Kellner et al., 2014). The franchisor is seen as the business concept innovator while the franchisee is viewed as the business concept implementer and they work together under a strategic alliance (Timmons et al., 2011).

Compared to other types of interfirm alliance, BFF anchors on its unique combination of two functional principles (Evanschitzky et al., 2016). Firstly, it incorporates multiple independent firms under one brand name (Shin et al., 2016) and one set of operational policies, which facilitates leveraging on economies of scale (Shane, 1996). Secondly the success of a franchise depends on the ability of local franchisees to adapt to local market conditions and leverage on the advantage of their entrepreneurial involvement in their locality (Paswan et al., 2014; Sorenson and Sorensen 2001). Hussain and Windsperger, (2011) suggest the significant effect of local market knowledge on the choice of franchising strategy. The unique combination of two functional principles mentioned above has remained a source of standardisation–adaptation tensions in franchise relationships; a well-known dilemma in BFF (Perrigot et al., 2014). These tensions tend to make franchise relationships fragile and bring to fore the need to balance standardisation and adaptation (Mylonakis and Evripiotis, 2016; Perryman and Combs, 2012; Vignali, 2001). Balancing the tension between the franchisor's need to enforce control with the franchisee's desire for autonomy is thus a fundamental challenge in BFFs (Dant et al., 2016; Dada, 2016). Given the foregoing scenario, and the unique feature of BFF indicated above, control is critical to the survival of BFF (Gomez et al., 2011). The next section discusses inter-organisational control in alliances.

2.3.4 Inter-organisational Control in Alliances

Inter-organisational control is the mechanisms by which partners to an inter-firm business agreement influence the behaviour of an alliance towards achieving partnership objectives (Dekker, 2004; Inkpen and Currall, 2004). In inter-organisational control two organisations seeking cooperation may likely have divergent goals. This creates complex control problems and competing interests which leads to the potential for opportunistic behaviour of one organisation (Anderson and Dekker, 2010). The concept of control in interfirm alliances, for the purpose of reducing opportunism, has therefore become a focal issue in the management of alliances (Das and Rahman, 2010).

Alliances are believed to generate basically two types of risk, namely relational risk and performance risk (Das and Teng, 2001). Relational risk is connected with a lack of cooperation between alliance partners, which can result in opportunistic behaviour of either party (Anderson et al., 2015).

Performance risk is the risk of failure notwithstanding full cooperation of partners in an interfirm agreement, and could arise from the complexity and uncertainty of alliance tasks and from influences of the alliance environment (e.g., competition, uncertainty, technology changes) (Anderson et al., 2015).

To overcome inter-firm control challenges and risks involved in alliances, researchers demonstrate the use of a broad set of formal and informal control mechanisms to facilitate the alignment of partners' goals (Anderson and Dekker, 2010; Caglio and Ditillo 2008; Dekker, 2004). Goal alignment is therefore a key factor in achieving effective interfirm alliance control and success. The application of a choice of control mechanisms significantly reduces risks and the probability of failures in alliances (Vosselman, 2012; Anderson and Dekker, 2010; Caglio and Ditillo, 2008; Spekle, 2001). Choosing effective control mechanisms, thus has a prime importance in managing inter-organisational relationships (Jap and Ganesan, 2000).

Wiener at al., (2015) suggest the use of a wide range of bureaucratic, cultural, formal and informal mechanisms to maintain control in alliances. The authors, particularly note that despite the fact that the significance of informal control in alliances has been recognised, previous alliance research has focused primarily on formal controls. The authors observe that the focus on formal control has resulted in scarce, partly inconsistent, or contradictory understanding of the role of informal control in interfirm alliances. Cao and Lumineau, (2015) established the importance of both formal and informal control for successful inter-firm agreements in their qualitative and meta-analytic study. They observe that the relationship between formal and informal control is influenced by multiple factors, including relationship type and relationship length. Anderson et al., (2013) also observe that there are specific sets of control practices used by firms for specific partnerships; suggesting the existence of an interesting trade-off between the costs and benefits of adaptive control practices. These control practices are implemented as a response to specific risks posed by a specific alliance (Anderson et al., 2013). Control in alliances may draw from one or a combination of the types of control considered below.

Types of Control

Ouchi, (1979) developed predominant theories of organisational control. The author's conceptualisations of organisational control provides a foundation for understanding control both in intra and inter firm operations. Ouchi, (1979) generally categorised organisational control into definitely structured formal control and implicit informal control. Formal control is the implementation of contractual obligations and formal organisational mechanisms for cooperation and has been classified into behavioural controls and output controls (Ouchi, 1979; Eisenhardt, 1985). Behavioural control focuses on specifying and monitoring detailed procedures for accomplishing tasks (Das and Teng, 2001) and includes examples such as standard operating procedures (SOPs), job specifications and training. Output control focuses on setting and verifying predetermined targets and uses it as the basis of reward (Collyer and Warren, 2009) without due consideration of the mechanism by which the targets are achieved (Kirsch, 1997).

Baker et al.'s (2002) definition encapsulates various conceptualisations of informal control, by defining it as informal self-enforcing agreements between firms which rely on a range of social and other relationship-based control mechanisms, underpinned by the expected value of future cooperation. Informal control could also be referred to as clan control[3] (Ouchi, 1979; Balaji and Ahuja, 2005; Nieminen and Lehtonen, 2008; Barringer and Harrison, 2000) social control (Li et al., 2010b; Neumann, 2010; Dekker, 2004; Das and Teng, 2001) relational contract (Baker et al., 2002; Grafton and Mundy, 2017) relational mechanism (Jayaraman et al., 2013; Liu et al., 2009) or relational control (Lambe et al., 2001; Vosselman and Van der Meer-Kooistra, 2009). Other researchers refer to informal control as relational governance, (for example Cao and Lumineau, 2015; Huber et al., 2013; Poppo and Zenger, 2002). For the purpose of consistency in this study, the researcher uses the term 'relational control'.

Relational control is essentially self-enforcing (Klein, 1996; Balaji and Ahuja 2005) and implicit (MacLeod and Malcomson 1989). Ouchi (1979)

[3] Clan control emanates from Ouchi's (1980) splitting of hierarchical control mechanism into two types of control namely bureaucracies and clans based on goal congruence. Initially identified under intra-firm relations context, clan concept was applied to interfirm relations and relabelled network control (Christiaanse and Markus, 2002).

conceptualises relational control as the influence exerted on an entity through informal cultures and systems which are fundamentally based on mechanisms which induce self-regulation. It is based on socialisation processes which promote and use shared values, norms, attitudes, acceptable behaviours and beliefs of the members of the organisation as the basis for achieving the desired control (Nieminen and Lehtonen, 2008). These characteristics reduce the differences between cooperating entities and Ouchi, (1980) maintains that it leads to a shared understanding of goals and objectives and enhances outcomes between the principal and agent. Self-enforcement alludes to self-control, a self-regulatory mechanism, by which individuals or groups set their own goals, monitor their own achievements and impose rewards or sanctions on themselves accordingly (Kirsch, et al, 2002; Kirsch, 1997). Self-control operates by intrinsic motivation (Manz et al., 1987) and individual objectives and standards (Jaworski, 1988). It is relational, since it involves exchange partners behaving in ways that are consistent with each other's expectations, independent of formal control measures (Pittino and Mazzurana, 2013; Choudhury and Sabherwal, 2003). Self-control is achieved through self-specified, self-imposed and self-monitored behaviour standards (Choudhury and Sabherwal, 2003). It is controlee-driven and thus depicts a relational control method (Tiwana and Keil, 2009). Dekker (2004) believes that self-control constitutes the basic principle of relational control. Similarly, Malhotra and Murnighan, (2002) maintain that relational control depends on informal structure and self-enforcement by parties to an alliance. Table 2.2 illustrates the types of control.

Table 2.2 Types of Control

Formal Control		Relational Control
Behavioural	**Output**	
Specifies and monitors detailed procedures for accomplishing tasks. Examples are SOPs, job specifications and training.	Sets and verifies predetermined targets and uses it as the basis of reward. Examples are Sales target in volume and gross revenue.	Relational control causes inter-firm relationships, over time, to go beyond the formal dictates of the contract to a more informal self-enforcing safeguards underpinned by the development of trust between partners. It relies on a range of social and other relationship-based control mechanisms, underpinned by the expected value of future relationship.

Adapted from Ouchi, 1980; Eisenhardt, 1985; Das and Teng, 2001; Barringer and Harrison, 2000; Baker et al., 2002; Choudhury and Sabherwal, 2003.

Below the researcher consider theories in the literature that underpin the implementation of different types of control in alliances and BFFs.

2.3.5 Theoretical Foundations of Control in Alliances and BFFs

Predominant theories researchers draw on to understand control in alliances and BFFs include resource dependence theory(RDT) (Pfeffer and Salancik 1978; Barringer and Harrison, 2000) agency theory (Eisenhardt, 1989a; Jensen and Meckling, 1976) relational exchange theory (RET) (Macneil, 1980) and social exchange theory (SET) (Blau, 1964). These theories are discussed below with a focus on their influence on control in alliances and BFFs.

1. Resource Dependence Theory

The resource-dependence theory (RDT) suggests that firms depend on the valuable resources of other firms to varying degrees and they need to manage the dependent relationships well, especially the more important ones (Das and Teng, 2003). RDT focuses on resource scarcity and market uncertainty to maintain that organisations survive by being interdependent with their environment and other organisations (Pfeffer and Salancik, 1978). From the RDT perspective, alliances are formed to cope with resource scarcity (Park et al., 2002) and market uncertainty(Burgers et al., 1993) by accessing external resources that are faster and more efficient than developing resources internally (Park et al., 2002).

The constraints firms experience in accessing critical resources creates a dependence on resource providers, who thus acquire power over the dependent firm (Provan, et al., 1980). The critical resources in demand and their availability from alternative sources determine the degree of dependence (Emerson, 1962). Usually the resource provider at a dyadic level is also dependent on a constrained organisation to an extent which creates two dimensions of resource dependence - power imbalance and mutual dependence (Casciaro and Piskorski, 2005). These dimensions place interdependence at the core of interfirm relations, since relative dependence between two firms determines their relative power (Das and Teng, 2002; Berthon, et al., 2003) and the capacity of one party to influence the behaviour of the other (Wu et al., 2014).

RDT has been proposed as one of the significant theories which aid the understanding of control in BFF (Paik and Choi, 2007; Dant and Gundlach 1999). In BFF, RDT upholds the notion that franchisor-firms go into franchising to solve the problem of limited resources (financial, labour and managerial) necessary for expansion (Alon, 2006; Brown, 2015) including the shortage of knowledge of local markets (Eroglu, 1992). For geographical expansion, franchisors therefore utilise the capital of franchisees; who in turn seek to use a proven business concept to secure the success of their enterprise (Brown, 2015; Hsu and Jang, 2009; Combs and Ketchen, 1999). RDT is thus deemed relevant to franchising business because of the interdependence between franchisors and franchisees (Stanworth, 1995).

Interdependence between franchise partners' results in each having some degree of power in the relationship (Paik and Choi, 2007). Researchers identified factors within franchise relationships that influence perceptions of dependence as franchisee success; franchise ownership format; level of franchisees' experience; level of competition in the market and the growth stage of a franchise network (Dant and Gundlach 1999). In their qualitative study of control and autonomy in domestic and international franchise agreements Paik and Choi, (2007) drew on RDT, alongside other theoretical foundations, to suggest the impact of franchisor-franchisee interdependence on control. The authors found that international franchisees tend to have more autonomy than their domestic counterparts, especially in decisions involving local market adaptation and in situations in which they experience strong performance or are master franchisees. They also found, in line with arguments of RDT that international franchisors and franchisees tend to seek collaboration instead of striving for control (Paik and Choi, 2007). Paik and Choi (2007) observed the limitation of existing literature and much of their analysis which focus on the issue of control versus autonomy and note that much of the franchisor-franchisee dynamics can be explained by the parties' collaborative relationship, in which control or autonomy no longer represents the essential goal for the parties. The authors identified a collaborative relationship between franchise partners as foremost among the control mechanisms used by franchisors and therefore suggest that franchisors use non-coercive sources of power more frequently. Other research studies underpinned by RDT also confirm the existence of a strong relationship between interdependence of franchise partners and the development of mutually beneficial collaborations, but call for an extension of studies across cultures to confirm the phenomena (Brown et al., 2016; Altinay et al., 2014b; Flint-Hartle and DeBruin, 2011). Besides RDT, the issue of control in BFF can be understood from the perspective of agency theory which is discussed below.

2. Agency Theory

Agency theory (AT) prescribes an agency relationship in which one party, the agent is delegated by another, the principal, to undertake some actions on its behalf (Bergen, et al., 1992; Jensen and Meckling, 1976). AT has been used to address specific forms of alliances such as franchising (Gomes et al., 2016). AT identifies agency problems as problems that occur due to divergent goals and the division of labour between cooperating parties (Jensen and Meckling, 1976). It assumes that the agent would act opportunistically to pursue personal goals (Eisenhardt, 1989a; DeMan and Roijakkers, 2009). Divergent goals exist between alliance partners because they remain independent economic actors, may have conflicting strategic objectives and retain control over their resource-allocation decisions (Deeds and Hill, 1999; Park and Ungson, 2001). Besides, alliance partners often face different environments with disparate challenges (Koka et al., 2006). AT builds on assumptions that actors are narrowly self-interested, limited by bounded rationality and agents are more risk averse than principals (Eisenhardt, 1989a). Bounded rationality stems from the limitation of decision makers faced with unavoidable constraints of limited information, limited capacity of the human mind to process available information and limited time available for decision making. These limitations hinder individuals from making maximising or optimising choices under complex situations and make it almost impossible to develop contracts that cover every contingency (Simon, 1972).

Further problems embedded in agency issues include the difficulty or costs involved in the principal's verification of the appropriateness of the agent's actions (Eisenhardt, 1989a). The contract is the basis for implementing formal control mechanisms. It is also the unit of analysis governing the relationship between the principal and the agent and the rationale on which AT focuses on determining the most efficient contract for governing the principal-agent relationship, given the above assumptions about actors in a relationship (Eisenhardt 1989a). However, there are limits to which contracts can be effective in maintaining control, given that it fails to provide for all future eventualities (Ivens, 2005). Gulati et al., (2012) maintain that the foregoing factors result in external pressures and internal choices that induce alliance partners to exhibit different levels of interest in the joint effort or direct conflict of interest and rivalry in the relationship.

The literature on interfirm alliances has focused predominantly on the use of formal contracts, based on AT to align partner's interest and control behaviour (Anderson and Dekker, 2010; Malhotra and Lumineau, 2011; Anderson et al., 2015). It is not possible to design a contract complex enough to envisage all possible eventualities, even when partners clearly understand the objectives of the relationship and their mutual interests (Arino and Reuer, 2004). Complex and complete contracts are difficult to define due to ex ante contingencies and ex post renegotiations (Gulati and

Singh, 1998). Geyskens et al., (2006) note that self-interest makes it possible for partners to take advantage of loopholes in the contract. Alliance researchers therefore maintain that using other control mechanisms to mitigate the inefficiency of incomplete contracts is indispensable to alliance success (Langfield-Smith, 2008; Baiman and Rajan, 2002).

AT is one of the dominant theories used by researchers to explain the motivations for both domestic and international franchising from control perspectives (Alon, 2006; Combs and Ketchen, 1999). In BFF the role of the franchisor depicts him as the principal while the role played by the franchisee represents him as the agent. Franchisees by virtue of their investment in the ownership of franchise outlets, have claims on residual profit (Combs and Ketchen, 2003). Residual profit is the excess profit retained by franchisees after the payment of upfront fees and on-going royalties to franchisors (Fladmoe-Lindquist and Jacques, 1995; Stanworth et al., 2001). AT identifies residual profit as very motivating to franchisees and significantly advantageous to franchisors who depend on motivated franchisees that benefit directly from the success of their outlets. Agency problems are therefore minimised within BFF setting where franchisees invest their capital and are thus self-motivated, through powerful ownership incentives, to make the business succeed (Perdreau et al., 2017; Gillis et al., 2011; Aliouche and Schlentrich, 2009; Watson, 2008). Because the franchisee needs to protect his own capital from the risk of business failure, his vested interest reduces the risk of opportunistic behaviour (Alon, et al., 2012; Sen, 2001). Franchising therefore, to an extent aligns the interests of the franchisor and franchisee, reduces the cost and need for monitoring against shirking and other types of opportunistic behaviour and ensures high firm performance (Combs et al., 2011; Kidwell et al., 2007).

Despite these incentives, control challenges still persist in franchise agreements due the central problems of adverse selection, moral hazards (horizontal agency problems, Combs et al., 2004) and hold-ups. Combs et al., (2004) classified agency problems in BFF into two major groups, namely horizontal and vertical agency problems. Vertical agency problem occurs when employee-managers without an ownership stake shirk by reducing effort and acting in a self-interested manner because their earnings are not linked to their efforts (Combs et al., 2004). Vertical agency problem is unlikely to occur in franchise agreements because franchisees are not employees and since their income is linked to their effort, they are self-motivated to avoid shirking (Doherty et al., 2014). Adverse selection occurs when the franchisor or franchisee presents information that misrepresents their abilities, thus resulting in either party taking decisions that are not in their interest prior to signing the franchise contract (Garg and Rasheed, 2006). Moral hazard refers to franchisees' act of free-riding, by reaping the benefits of a franchise network without a proportional commitment of a share of the costs or shirking, by neglecting their contractual responsibilities (Kidwell et al., 2007). Hold-ups occur when a partner acts opportunistically by re-negotiating an agreement after the relationship-specific investment has been committed (Shane, 1998). In addition to these aforementioned problems, the standardisation-adaptation tension mentioned earlier also generates control problems in BFF (Weaven and Frazer, 2007; Kaufmann and Eroglu 1999). These control challenges expose the limitations of controlling BFFs only on the basis of the contract.

In order to protect his interest, the principal may set up monitoring systems in place as a means of controlling the agent's opportunistic tendencies (DeMan and Roijakkers, 2009). Alternatively, the principal may choose to structure the agent's incentives to his by enhancing ownership, control and income rights, thus achieving goal alignment (Hendrikse and Windsperger 2009). Agency problems can be two ways, when it manifests on the franchisor side (Frazer et al., 2012; Brookes et al., 2015) in form of adverse selection highlighted above. Franchisors may act in other harmful ways by disregarding the interests of franchisees, thus inciting conflict within the network. Examples of franchisor's opportunistic behaviour are evident in vices such as deceptive contract agreements, unjust cancellation of contracts, misrepresentation of the franchise business portfolio, unfair profit distribution and the arbitrary use of coercive power (Lawrence and Kaufmann, 2010). Franchisors may also engage in territorial encroachment by the addition of new units of their brand nearer to their franchisee's existing units (Kalnins, 2004). Proponents of AT recognise the role of formal control, based on the contract, in mitigating these agency problems, but also acknowledge its limitations with respect to the control of all franchisees' future behaviour (Brookes et al., 2015; Kashyap et al., 2012).

In BFF researchers have therefore sought complementary solutions to the central agency problems of adverse selection, moral hazards and hold-ups (Shane, 1998; Lafontaine, 1992) which have been practically impossible to eradicate due to goal incongruence and monitoring problems (Frazer et al., 2007; Combs and Ketchen, 1999). Researchers therefore investigate the use of various formal and relational control mechanisms to overcome agency problems (Brookes et al., 2015). They particularly shed light on the place of relational control in mitigating agency problems in franchise relationships (Brookes et al., 2015; Altinay et al., 2014a; Griessmair et al., 2014; Ishida and Brown, 2011; Cochet et al., 2008; Kidwell et al., 2007; Weaven and Frazer, 2007; Frazer et al, 2007; Doherty and Alexander, 2004). Kidwell et al., (2007) for example, highlight a practical and significant implication for franchisors who desire to curb franchisee free-riding to build relationships that tend to encourage proper normative expectations and promote strong bonds between franchise partners. Kidwell et al., (2007) consolidate earlier studies which assert that the non-coercive method of control can redress franchisee behaviour (Quinn, 1999; Pizanti and Lerner, 2003). Ishak, (2016) found a positive relationship between relational norms and relational quality which, in turn, results in positive relational outcomes such as franchisee loyalty and performance. Frazer et al., (2007) highlight the significance of using relational control along with formal control and maintain that if franchisors rely more on coercive sources of power than non-coercive sources,[4] franchisee satisfaction and morale is reduced, and franchisees will be less cooperative. Brookes and Roper (2011) maintain that the perceptions of franchise members serve to enhance or inhibit the development of relational norms and that these norms, in turn, impact on the predominant type of control employed. The authors also identified a greater reliance on relational controls in the formation and maturity stages of the life cycle of a master franchise agreement. Other researchers highlight the significance of relational control to the success and long-term orientation of franchise

[4] In the franchise context, coercive power includes a set of monitoring systems; based on franchise contract (as a major source of coercive power) to ensure strict adherence to the franchise agreement and protection of the franchise trademark (Quinn and Doherty, 2000). Non-coercive power refers to softer mechanisms obtained through the franchisor's support activities and is concerned with management by persuasion and example, rather than by threat (Quinn and Doherty, 2000).

agreements (Brown et al., 2016; Shockley and Turner, 2016; Lee et al., 2015; Brookes et al., 2015; Grace et al., 2013; Davies et al., 2011). Although contracts may still exist as a 'safety-net' (Paswan and Wittmann, 2009:179) principles of social networks (Labianca et al., 1998) rather than the contract often serve as the sole determinant of the relationship between franchise partners. Agency problems thus compel discerning franchisors to avoid purely contractual forms of governance and adopt trust-building systems which operate through non-coercive and more engaging management interactions, which engender higher levels of franchisee compliance and trust (Doherty et al., 2014; Meek et al., 2011; Stanworth, 1995).

Relational control mechanisms are also helpful in managing the standardisation-adaptation problem between franchise partners mentioned earlier. The limitations of formal control in resolving franchisor-franchisee tensions are well established by researchers, though less is known about the conditions under which relational control is an effective mechanism for avoiding negative outcomes in franchise agreements (Evanschitzky et al., 2016). Davies et al., (2011) suggest that conflict is likely to arise from inherent incompatibility between a franchisor's need to maintain the franchise operations and brand image, via the instrument of control and the franchisee's desire for autonomy. Franchisees' desire for autonomy could result in conflict and diminished loyalty to the franchisor (Cox and Mason, 2007; Kidwell et al., 2007; Dickey et al., 2008). Given this context of control imbalance, the success of franchising highly depends on the development of relational control between the franchisor and the franchisee (Altinay et al., 2014a; Griessmair et al., 2014; Weaven et al., 2014; Altinay and Brookes, 2012; Brookes and Roper, 2011; Davies et al., 2011). Franchise partners resolve standardisation-adaptation tensions by leveraging on relational control, which contributes to long-term growth and successful business relationship (Pardo-del-Val, et al., 2014; Liu, et al., 2014; Altinay and Brookes, 2012).

Researchers have therefore demonstrated that relying exclusively on formal control, drawn on AT to monitor international franchise networks is inadequate (Choo, 2005; Dant and Nasr, 1998). The agency issues above are indications that AT explains the rationale for franchising from a control perspective only to a limit and points to the need for relational control. Researchers have therefore sought to address these problems from the perspective of alternative theories of relational exchange and social exchange discussed below.

3. Relational Exchange Theory

Relational exchange theory (RET) identifies relational norms as a unique class of control mechanisms that dictate certain behaviours, such as commitment while condemning other behaviours like opportunism in an exchange relationship (Macneil, 1980; Morgan and Hunt, 1994). Macneil, (1978) is one of the first scholars to conceptualise relationship within RET and defines a contract as a relationship between people based on past, present or future exchange. Although Macneil's work is grounded in contract law, it highlights relational norms as alternative mechanisms that explain expected behaviours in alliances (Macneil, 1980; Palmatier et al., 2007). Behaviour in relationships based on relational exchange is achieved through internalisation (Kelman, 1958) and moral control (Larson, 1992). Relational norms applied as control mechanisms are therefore distinguished as endogenous forms of control (Joshi and Stump, 1999) regulated through a system of mutual and self-regulation (Gundlach et al., 1995). Heide and John, (1992) identified relational norms as higher order constructs which include dimensions of flexibility, information exchange and solidarity. The authors suggest that relational norms are very significant in structuring economically efficient relationships between independent firms and may enhance a firm's ability to construct a relationship in line with the dictates of TCT. Other researchers also maintain that relational norms, embedded in RET are effective control mechanisms for alliances (Poppo and Zenger 2002; Palmatier et al., 2007; Huang et al., 2014). Muthusamy and White, (2005) specifically suggest that RET elicits favourable cooperation between partners, which is crucial to maintaining value-enhancing exchange and effectively combating opportunism.

RET is relevant for channel relationships such as franchising (Spinelli and Birley, 1998). As indicated earlier, the franchisor/franchisee relationship is an interdependent one, where the perceptions of the exchanging parties can significantly influence the success and sustainability or failure of the relationship (Brookes et al., 2015). The franchisor provides the SOPs, maintains brand image and grants permission for any adaptive measures desired by franchisees (Mellewigt et al., 2011; Dekker, 2004). But in addition to these roles, the franchisor has the authority to mandate franchisees to purchase inputs from sources he recommends and to terminate the franchisee's contract if he perceives that the relationship has gone sour. He may even mismanage the royalties paid by franchisees (Weaven et al., 2010). Franchisees, on the other hand often contend with some of the franchisor's control constraints, contract stipulations and costs, due to unique local market conditions (Cox and Mason, 2007). Yet the franchisee's power lies in the fact that he is conversant with, and manages the local market, controls daily operations while trying to make profit and fulfil his contributory obligations to the franchisor (Combs et al., 2004). Against this backdrop, franchise partners face the need to split the differences in economic interest, by leveraging the relational norms which are significant in realising common grounds. Relational norms enable franchise partners to achieve mutual goals and minimise opportunism (Heide et al., 2007; Brown et al., 2016). Moreover, researchers have applied RET to understand control in BFF (Brown et al., 2016; Pizanti and Lerner 2003; Kaufmann and Dant, 1992) and argue that franchise agreements are characterised by relational exchange norms which specify behaviour boundaries and decrease the need for formal control. There is, however a call to assess the generalisability of the above finding based on dyadic data from lesser-developed economies (Brown et al., 2016) and this research responds to the call.

4. Social Exchange Theory

Social exchange theory (SET) leverages on the role of social exchange - voluntary actions of exchange parties rooted in elements of unspecified obligation and reciprocity and motivated by their expected returns (Blau, 1964). Social exchange deals with intangible social variables (like love, respect, commitment and knowledge), and does not operate on the basis of rules and agreements (Gefen and Ridings, 2002). It anchors on acceptable social norms in interpersonal or inter-group interactions to explain the development of relationship between business partners (Anderson and

Narus, 1990). Social norms are defined by the behaviour expectations of exchange members (Lawson et al., 2008; Bendoly et al., 2006; Gundlach et al., 1995; Macneil, 1980). SET focuses on achieving mutually beneficial economic and non-economic outcomes, which are driven by self-interest and incite cooperation and reciprocity (Metcalf et al., 1992; Frazier and Rody, 1991). Drawing from economic exchange theory, SET is based on the assumption that people participate in exchange behaviour based on their perception of how their reward justifies their cost (Liao, 2008; Bignoux, 2006). Evaluation of relational outcomes by individuals or groups, therefore influences the growth and continuity of relationships (Lee et al., 2010). Blau, (1964) maintains that trust is essential for the stability of social relations. Exchange partners seek to establish their trustworthiness by regularly discharging their obligations and investing in a relationship to show their commitment (Lambe et al., 2001). SET thus suggests that social attributes like trust and commitment (Palmatier, 2008; Cullen et al., 2000) dependence, norms, satisfaction, equity, cooperation and conflict (Lambe et al., 2001) are key drivers of performance in exchange relationships, and could be effective in controlling alliance relationships (Li et al., 2010b; Arranz, and Arroyabe, 2012; Huang et al., 2014). Particularly for developing economies, researchers recognise that the agency problem of opportunism could be mitigated through social exchange (Lee et al., 2010).

A better understanding of the franchisor–franchisee relationship can be gained by recognising that franchisees "are not single economic actors simply reacting to economic incentive mechanisms, but are social actors embedded within a complex set of interpersonal relationships" (Lawrence and Kaufmann, 2011:299). These relationships can be understood through the lens of SET (Mignonac et al., 2015). Within a BFF context, it has been proposed that SET can combat the limitations of AT (Nyadzayo et al., 2011) and influence the quality of relationship between franchise partners (Affes, 2016; Brookes et al., 2015). Franchise relationships are interdependent in nature and progresses to relational exchanges (Harmon and Griffiths, 2008). Brookes and Roper, (2011) indicate through their study, that the role played by franchise partners is significant to the continuous achievement of sustainable mutual success, as it impairs or boosts solidarity and mutuality. SET is relevant in franchise relationships where franchisor/franchisee interactions are implanted in a mutually beneficial relationship (Harmon and Griffiths, 2008) and demand adaptations from both parties (Gorovaia, 2016; Ekelund, 2014). Drawing on AT and SET, Brookes et al., (2015) qualitatively studied the influence of social exchanges on franchisor-franchisee agreements from an opportunistic behavioural perspective. The authors highlight two likely outcomes of social exchanges where franchisees could act as either brand advocates or brand opponents. They demonstrate the relevance of adopting SET in combination with other theories, by identifying the relationship between behaviour and social exchange and how their characteristics differ between franchisee compliance, shirking and intentional, harmful opportunistic behaviour. In line with previous research, they also identify the relevance of SET variables such as personal ties, reciprocity, satisfaction, commitment and trust, but additionally discover how they differ across types of opportunistic behaviour. The authors also reveal the significance of franchisees' perceptions of franchisor integrity, in demonstrating reciprocity and in aligning franchisor and franchisee goals.

In their quantitative study, Shockley and Turner, (2016) also used the principle of justice embedded in SET to develop a performance model and suggest that both distributive justice (fairness) and procedural justice dimensions help to sustain and enhance the long-term commitment and sustained innovative efforts of franchisees. However, researchers identify a gap in our understanding of the relevance of SET, in the development of franchisor-franchisee relational perspectives (Shockley and Turner 2016; Ekelund, 2014). Particularly, there is call for research that draws on SET to investigate cultural implications of control from both franchisor and franchisee perspectives (Brookes et al., 2015; Gorovaia, 2016). This study responds to the call by drawing on SET to examine the development of relational control in international franchise networks in emerging markets.

Summary of Theories

RDT reveals differences in the degree of dependence and power imbalance between franchise partners, which create issues for control. AT explains the rationale for franchising from control perspectives only to a limit and points to the need to use the theory in combination with alternative theories such as RET and SET. Researchers have applied RET to understand control in BFF and found that relational norms, embedded in RET are effective control mechanisms, as they specify behaviour boundaries and decrease the need for formal control. There is however, a need to assess the generalisability of the finding regarding the relevance of RET. Research evidence also demonstrates the relevance of applying SET in combination with other theories, to achieve effective control in BFF. But there is a need to develop a better understanding of control in franchise relationships, drawing on SET. Drawing on these theories, this research therefore seeks to investigate relational control in an emerging market. The relevance of these theories in underpinning this study could be better understood through the discussion of the role of formal and relational control. The next section therefore discusses the role of formal and relational control in alliances and BFFs.

2.3.6 The Role of Formal and Relational Control in Alliances and BFFs

Alliance researchers reiterate the role of formal control in minimising opportunism and achieving alliance goals (Schepker et al., 2014; Ju et al., 2011; Heide et al., 2007; Dekker, 2004). Yet a reasonable number of researchers demonstrate that relational control represents a safeguard mechanism with stronger impact on the regulation of the behaviour of alliance partners (Bstieler and Hemmert, 2015; Walter, et al., 2015; Kim and Cho, 2014; Kang et al., 2012; Lew and Sinkovics, 2013; Yang et al, 2011; Li et al., 2010a; Liu et al., 2009; Deligonul and Cavusgil, 2006; Cannon et al., 2000). As indicated earlier, formal control depends on the completeness and significance of contracts (Li et al., 2010a) based on which it initiates rules and norms of behaviour and monitors work through surveillance methods (Eisenhardt, 1985). It also compares outcome and/or behaviours with predetermined standards (Ning, 2017). In interfirm settings, researchers suggest that formal control plays a valuable role of coordination and adaptation in the management of performance risk (Malhotra and Lumineau, 2011). Formal control however, neglects inter-personal interactions and relationships that control behaviours informally (Ning, 2017).

Relational control mechanisms do not stipulate specific behaviours each partner should exhibit, but gradually assist partners to develop a sense of belonging or commitment to their mutual exchange relationship (Yang et al., 2016). Alliance partners are influenced by relational control mechanisms to spontaneously resist opportunism and other misbehaviours to work towards win-win solutions that lead to long-term business relationships (Yang et al., 2016). Relational control emphasises building of ties, shared values, beliefs, and goals, through rich formal and non-formal communication channels, such as meetings and other forms of socialisation between members of alliance organisations (Kang et al, 2012; Ivens, 2005). Researchers indicate that relational control is a crucial alternative in alliances, particularly when behaviours and output that lead to desired goals are ambiguous (Das and Teng, 2001) and could be used to boost members' motivation and commitment (Chen et al., 2009; Das and Teng, 2001). Strong relational control tends to align partners' interests and thus alleviate potential conflicts resulting from goal incongruence (Chen et al., 2009). It also promotes knowledge and innovation (Bouncken et al., 2016) – resources which are more critical in alliances formed between foreign partners (Chen et al., 2009) and enable partners to coordinate functions and solve problems quickly without disrupting processes (Uzzi, 1997). Kang et al., (2012) also suggest, from their study that relational control mechanisms are quite useful for long-term collaboration and mutual understanding, especially when disagreement arises.

Alliance researchers also recognise that the quality of interfirm relationships develop over time, as relational norms develop through social processes, thereby facilitating flexibility in the relationship (Rahman and Korn, 2014; Lew and Sinkovics, 2013; Deligonul and Cavusgil, 2006) and result in better outcomes. Grafton and Mundy, (2017) found from their qualitative study that co-opetitive alliances[5] mitigate relational risk primarily through the mechanism of relational control, which develops over time. In contrast, previous researchers suggest a more acute and complex relational risk in co-opetitive alliances (Tidstrom, 2014; Caglio and Ditillo, 2008) that would over time lead to a more intense use of formal control mechanisms to minimise relational risks (Ding et al., 2013). Grafton and Mundy (2017) provide compelling evidence of the role of relational control in alliances. The authors found that informal self-enforcing agreements, shared values, implicit understandings, restricted membership and collective sanctions

[5] Co-opetitive alliances refer to alliances between firms who cooperate and compete concurrently (Bengtsson and Kock, 2000).

encourage firms to demonstrate commitment to the alliance, to diffuse information about partners' behaviours and to monitor partners. These relational behaviours were reinforced by alliance members' perception of future gains accruable from continued participation in the alliance which they stand to lose if excluded (Grafton and Mundy 2017).

In the context of BFF, a few studies seem to deviate from the popular view of most franchise researchers on the role of relational control in providing complementary solution to the agency problems of franchise agreements, for example, Boulay, (2010); Kashyap et al., (2012). Boulay's (2010) quantitative study of franchisor-franchisee relationships in France suggests the absence of a positive relationship between relational exchange and the management of agency problems in franchise networks. His results indicate that formal control mechanisms are more efficient in the management of franchise networks. It is possible that Boulay's (2010) deviating result is influenced by the unique condition surrounding franchising in France. The proportion of international franchise agreements in France is comparatively low (Barthelemy, 2011; El-Akremi et al., 2011). Boulay, (2010) indicates the deviation of his result from the research findings of most American research, which finds that norms or relational values have an anti-opportunistic impact on marketing channel members' behaviour. He believes his result questions how far the results of research obtained in a specific context can be reproduced in a different one. However, evidence from many studies of non-American contexts suggests the relevance of relational values in combating agency problems encountered in franchise agreements (Brookes et al., 2015; Altinay et al., 2014a; Griessmair et al., 2014; Frazer et al, 2012; Quinn and Doherty, 2000; El-Akremi et al., 2011; Doherty, 2007; Doherty and Alexander, 2006). Boulay (2010) called for studies in different geographical contexts to elicit a better understanding of how control mechanisms can impact on franchise agreements. He particularly called for further research involving a physical distance of franchisees from headquarters, in line with Dant's (2008) view that across-culture franchise research is necessary to crosscheck his findings. In addition, the call from Kashyap et al., (2012) and more recent studies highlighted earlier, for studies that focus on the relational dimension of franchise agreements further reinforce the need to investigate relational control in BFF.

2.3.7 Formal and Relational Control in Alliances and BFF: Complements or Substitutes?

There have been unresolved and ambiguous research views concerning the role of relational control (Cao and Lumineau, 2015) as either substitutes or complements to formal control in inter-firm alliances. Bstieler and Hemmert (2015) recognise that the issue of whether formal and relational control mechanisms work as complements or substitutes is one of the significant research problems emerging from their effective application.

Some authors suggest that relational control substitutes for formal control as a safeguard mechanism against opportunism, under high relational risk (e.g. Grafton and Mundy, 2017; Malhotra and Lumineau, 2011; Wang et al., 2011; Gulati, 1995). Strategic alliances and cross-border alliances often contain much uncertainty and may likely warrant developing contracts and relational control independently (as substitutes) (Cao and Lumineau, 2015). Reuer and Arino (2007) suggest the substituting role of relational norms only with regard to coordination function and not for the safeguarding function of the contract.

Other researchers posit the complementary perspective, believing that the joint use of formal and relational control can be applied effectively to reduce transaction costs, minimise opportunism and foster cooperation (e.g. Yakimova et al., 2018; Cao and Lumineau, 2015; Schepker et al, 2014; Kang et al., 2012; Liu, et al., 2009; Gulati and Sytch, 2007; Poppo and Zenger, 2002; Jap and Ganesan, 2000; Heide and John, 1992). They argue that the contract, which provides a platform for implementing formal control, serves as a safeguard and signifies allying parties' commitment to act cooperatively and thus enhance the development of relational norms. The authors also emphasise that partners could leverage on relational norms like flexibility, collaborative problem solving and information exchange to overcome the limitations of the contract. Some researchers also posit that relational control supports the incentive construct of contracts and facilitates adaptation to environmental changes, thereby improving the impact of contracts on satisfaction and relationship performance (Yang et al., 2012;

Liu et al., 2009). Contract, on the other hand is perceived to strengthen the impact of relational control on satisfaction and relationship performance as it makes a partner's behaviour more observable, reduce information asymmetry (possession of information by a party to an exchange, which the other party do not possess) and improves perceptions of fairness (Shaikh et al., 2017; Liu et al., 2009; Yang et al., 2012).

DeMan and Roijakkers, (2009) proposed a contingent framework on the complementarity or substitutability of relational and formal control, depending on the level of risk. The authors suggest that in high risk situations, companies use complex combinations of control and trust in a complementary way, while low risk situations will likely result in using control and trust as substitutes. DeMan and Roijakkers, (2009) further suggest that intermediate levels of risk require alliance control to be based either exclusively on relational control, or exclusively on formal control, depending on the type of risk the alliance faces. The authors therefore, suggest that complementarity or substitutability of control is contingent on the type of risk involved in an alliance agreement. There seems to be no consensus view of researchers who support the substitutionary role of formal and relational control. The reason is perhaps because they present their argument on the basis of divergent industrial and geographical context and the debate is still on-going.

In BFF, researchers mostly suggest a complementary role of formal and relational control (Davies et al., 2011; Pizanti and Lerner, 2003; Brookes and Roper 2011; Chen, 2010a; Monroy and Alzola, 2005). Complementarity of control in BFF is often favoured because of the difficulty of anticipating all possible contingencies and including them in the written contract (Cochet and Garg, 2008). Another factor is the interdependence between franchisor and franchisee performance, which can easily distort expectations of obligations and roles from those specified in the contract and cause false perceptions of breaches (Davies et al., 2011). Discerning franchisors are therefore more likely to implement formal and relational control simultaneously to enhance franchisee compliance and satisfaction, and ultimately achieve greater relationship longevity and franchise profitability (Davies et al., 2011).

Solis-Rodriguez and Gonzalez-Diaz (2012) however, suggest a divergent perspective from their quantitative study of the factors that determine the degree of contractual completeness in franchise chains. The authors suggest that the effects of contractual hazards on completeness are not always positive and direct and that there may be a substitution effect between formal and relational control mechanisms. The vulnerability of the specific investments made by the franchisor and the franchisee in the relationship engenders an interactive effect between them and moderates the trend towards formal control (Solis-Rodriguez and Gonzalez-Diaz, 2012). This divergent view indicates a gap in the understanding of the relationship between formal and relational control in BFF and the need for further research.

Most of the studies which tried to resolve the issue of whether formal and relational control work as complements or substitutes are predominantly based on findings in Western or developed economies. Bstieler and Hemmert (2015) assert that the issue regarding complementarity or substitutability of formal and relational control in inter-organisational exchange has gained importance beyond general buyer-supplier relationships outside the Western world. Further, in the context of emerging markets, the use of formal and relational control mechanisms may differ, as researchers suggest the impact of control mechanisms on alliance performance tends to be context-specific (Jayaraman et al., 2013; Liu et al., 2009; Zhou et al., 2008). This research seeks to contribute to the on-going debate within the alliance form of business format franchise relationships in an emerging market context.

Researchers demonstrate that the presence of relational norms indicate the use of relational control in BFF (Brookes and Roper, 2011; Harmon and Griffiths, 2008). The next section therefore, discusses the relational norms in BFF.

2.4 Relational Norms and Control Implications in BFFs

The development of relational control involves interactions on relational exchange terms (King et al., 2013; Brookes and Roper, 2011; Frazer et al., 2007; Quinn and Doherty, 2000; Quinn, 1999) thus relational control is dependent on the development of relational norms. Brookes and Roper's (2011) empirical study found that the perceptions of franchise partners serve to strengthen or hinder the development of relational norms, which in turn impact on the type of control and inter-organisational processes employed. Moreover, the authors maintain that relational experience of franchise partners drives the development of shared norms of behaviour which serve to control franchise agreements more relationally and impede opportunistic behaviour.

Researchers maintain that relational norms are highly interrelated, although they are conceptually distinguishable (Valta, 2013; Stephen and Coote, 2007; Gundlach and Achrol, 1993; Heide and John, 1992; Macneil, 1980). The dimensions of the different relational norms clearly support one another and create interlocking behaviours (Stephen and Coote, 2007).

Dant and Schul, (1992) acknowledge that the general domain of attributes constituting relational norms is very broad. However, this research will focus on the norms widely accepted within the relational exchange and franchise literature as a reflection of the extent of relational content in franchisor-franchisee relationships (Kaufmann and Dant, 1992; Heide and John, 1992; Czakon, 2009). The relational norms include:

. solidarity (Kaufmann and Stern, 1988);
. information exchange (Heide and John, 1992);
. flexibility (Czakon, 2009);
. role integrity (Kaufman and Dant, 1992);
. mutuality (reciprocity) (Dant and Schul, 1992);
. non-coercive power (Kaufmann and Dant, 1992);
. commitment (Sarkar et al., 1997) and
. trust (Grace et al., 2016)

i) Solidarity

Solidarity has been described as the willingness of cooperating partners to strive for joint benefits (Rokkan et al., 2003) by maintaining loyalty towards one another (Yang et al., 2017). Specifically, solidarity represents mutual expectations of the principal and the agent, that they will cooperate to preserve and advance an exchange relationship (Kaufmann and Dant, 1992) for the purpose of reaping long term benefits (Yen and Hung, 2017; Liu et al., 2010). It captures the bonding of principals and agents and discourages non-cooperative behaviour (Shen et al., 2017; Rokkan et al., 2003; Heide and John; 1992). Solidarity alludes to the concept of trust, since it involves positive expectations about another's motives in risky situations (Czakon, 2009). It keeps exchanges together and is fostered by the completion of individual transactions which are upheld in the contract. Kim (2000) identified three items that measure solidarity effectively to include shared common interests, close ties, and well-developed personal relationships.

In BFF, solidarity could be demonstrated in the behaviour of togetherness of the franchisor and franchisee, to preserve the relationship (Bordonaba-Juste and Polo-Redondo, 2008). Solidarity has been recognised to moderate the effect of conflicting events in an exchange relationship (Ishida and Brown, 2011) and prescribes that the principal and the agent share the goal of mutual value maximisation (Macneil, 1983). Strutton et al., (1995) distinguished between low-solidarity and high-solidarity franchisees, by their significantly differing perceptions of recognition, fairness, cohesion, innovation and autonomy, which they identified as the five dimensions of the franchising network's psychological climate. The authors suggest that, franchisees' perception of the psychological climate construct their exchange relations with the franchisor and would likely affect their level of commitment beyond contractually-obligated commitment. Strutton et al., (1995) maintain that the degree to which franchisees perceive the presence of solidarity can be shaped by franchisors if franchisors act to influence the psychological climate that prevails within the channel system. Ishida and Brown, (2011) indicate that the positive impact of franchisors' monitoring on franchisees' performance could be crowded out if franchisees feel that their self-motivation and autonomy is unduly restricted by franchisors' monitoring. The authors however, demonstrate through their quantitative research, that franchisor/franchisee relationships characterised by solidarity witness less crowding out effect[6] occurring as a result of the franchisor's

[6] Crowding out effects of monitoring is the degree to which a principal's monitoring activities produce within an agent, feelings of restricted self-determination or autonomy and feelings of principal distrust stemming from a lack of confidence in the agent's ability and willingness to perform his or her specified tasks (Ishida and Brown, 2011).

monitoring of the franchisee. They maintain that firms in exchange relationships characterised by a high level of solidarity eschew self-interest in favour of preserving a bilateral, mutually beneficial relationship. This empirical evidence further reinforces the mediating and moderating effect of solidarity in exchange relationships (Rokkan et al., 2003). Ishida and Brown (2011) recognise the need for further research that extends to studying other relational norms and their moderating effect on the impact of formal control mechanism of monitoring.

ii) Information Exchange (IE)

IE is the expectation of exchange parties; of members' initiative in providing useful information to the system (Heide and John, 1992). As a relational norm, IE involves a controller leveraging discussions on general business issues and operating procedures to recommend how a controlee might benefit from a suggestion (Frazier and Summers, 1984). IE is perceived as the most critical norm to successful interfirm relationships (Tong and Crosno, 2016; Paulraj et al., 2008; Gulati and Nickerson 2008; Macneil 1980). It is associated with frequent interactions that enhance trust and commitment (Luo, 2007).

IE in BFF is underpinned by a deeper level of information-rich interaction, which is attainable with age and maturity when partners achieve greater integration (Blut et al, 2011) and increased interdependence (Jap and Ganesan 2000). Information asymmetry is prevalent in franchise relationships and is heightened when geographical and cultural distance exist between the franchisor and franchisee (Sen, 2001). Previous research notes that franchisee free-riding is more likely when information asymmetry is high (Choo, 2005; Cochet et al., 2008). Information systems, besides serving as a means of controlling franchisees' behaviour, provide a valuable means of managing activity through the exchange of information (Boulay, 2010; Chen et al., 2011) which reduces information asymmetry (Dickey and Ives, 2000). Brookes and Altinay, (2017) found that information-rich mechanisms enabled franchise partners to develop relationships and a shared sense of identity, particularly generating a willingness in franchisees to appreciate and follow franchisors' rules and guidelines as critical to system effectiveness. Similarly, Gorovaia and Windsperger, (2010) empirically validate the significance of high information-rich mechanisms in facilitating the transfer of knowledge between franchise partners.

Researchers identify IE as one of the key factors that influence the development of franchisees' satisfaction with the franchisor (Altinay et al., 2014a; Wright and Grace, 2011). IE fosters closer goal congruence and the creation of positive feelings within a franchise network (Weaven, et al., 2010). Channel climate - the behaviours and norms that exist within a channel system, affects the flow of information and the nature of interactions of channel members (White, 2010). Other researchers also highlight the significance of IE in the maintenance of franchisor/franchisee relationships (Brooke and Roper 2011; Watson and Johnson, 2010; Weaven, et al., 2010; Doherty and Alexander, 2006; Watson et al, 2005; Chiou, et al., 2004; Dant and Nasr, 1998).

From the foregoing, alliance and franchise researchers identify the significance of IE as a foundation for strong relationships but recognise the need for further research that adds credence to the significance of IE between cooperating firms (Tong and Crosno, 2016).

iii)Flexibility

Flexibility is the willingness and capability of parties to an exchange to adapt in practice and policies, to unforeseen changes in the external and internal business environment (Czakon, 2009; Harmon and Griffiths, 2008). Flexibility - a norm promoted by social processes (Poppo and Zenger, 2002) dictates that contracting discussions, including negotiations and agreements, must continue after the initial franchise contract is signed (Ivens and Blois, 2004; Spencer, 2009). Flexibility is thus perceived to follow after the starting point of the contract which could be altered as the market, exchange relationship and other environmental variables emerge (Koza and Dant, 2007). The probability of one party in an exchange needing to adapt the initial agreement, increases with the length of time frame involved in the initial agreement (Ganesan, 1994). Thus time-frame and flexibility are some of the key dimensions through which the quality of franchise relationships can be assessed (Antia et al., 2017).

Liu et al., (2014) found that franchisors' flexibility generates a positive influence of trust on the entrepreneurial disposition of franchisees to continue in a franchise agreement long-term. They posit that franchisees trust and collaborate with competent franchisors who adopt a flexible approach to the agreement and this enables adaptation to the local environment. Diaz-Bernardo, (2013) also agree with the adaptation-to-change implication of flexibility, highlighting that environmental change involves both franchise partners going beyond contractual provisions to adapt their behaviours to emerging circumstances, in order to preserve the relationship. Cultural factors are obvious reasons for which a balance between franchisors' standardisation agenda and franchisees need for local adaptation, enabled by the flexibility is paramount (Pardo-del-Val et al., 2014). Altinay et al., (2014a) highlight the significance of franchisor's flexibility, based on cultural sensitivity in emerging markets with cultural differences between home and host market. The authors demonstrate that franchisors' flexibility, induced by cultural distance, constitutes a persuasive sign of franchisors' commitment which, in turn encourages trust and relationship development. The context of different local markets in which franchisees operate require some flexibility to meet market needs and create innovation opportunities (Gillis and Combs, 2009; Falbe et al, 1999; Spinelli and Birley, 1998) which can generate a positive impact on franchisees' performance (Adeiza et al., 2017b). Further, franchisees improved performance enhances their overall satisfaction and ultimately results in the achievement of superior long-term performance within the entire franchise network (White, 2010). Ivens and Blois, (2004) acknowledge that flexibility contravene plans, but is necessitated by the perpetual presence of bounded rationality, such that futuristic exchanges must be able to accommodate change. Czakon, (2009) through his qualitative franchise study, demonstrates that flexibility is positively correlated with the development of the franchisor/franchisee relationship, as it enhances mutual adaptation. Pardo-del-Val et al., (2014) observe that research has not offered a clear answer to the dilemma between standardisation and flexibility in the services sector. This research seeks to contribute to the explanation of how franchisors leverage flexibility to balance the needs for standardisation and adaptation in franchise networks.

iv) Role Integrity (RI)

Roles represent mutual promises made by exchange stakeholders at the formative stage of their relationship (Harmon and Griffiths, 2008). These promises guide members of an exchange in their formation of expectations regarding the other party's behaviour (Kaufmann and Stern, 1988). RI may include mutual expectations about proactive sharing of information, multi-level interactions between partners, mutual coordination, and conscientious and honest dealings between cooperating partners (Brown et al., 2000). In exchange relationships, the partners involved collectively dictate and define roles that delimit their promises and expectations. RI is evident when exchange partners fulfil predetermined roles, comply with ethical standards and keep promises (Ivens, 2005; Nicholson et al., 2001; Macneil, 1980). Faithful discharge of these indices of RI was found by Yaqub, (2013) to generate commitment and reciprocity among exchange partners. RI involves partners in an exchange believing from experience, that they are dealing with people who can be expected to behave properly or satisfactorily in all circumstances (Misztal, 1996). This belief influences partners to veer from formal rules of an exchange relationship, towards implicit behaviours supported by mutual expectations. Exchange partners, in their effort to achieve goals would therefore seek to play down formal rationality and reference to the contract when unexpected events happen (Macaulay, 1963). Role theory posits that, each partner's knowledge of appropriate set of behaviours in an exchange setting increases the probability of goal attainment (Wetzels, 1998).

Franchisor-franchisee relationships, especially geographically distant ones, could be faced with emergent contingencies and complexities arising from cultural, legal and political disparities. As a form of relational exchange, a franchisor-franchisee agreement is therefore likely to manifest higher levels of RI (Altinay et al, 2014a; Altinay et al, 2014b; Altinay and Brookes, 2012; Frazer et al., 2012). From their qualitative study, Grace et al., (2016) suggest the significance of franchisor RI as one of the determinants of franchisee trust. On the other hand, Rahatullah, (2014) suggests the significance of franchisee RI in earning franchisor trust and specifically indicate franchisees' consistency, responsibility in work and ability to bring innovative ideas for further development, as requirements for earning integrity. Similarly, Rahatullah and Raeside, (2015) in their quantitative research maintain that integrity in franchise relationships acts to increase trust and indirectly bolster success. Whilst these studies, highlight the importance of RI from both franchisor and franchisee perspectives, most of them have their context in developed markets and point to the need to corroborate the findings in an emerging market context. Besides, research from emerging market context recognise the need to increase the validity of their findings in other country settings (Altinay et al, 2014a; Altinay et al, 2014b).

v) Mutuality (Reciprocity)

Mutuality is the attitude of exchange partners, reflecting a realisation that each partner's success is achievable through both partners' common success (Palmatier, et al., 2007; Dant and Schul, 1992). Kaufmann and Stern (1988) assert the connection between mutuality and the focus of exchange parties on the sum of benefits from the relationship over a long-term. A long-term orientation is therefore necessary for the realisation of mutual obligations (Blau, 1964; Cropanzano and Mitchell, 2005). Perceptions of mutuality prevent exchange partners from maximising individual benefits from the relationship to the detriment of a partner; a fact which plausibly connects mutuality with trust and social satisfaction (Ivens, 2005).

Pilling et al., (1994) believe that mutuality will increase with an increase in the development cost of an exchange relationship. Developing relationship is costly both for the franchisor (who commits his know-how assets and brand) and franchisee (who commits his resources, but has the advantage of local knowledge). Incurring monitoring costs, on the other hand may be counterproductive, especially in geographically distant relationships. These conditions make the franchise relationship a fertile ground for breeding the relational mutuality. According to Dixon, (2005) evidence of mutuality in franchise relationships is proved by franchisors risking the value of their brand capital in exchange for franchisees' resources. Other franchise researchers reiterate the prime place of mutuality, in facilitating successful franchisor-franchisee relationships (Altinay and Brookes, 2012; Flint-Hartle and De-Bruin, 2011). Brookes and Roper, (2011) also highlight the symbolic impact of franchise members' perceptions of mutuality on the types of control employed in master franchise agreements. They demonstrate how perceptions of mutuality lead to the combined use of operational and relational control at the formation and maturity phases of the franchise agreement. The authors assert that mutuality is one of the relational norms that enhances decentralised operations, increases franchisees' self-motivation and autonomy via improved relational quality.

vi) Non-coercive Power (NP)

Power refers to the ability of an exchange partner to influence decision variables of a partner (Jain et al., 2014). Defined as the refrainment from leveraging on one's bargaining position in an exchange (Harmon and Griffiths, 2008) restraining from using power is perceived as a relational norm that promotes cooperation (Hausman and Johnston, 2010; Cannon et al., 2000). Use of NP reflects a deviation from coercive power (threat and sanctions) and an inclination towards the use persuasion (Paik and Choi, 2007; Quinn, 1998, 1999). French and Raven, (1959) under social power theory, proposed five power bases with which a power holder influences his subject viz. coercive, reward, referent, legitimate and expert power bases. This theory, which was later applied to the inter-organisational exchange by Beier and Stern, (1969) became popular in channel research investigations on power and conflict in the 1970s (Wilkinson, 2001). Later in the 1980s, researchers began to propose the influence of relational norms as additions to the formal power base (Hopkinson and Blois, 2014). Further, alliance researchers propose that IE particularly, shows consistent results as a non-coercive influential strategy (Yu and Han, 2009). IE seeks compliance through changing the perception of an exchange partner (Hausman and Johnston, 2010).

Franchise researchers, emphasise that effective control can be maintained through NP sources, rather than the contract-based power sources (Quinn and Doherty, 2000; Frazer, et al., 2007; Brookes and Roper, 2011). Further, in international franchise relationships, NP has proven to be important sources of influence (Altinay et al., 2014a; Doherty and Alexander, 2006).

RDT helps to explain franchise relationships based on the exercise of power and resource commitment in exchange relationships (Berthon et al., 2003). Although franchisor-franchisee relationships are interdependent in nature, power imbalance prevails to the favour of the franchisor, who keeps the right to the brand and specifies the terms of the contract (Dant, et al., 2011; Davis, 2012). However, franchisors rely on the performance of franchisees to succeed. This fact makes it counterproductive for franchisors to exploit their power in a manner capable of weakening the franchisee's ability to perform their assigned tasks or mitigate cooperation (Harmon and Griffiths, 2008). It is therefore apparent that there is a need for compromise in the use of power in a franchise relationship. Frazer et al., (2007) believe that proper management of power in a franchise network can promote the needed cooperation between a franchisor and his franchisees. Further, the use of coercive power discourages a wholesome relationship in international franchise relationships, where inherent cultural dissimilarities constitute potential sources of conflict (Moore et al., 2004). Altinay et al., (2014b) demonstrate the significance of franchisors' use of NP in relationship development with franchisees. They signify the role of IE as a non-coercive source of power in the development of trust between international and culturally distant franchise partners and call for further research in other country and industry contexts. This research will respond to this call by investigating whether and how international franchisors in emerging markets refrain from the use of power over franchisees.

vii) Commitment

Commitment is defined as ''an enduring desire to maintain a valued relationship'' (Moorman, et al., 1992:316) which induces exchange partners to "go the extra mile to make necessary investment to preserve such relationship" (Adeiza et al., 2017a:39). It is recognised as a predictor of exchange outcome (Solinger, et al., 2008; McDonnell et al., 2011, Wilson, 1995). Commitment is enduring and reflects a positive valuation of a relationship (Mpinganjira et al., 2017; Moorman, et al., 1992). Researchers suggest commitment is strongly associated with relationship duration (Johnson et al., 2006; DeWulf et al., 2001; Drigotas and Rusbult, 1992) since it develops over time, thus allowing partners to identify value in relationship outcomes (Sarkar et al., 1997). Committed partners would therefore rebuff appealing short-term alternatives in preference for long-term benefits of an enduring relationship (Helfert et al., 2002). Berry and

Parasuraman (1991:139) maintain that "relationships are built on the foundation of mutual commitment".

Morgan and Hunt, (1994) posit that apart from other norms, commitment and trust function jointly, rather than independently, towards realising relationship success. This joint function is a key factor that positively influences commitment in business relationships (Hashim and Tan, 2015; Svensson et al., 2010; Sarmento et al., 2014). Morgan and Hunt, (1994) maintain that commitment and trust are key to producing relationship outcomes that promote efficiency, productivity, and effectiveness because they:

- encourage partners to work at preserving relationship investments through cooperation.
- resist attractive short-term alternatives in favour of the expected long-term benefits of staying with existing partners and
- view potentially high-risk actions as being prudent because of the belief that their partners will not act opportunistically (Morgn and Hunt, 1994:22).

The basic behavioural features of commitment that distinguish a social system are also part of a franchise network (Wright and Grace, 2011). A long-term commitment to the franchise relationship serves as a foundation to continue building stronger relational bonds (Shockley and Turner, 2016). Shared values are believed to impact relationship commitment and trust and therefore, relationship quality (Watson and Johnson, 2010). Both franchisor’s commitment (Rahatullah, 2014; Gorovaia and Windsperger, 2013) and the franchisee’s commitment (Nyadzayo et al., 2015; Ting, 2014; Shockley and Turner, 2016) are critical to positive outcomes in a franchise network.

Franchise research has identified three forms of commitment that exist in franchise agreements to include affective, normative and calculative commitment (Meek et al., 2011). Affective commitment is based on positive affective relationships; calculative commitment develops from economic concerns, such as benefits or costs while normative commitment is formed under the influence of social norms (Ting, 2016; Meyer et al., 1993). Affective commitment is emotional attachment to an organisation based on a sense of identification with its goals and values (Meyer, et al., 2004). Prior research demonstrates its centrality to the social components of exchange relationships (Cropanzano and Mitchell, 2005; Lawler and Thye, 1999). Franchisees' affective commitment to the relationship represents an important driver, on its own, of future outcomes, because it reflects a commitment to the franchisor's goals (Mignonac, et al., 2015; Morrison, 1997). Normative commitment reflects a mind-set of obligation to remain in an exchange relationship (Meyer et al., 1993). High levels of normative commitment in franchisees induce a strong sense of obligation to the relationship (Meek et al., 2011). Calculative (continuance) commitment reflects a recognition of switching costs associated with leaving (Meyer et al., 2002).

Franchisees with high levels of calculative commitment view relationship switching costs as too high to leave their franchisor (Meek et al., 2011). Since calculative commitment is not developed on the basis of relational norms (Meek et al., 2011) this research will not focus on its development. Affective and normative commitment have been identified as the key aspects, of most commitment scales, which stem from partners' judgment of the cooperation process (Ting, 2011) and will therefore be examined in this study .

vii) Trust

Trust is key among the norms identified as symbolic in the realisation of successful relational exchanges (Meier et al., 2016; Hunt et al., 2006; Gundlach et al., 1995; Morgan and Hunt, 1994). Trust is recognised as a self-enforcing control mechanism that safeguards interfirm agreements, minimises transaction costs, and helps increase joint value creation (Dyer and Singh, 1998). Although diverse definitions of trust have been proposed, Rousseau et al., (1998:395) observed that scholars appear to agree fundamentally on trust as "the willingness to be vulnerable under conditions of risk and interdependence". The authors therefore maintain that a widely accepted definition of trust defines it as a "psychological state comprising the intention to accept vulnerability based upon positive expectations of the intentions or behaviour of another" (Rousseau et al., 1998:395). Similarly, Mayer et al., 1995:712) defined trust as "the willingness of a party to be vulnerable to the actions of another party based on the expectation that the other will perform a particular action important to the trustor, irrespective of the ability to monitor or control that other party. Trust develops over time as parties interact and show acts of commitment to each other (Ring and Van-de-Ven, 1994; Rahatullah and Raeside, 2008) thus gaining experience that generates information about the extent of an exchange party's trustworthiness (Dickey et al., 2008). As indicated earlier, researchers demonstrate, that the development of other norms precede the development of trust (Czakon, 2009; Luo, 2007; Liu et al., 2014; Altinay et al., 2014a &b; Grace et al., 2016; Ivens, 2005) while commitment functions jointly with trust (Morgan and Hunt, 1994; Hashim and Tan 2015; Sarmento et al., 2014).

Although existing literature on trust covers a wide range of paradigms, examining trust in a franchise context demands framing the investigation within the broader academic literature that views trust from two perspectives namely credibility and benevolence (Grace et al., 2016; Altinay et al., 2014b; Bordonaba-Juste and Polo-Redondo, 2004). Credibility is the belief in a partner's competence and reliability in fulfilling his obligations (Morgan and Hunt, 1994) while benevolence reflects the belief by a trustor that a trustee is willing to act in his interest, even in the absence of short term rewards/outcomes for the trustee (Anderson and Narus, 1990; Pollack et al, 2017). Altinay et al., (2014a) indicate that the credibility and benevolence dimensions of trust reveal additional distinctions between intentionality and capability. Intentionality embodies motives and concerns towards a partner's needs and sensitivities (Ganesan, 1994) while capability reflects professionalism, skill and competence in carrying out business transactions (Doney et al., 1998).

Researchers recognise a positive relationship between trust and reciprocity (mutuality) in alliances (Wu et al., 2014; Cullen et al., 2000; Doney et al., 1998; Morgan and Hunt, 1994) and BFF (Davies et al., 2011; Dickey et al., 2008). This positive relationship has been established by researchers in terms of the reciprocal nature of the open and on-going communication and its impact on the development of trust in alliances and BFF. Trust signalling cues such as IE represent behaviours suggestive of openness and receptivity in communication patterns (Cullen et al., 2000). Similarly, interaction and communication between franchise partners are recognised as a critical social asset for building a successful franchise relationship (Wright and Grace, 2011; Weaven et al., 2010). The franchisor's provision of consistent and transparent communication to the franchisee is critical to franchisees' functionality and ultimate development of trust in the franchisor (Wright and Grace, 2011). Franchisees' trust in franchisors is demonstrated by the degree of information and data they share with the franchisor, thus creating symmetrical communication with regard to knowledge sharing (Watson et al, 2005; Chiou et al., 2004). On the other hand, franchisee trust and compliance may generate franchisor's trust in franchisees demonstrated by the decreased implementation of formal control, thus promoting a mutually beneficial relationship (Davies et al., 2011). Another dimension of the trust-reciprocity connection is evident in the relationship researchers have observed between franchisor's RI and franchisees' compliance (Dickey et al., 2008). Franchisors' integrity is an antecedent of trust that fosters franchisee compliance, commitment and cooperative behaviour (Davies et al., 2011; Nyadzayo et al., 2016). A reciprocal interaction is established as a trusting franchisee responds to the franchisor by complying with directives from a franchisor perceived to be competent (Davies et al., 2011; Dickey et al., 2008).

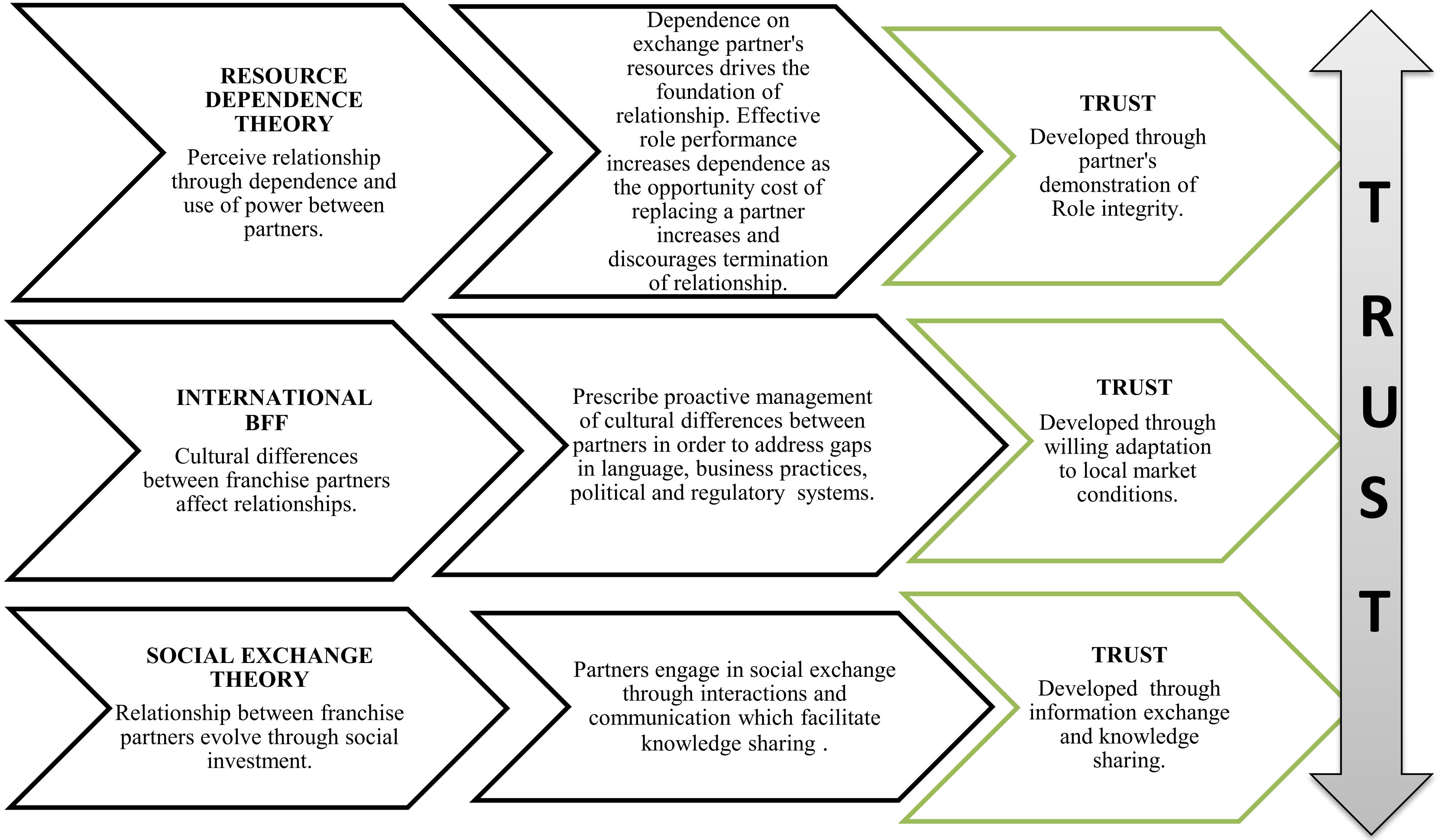
Another important factor, empirically found to influence the development of trust, especially in international franchise agreement, is the franchisor's cultural sensitivity (Affes, 2016; Altinay et al., 2014a; Davies et al., 2011). Cultural sensitivity refers to an exchange partner's awareness of cultural differences existing between his home country and the host partner's country and the effective management of the differences, by demonstrating a willingness and ability to adapt his business approach in line with the culture prevalent in the host environment (Altinay and Brookes, 2012). Researchers emphasise the significance of cultural sensitivity in international business, because of its ability to stimulate relationship with local partners (Altinay et al., 2014a; Skarmeas and Robson, 2008; Sashi and Karuppur, 2002). Cultural sensitivity impacts positively on relationship quality, by signalling a foreign partner's goodwill and good intentions to a local partner (Doherty, 2009) and promoting the development of trust (Altinay et al., 2014a; Doherty, 2009; Sorenson and Sorensen, 2001).

Despite these benefits, it is usually a difficult task for franchisors to adjust their business formats in order to address the market differences (Wang and Altinay, 2008). The market differences, demand from franchisors, a proactive deployment of cultural and relational investment towards bridging the market gaps and gaining franchisees' confidence (Altinay and Brookes, 2012). It is therefore expedient to investigate how international franchisors demonstrate cultural sensitivity in emerging markets in order to nurture franchisees' trust, given the extent of cultural distance between franchise partners in this study (Altinay et al., 2014a).

Watson and Johnson, (2010) highlight in their franchise relationship study, that partners who trust one another will resolve difficulties through constructive dialogue and cooperative problem solving. Lee et al., (2016) specifically proposed that a franchisor could establish trust and thereby influence franchisees' willingness to cooperate, by establishing a mutually beneficial and caring two-way relationship that illustrates a desire to provide customised service tailored to the particular need of individual franchisees. Herz et al., (2016) found that trust facilitates decentralisation in franchise networks, thereby increasing the positive performance effect of decision rights delegation and autonomy.

Altinay et al.'s (2014b) summary of the three theoretical perspectives from which researchers explain inter-firm relationships and the methods of trust development, enhances the understanding of the development of trust in BFF. The theoretical perspectives, which include power dependence, international business, and social exchange are relevant to franchise relationships (Altinay et al., 2014b). The authors' summary is adapted in this study to infer that resource dependency, international BFF, together with the tensions that underpin it, and social exchange theory enhance the understanding of the development of trust between international franchise partners in emerging markets. Fig 2.6 below illustrates this theoretical underpinning.

Figure 2.6 Theoretical Framework on the Development of Trust



Adapted from Altinay et al., 2014a

Altinay et al., (2014b) observe that the combined and complementary impact of trust and formal control need to be investigated in markets where business format franchising is still at an infant stage. In such markets, the authors further observe that the nature of franchise partnerships is not well-understood by the franchisees and there are differences between partners or country markets in terms of language, business practices, political and legal systems, that are likely to impact on franchise relationship development. They also note the dearth of research investigating the development of relationship from franchisees' perspective in culturally distant markets. Wright and Grace (2011) also highlight the sparsity of franchising research in long distance franchise relationships in the area of trust. In response to research gap identified above, this research will contribute to the debate on the complementing role of trust as a social exchange norm in culturally distant franchise relationships.

Summary of Relational Norms

Eight relational norms considered relevant in BFF by researchers have been identified above. These norms, which are interrelated include solidarity, IE, flexibility, RI, mutuality, NP, commitment and trust. The need to investigate their relevance and processes of development in BFFs in emerging markets is apparent, as researchers indicate that the presence of relational norms indicate the use of relational control in BFF. This study therefore, seeks to develop a better understanding of the processes that underpins the development of these norms within the aforementioned context.

The next section focuses on consolidating evidence of the need for researching the development of relational control in international franchise networks in emerging markets.

2.5 The development of Relational Control in Emerging Markets' International BFF: Research Gaps

This section elucidates the research gaps on the relational perspectives of franchise agreements, particularly in emerging markets' international franchise agreements. It reviews research studies that show evidence of the research gaps in the relational perspectives of franchise agreements.

Investigating the relational perspectives in franchise agreements has been identified as a promising future research direction (Kashyap et al., 2012). Robson et al., (2018) observe that very limited literature indicates the impact of relational perspectives on relationship development and fails to fill the research gap as to how these concepts impact on franchise relationship development. International franchise networks are usually distanced both geographically and culturally, a condition which exacerbates the standardisation-adaptation tension noted earlier and creates more complex control problems (Baena, 2012; Chen, 2010a). This difficulty arises because geographic dispersion limits the use of direct supervision as a control mechanism (Castrogiovanni and Justis, 1998). Researchers are beginning to inquire into the significance of relational control as a viable control method for resolving the franchisor-franchisee tensions (Jackson and Jung, 2017; Herz et al., 2016; Brown et al., 2016; Lee et al., 2016; Lee et al 2015; Doherty et al., 2014; Brookes and Roper, 2011). As noted earlier, researchers who examined relationships in franchise networks recognise that the quality of relationship develops over time as relational norms develop and facilitate flexibility within franchise networks (Altinay et al., 2014a; Altinay and Brookes, 2012; Brookes and Roper, 2011; Monroy and Alzola, 2005; Doherty and Alexander, 2004). However, there has only been limited research which has investigated relational control in franchise networks across national borders (Robson et al., 2018; Brookes and Roper, 2011; Doherty, 2009; Paik and Choi, 2007; Doherty and Alexander, 2006, 2004; Quinn and Doherty, 2000). Contrary to domestic franchising, international franchising requires different dynamics (Nijmeijer et al., 2014) and there is limited evidence from international marketing literature that provides a clear understanding of international franchisor-franchisee relationships (Robson et al., 2018). Further, much of the research focuses on developed economies and studies relational control either from franchisors' or franchisees' perspective (Altinay et al., 2014a; Doherty et al, 2014; Khan, 2016). This condition points to the need to investigate relational control in developing economies, from both franchisors' and franchisees' perspectives.

Some researchers have started investigating franchisor/franchisee relational perspectives in developing economies (Brookes et al., 2015; Doherty et al., 2014; Altinay et al., 2014a & 2014b) and significantly contribute to knowledge on the role of relational control in franchisor/franchisee relationships in developing economies. However, they recognise the need for further investigations of franchise relationships in different geographical contexts. Nyadzayo et al., (2015) also concur to the dearth of research on franchisor-franchisee relationship constructs and call for future research to investigate how cross-cultural or country of origin effects may influence the relationship construct between franchise partners. This study therefore, seeks to investigate relational control from both franchisors' and franchisees' perspectives within a different country context. To further highlight the existing knowledge gap, regarding the development of relational control in emerging markets, table 2.3 and 2.4 provide an overview of recent empirical (quantitative and qualitative) franchise studies, that focus on relational perspectives of franchise agreements. The calls for future research made by these studies, which relates to the research gaps identified earlier in this study are highlighted in the tables. The tables which cover the period between 2012 and 2017 reveal the predominance of quantitative studies in franchise research (Cox and Mason 2009) and the obvious need for qualitative studies in the relational perspectives of franchise networks (Dada and Watson, 2013).

To fill the knowledge gaps identified above, two major research questions are formulated for this study:

- How does relational control develop in international franchise networks in emerging markets?
- How does the development of relational control impact on the use of formal control in international franchise networks in emerging markets?

Table 2.3 An Overview of Quantitative Research on the Relational Perspectives of Franchise Agreements

Author/Year	Investigation	Country/ Countries	Major Findings (Only major findings related to this study are included)	Perspective: franchisors'/ franchisees'	Call for future Study (Calls for future studies, which this study directly responds to are highlighted in bold)
Shaikh, et al., 2017	Explores perceptions of fairness and its impact on relational outcomes in a consumer-goods franchise organisation.	India	Different dimensions of fairness are correlated with each other and fairness plays an important role in developing trust and commitment and negatively influences opportunism.	Franchisees.	Explore antecedent factors which influence fairness perceptions as well as the impact of fairness on behaviour in different industries and country setting.
Evanschitzky, et al., 2016	Franchisee entrepreneurial characteristics, opportunism and relational contracting in 22 franchise networks.	Germany	Relational contracting increases franchisee opportunism by strengthening the opportunism-enhancing impact of entrepreneurial characteristics.	Franchisor /Franchisee	**Study how formal and relational contracts develop and define the relationship between franchisors and franchisees over time.**
Shockley and Turner, 2016	Measures how franchisee entrepreneurial passion (EP) and perceptions of fairness help to promote innovation and long-term commitment in one large retail franchise.	U.S.A.	Procedural and distributive elements of the organisational justice climate help to enhance franchisees' long-term commitment.	Franchisor /Franchisee	**Develop a better understanding on how firms eventually develop the social control mechanisms within different service franchise networks, using case-based or other forms of qualitative or quantitative research.**
Brown et al., 2016	Explored possible contingent variables that might explain the contradictory effects of marketing channel governance.	Australia	Under strong relational norms, goal congruence and outcome monitoring limit franchisee opportunism; compliance enhances franchisee performance, while opportunism reduces it.	Franchisees	**Extend investigations to franchisor/franchisee relationship, based on dyadic data in other, perhaps lesser-developed, economies to enable researchers assess the external validity of their findings.**
Varotto and Parente, 2016	Examines the influence of relationship duration on franchisee-franchisor relationship quality and financial performance in three franchise networks from the educational and fast-food sector.	Brazil	Confirms that time has a positive moderating effect on the impact of relationship quality and performance.	Franchisees	Conduct longitudinal studies, with larger samples, in addition to the incorporation of other variables to provide new insights about how franchise relationship quality and financial performance evolve.
Affes, 2016	Examined the relationship between perceived support, open communication, cultural sensitivity and the relational dimensions	Tunisia	Franchisee perceived support and open communication, strongly contribute to the consolidation of the quality of relationship.	Franchisees	Investigate relational exchanges in BFF to determine best management practices which help franchisors to maintain business relationships.

	quality - trust, commitment and satisfaction in diverse franchise sectors.				
Herz et al., 2016	Examined the franchisor's perspective on the impact of decentralisation and trust on performance.	Germany	Trust is a facilitator of decentralisation in franchise networks, and increases the positive performance effect of decision rights delegation.	Franchisor	**Investigate both sides of the franchise dyad, regarding their perceptions of trust and other intangible assets which are dependent on subjective perceptions.**
Lee et al., 2015	Examined the effect of different relational bonding strategies on franchisees' perceptions of benefits in foodservice franchise networks.	South Korea	Social and structural bonds have a significant impact on franchisees' perceptions of benefits which influence satisfaction, intentions to recommend and long-term orientation.	Franchisees	Future studies may include different countries to explore how cultural context plays a role in the franchisor–franchisee relationships.
Wu, 2015	Examined (within a major chain store comprising a convenience store and a chain restaurant), franchisees' performance antecedents and their intention to remain.	Taiwan	Knowledge sharing, trust, conflict management, and brand reputation are critical to financial performance within the franchise network and in reinforcing franchisees' intention to remain.	Franchisees	Explore the relevance of other external and internal factors for examining antecedents of franchisees' franchising strategy and performance.
Chiou and Droge, 2015	Examined how standardisation requirements, trust in the franchisor and the interaction term affect the sales and service performance and satisfaction of franchisees in a growing franchise (tea-based drinks) network.	Taiwan	Trust significantly impacts on satisfaction and performance constructs, but also moderates positively the relationships between standardisation requirements and sales/service performance.	Franchisees	Studies in different countries, cultures, and areas, to assess how environmental factors impact on franchisee-franchisor relationship.
Hendrikse et al., 2015	Examined the impact of general and knowledge-based trust on contractual completeness.	Germany	General trust of the franchisor reduces his perception of relational risk and the necessity to control the network relationship by more complete contract planning, and knowledge-based trust increases information sharing between the partners.	Franchisor	Future studies should address circumstances where different forms of incompleteness arise.
Mignonac et al., 2015	Explored the relationship between	France	Affective commitment to the franchise	Franchisor/Fra	**Investigate the influence of social**

	franchisees' affective commitment and franchisee outcomes.		organisation is positively related to franchisee objective performance and intent to acquire additional units; but negatively related to franchisee opportunism.	nchisee	**exchange relationships in the context of franchising.**
Altinay et al., 2014a	Examined the relationship between the antecedents of trust, trust itself, and franchisee satisfaction.	Turkey	Three antecedents of trust - role performance, cultural sensitivity, and communication jointly impact on the development of franchisees' trust in franchisors.	Franchisees	**Verify the findings, about the antecedents of trust and trust itself, in other country settings.**
Ekelund, 2014	Examined franchise relationships by using an interactive approach which involves several exchanges or actor bonds between a franchisor and a franchisee.	Sweden	Demonstrate the significant impact which adaptations have on commitment in franchise relationships and that information exchange is positively related to enhanced franchise outlet performance.	Franchisees	**Examine franchisor-franchisee social interaction as an important variable for understanding the franchise relationship.**
Ting, 2014	Examined the sources of franchise relationship quality using constructs from the transaction cost literature, including idiosyncratic investment and interdependence.	Taiwan	Franchisees' idiosyncratic investment[7] cannot directly influence opportunistic behaviour, but indirectly influence it via trust or interdependence.	Franchisors	Explore the effects of the economic and social dimensions of idiosyncratic investment and interdependence on opportunistic behaviour, trust, and commitment.
Liu et al., 2014	Examined four essential constructs that may lead to successful long-term franchising relationships - competitive advantage of franchisors, operational assistance, trust, and intention to continue.	Taiwan	Franchisors' operational assistance and flexibility generates a positive influence of trust on the entrepreneurial disposition of franchisees towards decision to continue using a franchise.	Franchisees	Examine additional constructs such as, communication - a good variable that leads to a superior franchising relationship.
Lucia-Palacios et al., 2014	Examined how signalling support services and contractual arrangements that create value for incumbent franchisees can help to create value for the whole franchise network by attracting prospective franchisees.	USA	A decision to invest in the franchise chain is based on the signals the franchisor provides about the quality of the chain. Prospective franchisees place more value on those chains where the franchisors provide more training and financial assistance.	Franchisor	Analyse the dynamic perceptions of value from the perspective of franchisees.

[7] Idiosyncratic investment is an investment in a specific relationship which is difficult to transfer to another relationship (Das and Rahman, 2010).

Pynar et al., 2014	Examined the impact of franchising characteristics on the perceived importance of ethical issues in long-term franchising business success.	Turkey	To avoid potential conflicts and ensure a successful long-term franchising business, there must be an appropriate and effective initial education and training, and there must be annual meetings.	Franchisees	Examine ethical issues in different cultural contexts and the potential effects of franchising characteristics on these ethical issues in order to contribute to the global success of franchise networks.
Weaven et al., 2014	Examined the network of relationships facilitating or inhibiting ongoing collaboration in franchise networks.	Australia	To cultivate a network of cooperative and satisfied franchisees, franchisors should adopt strategies that promote timely dissemination of information, open communication exchange, transparent conflict management systems and personalised support in accommodating individual franchisee needs.	Franchisees	Similar analyses could be extended to compare franchisees involved in different ownership arrangements (e.g. single unit and multi-unit).
Dada and Watson, 2013	Examined how the entrepreneurial orientation (EO) of the franchise network may impact franchisor–franchisee relationship quality.	UK	The results suggest that networks with EO and entrepreneurial franchisees may enjoy better relations.	Franchisors	Consider exploring the role of EO in franchise networks in different international settings to see whether national culture moderates the strength of the relationship between EO and relationship quality.
Hendrikse, et al., 2013	Examined the impact of knowledge-based trust and general trust on the franchisor's choice of contractual completeness.	Germany	General trust of the franchisor reduces the franchisor's perception of relational risk and hence the necessity to control the network relationship by formal contract planning, and knowledge-based trust increases information sharing between franchise partners.	Franchisors	Future studies should include franchisees' perspective to investigate trust and contractual completeness.
Mumdziev and Windsperger, 2013.	Examined the structure of decision rights in franchising and the moderating role of trust.	Germany	Trust has a moderating effect on the relationship between transaction cost variables and franchisor's propensity to delegate decision rights to franchisees.	Franchisor	Investigate decision rights and the role of trust from dyadic perspectives.
Dant et al., 2013	Examined the theoretical and empirical linkages between franchisee personality traits and franchisee-franchisor relationship quality.	Australia	Personality is a significant predictor of franchise relationship quality.	Franchisees	Examine industry specific influences on personality/relationship quality studies.

King et al., 2013	Examined the development of franchisees as brand champions.	Australia	Reveals the benefits of integrating relational and transactional norms to influence franchisee attitudes positively.	Franchisees	Investigate brand extensions, brand communications, brand personalities and/or brand perceptions, and so on to considerably enrich our knowledge of brand dynamics in franchising.
Kashyap et al., 2012	Examined how multiple ex ante and ex post governance mechanisms of the franchisor affect franchisee compliance and opportunism.	USA	Moderator effects exist in the connections between ex post governance mechanisms and franchisee behaviours.	Franchisees	**Examine the interplay between formal and relational governance mechanisms.**
Winter et al., 2012	Examined the effect that deviation from the template has on the survival chances of franchise units within a large franchise organisation.	USA	Some types of deviation from a template increase the risk of unit failure.	Franchisor	Establish more exhaustively, the additional contingencies that may affect the impact of accurate replication on organisational performance. Highly idiosyncratic cultural or institutional environments may necessitate adaptation for multiunit organisations operating internationally.
Eser, 2012	Examined performance outcomes of inter-organisational trust in franchisor and franchisee relationships in the fast-food industry.	Turkey	Trust is positively related to cooperation and satisfaction, and negatively related to transaction costs.	Franchisees	Study franchise relationships in other nations. The interrelation between components of trust and other outcomes of trust (i.e. cooperation, satisfaction) needs further investigation in other sectors.

Table 2.4 An Overview of Qualitative Research On the Relational Perspectives of Franchise Agreements

Author/Year	**Investigation**	**Country/Countries**	**Major Findings**	**Perspective: franchisor's franchisees' or both**	**Call for future Studies**
Khan, 2016	Examined the cross-border knowledge transfer in two popular franchise networks in the food and hospitality industry.	Pakistan/U.S.A	The franchisor creates trust and develops a good will based on relational infrastructure for the transfer of knowledge, which overcomes issues of mistrust and opportunism.	Franchisor /Franchisees	**Conduct similar research in other countries and regions such as Asia, Africa (specifically identifies Ghana and Nigeria) and Latin America, as the service sector role is becoming increasingly important in these regions.**
Grace et al., 2016	Investigates the critical determinants of a franchisee's trust in their franchisor.	Australia	Identifies five critical antecedents of a franchisee's trust in their franchisor. For example, franchisee's confidence in the network, franchisee's perception of a strong team culture and franchisee's perception of franchisor competence.	Franchisor /Franchisees and franchising experts	**Research in other geographical context to further investigate the determinants of franchisee trust, and thus increase generalisability.**
Brookes and Altinay, 2017	Evaluates how knowledge transfer practices contribute to the development of isomorphism[8] amongst franchisees within food and beverage franchise networks.	Turkey	Transfer of tacit knowledge through information-rich mechanisms such as socialisation and communication supports mimetic isomorphism[9].	Franchisees	Research in different country contexts should examine both franchisor and franchisee perspectives for a more detailed picture.
Brookes et al., 2015	Examined opportunistic behaviour in hospitality franchise agreements based on agency and social exchange theoretic perspectives.	Turkey	Identifies different types of franchisor and franchisee opportunistic behaviour, how they inter-relate and the relationship between behaviour and social exchange.	Franchisees	**Investigate the characteristics of franchise networks, cultural implications and both franchise partner perspectives.**

[8] The process by which organisations in the same industrial sector model themselves on one another.
[9] Knowledge gained through copying others perceived as experts.

Doherty et al., 2014	Explored franchise relationship in China, focusing on the relational constructs of power, control, support and conflict.	China	Franchisees who possess important locations for their retail outlets are able to exert significant power and control in the relationship, resulting in franchisors' unwillingness to exert contractual power.	Franchisors/ Franchisees	**In-depth study into the social factors which moderate the franchise relationship.**
Altinay et al., 2014b	Examined the antecedents of franchise relationship development - role performance and communication.	China and Turkey	Both culturally adapted role performance of franchisors and communication contribute to relationship development with franchisees.	Franchisees	**Further research in other country and industry contexts to identify and evaluate additional factors that influence relationship development.**
Pardo-del-Val et al., 2014	Examined how franchise networks in services settle the dilemma between standardisation and flexibility.	Spain	Those resources and capabilities which sustain a competitive advantage are more susceptible to being standardised in franchising.	Franchisors/ Franchisees	Future research should study how to sort out the conflicts between standardisation requirements and franchisees' refusal to follow the rules.
Brookes, 2014	Examined the antecedents, contextual factors and inter-organisational processes that influence knowledge transfer in international hotel master franchise agreements.	USA/Europe	Identified the significance of partner-specific variables and relational management to franchise knowledge transfer (KT) evolution. Demonstrates how perceptions of individual partner members' impact on shared identity as an antecedent to KT.	Franchisors/ Franchisees	Investigate within different industrial and country contexts, the direction and extent of the relationships between KT antecedents, knowledge and partner-specific variables, and inter-organisational KT processes.
Harif et al., 2013	Examined exogenous factors that influence franchisee-franchisor relationship quality.	Malaysia	Identify factors that contribute to the quality of franchise relationship e.g. culture, economy and environment and location.	Franchisors/ Franchisees	Identify the endogenous factors that affect the quality of the franchise relationship in both domestic and international franchises.
Altinay and Brookes, 2012	Examined factors that influence relationship development between franchisors and franchisees in international service franchise partnerships.	USA/UK	Role performance, asset specificity and cultural sensitivity influence relationship development in franchise partnerships. The influence of these factors, varies in different forms of franchise partnerships, namely individual and master franchises.	Franchisors/ Franchisees	**Research using more than two cases, in different industries in order to increase the rigour of the research.**

Ghantous and Jaolis, 2012	Examined the value added by the brand to the franchise package by considering the sources of added value and its impact on franchisees' intentions and behaviours.	France	Brand adds value directly by offering franchisees functional, symbolic, experiential, economic and relational benefits. Added values impact on franchisees' intention to continue in the franchise relationship and acts as a palliative for organisational problems encountered by franchisees.	Franchisees	Investigate the role of time in bringing about changes in franchisees' perception of the brand, decision process and behaviour.
Frazer et al., 2012	Examined the antecedent factors associated with conflict in franchise relationships.	Australia	Indicates the importance of franchisee expectations confirmation, trust and relationship satisfaction in minimizing potential conflict within the franchising relationship.	Franchisors/ Franchisees	Clarify and confirm the appropriateness of the proposed relationships espoused in the research through a large-scale survey of franchisees.

2. 6 Chapter Summary and Research Propositions

This chapter sought to critically review the extant literature on relationships in alliance and franchise networks, with a view to developing a conceptual framework for investigating the mechanisms of control and evolution of relational control in international franchise agreements in emerging markets. Drawing on the extant literature and the key indicators for effective and efficient control in alliances and franchise networks, relevant theories and mechanisms for effective control in franchise networks have been identified.

A review of control in franchise networks and alliances shows that RDT reveals differences in the degree of dependence and power imbalance between franchise partners, which create issues for control. The implementation of formal control, based on agency theory resolves agency problems only partially, as tensions and the need to control against opportunistic behaviour of franchise partners still persist. This is due to goal incongruence between franchisors and franchisees. In addition, cultural and geographical distance between franchise partners creates the need to concede trade-offs. The trade-offs are essentially between formal control used to uphold a tightly controlled and integrated system that mirrors a definite brand and image and adaptation of the franchise format to suit local market conditions. To overcome these control challenges, researchers demonstrate the relevance of RET and SET in achieving effective control in BFF.

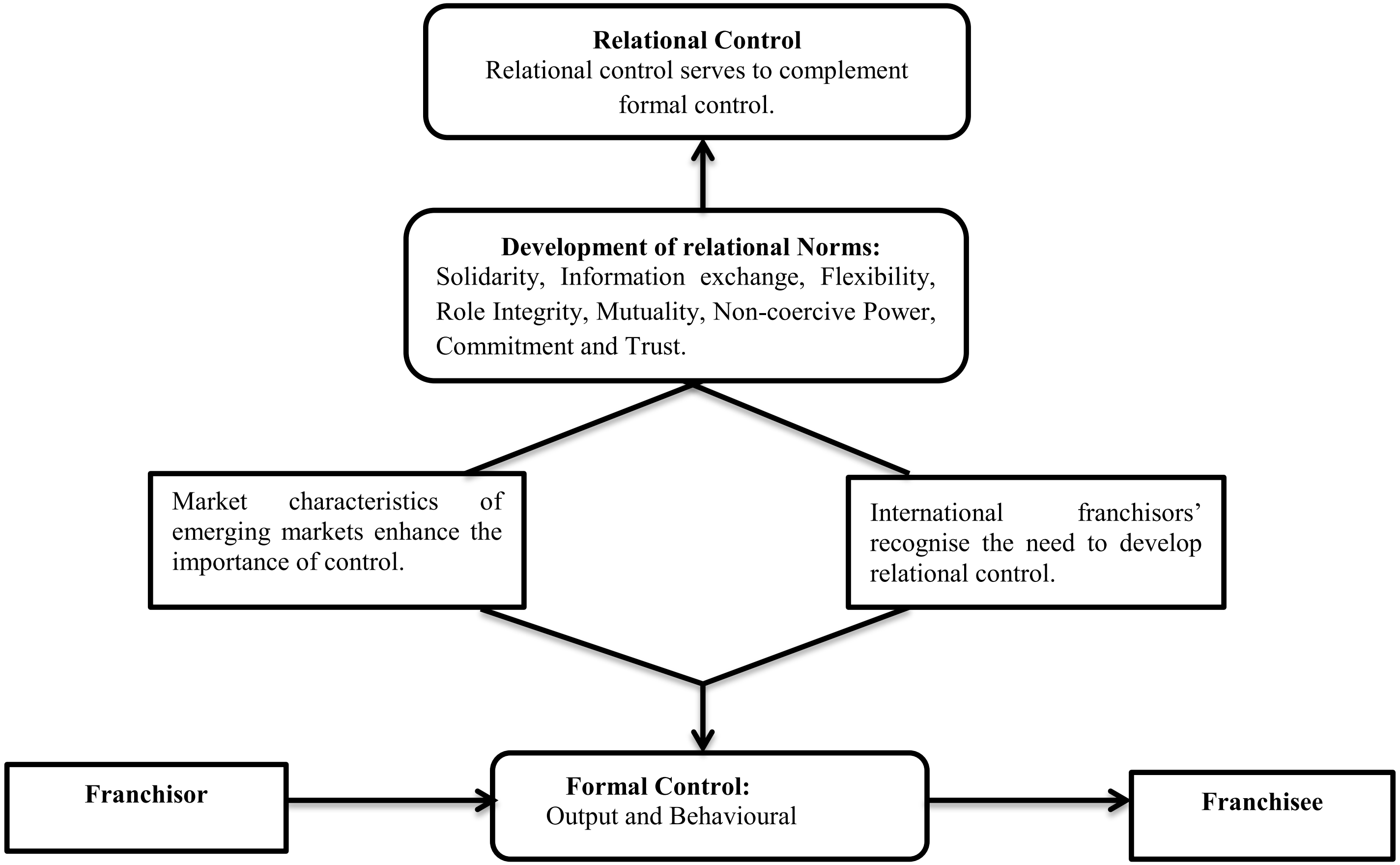
In emerging markets, franchising presents unique challenges, which increase the risk and cost of doing business and potentially increase the need for control, particularly relational control. Relational control has been identified as a plausible solution to agency problems and adaptation needs in international franchise agreements, especially for emerging markets' franchise networks. But there is a gap in our understanding of how relational control develops in these markets. There is also the knowledge gap on whether relational control is used to complement or substitute formal control in international franchise networks of emerging markets. Also, the need to investigate these processes concurrently from franchisors' and franchisees' perspectives across country borders has been established from the literature. This research therefore, seeks to contribute deep insights on the developmental processes of relational control in international franchise networks in emerging markets. Specifically, the study will investigate how relational norms emerge, what constitute their drivers and barriers and how they lead to the development of behaviour that serves to control franchise agreements relationally.

Based on resource dependence, agency, relational exchange and social exchange theories drawn from the literature, this study is framed by three main research propositions outlined below:

- The characteristics of emerging markets present control challenges between international franchise partners and therefore enhance the importance of control.
- International franchisors, due to the control challenges they face in emerging markets, recognise the need to develop relational control with franchisees over time.
- Due to the difficulty of anticipating every possible contingency in emerging markets, as well as the interdependent nature of franchise partners, relational control would serve to complement, rather than substitute formal control mechanisms in emerging markets.

The research propositions outlined above are clearly linked with the theories and the collection of literature reviewed for this study. These propositions are used to investigate how relational norms are applied to manage the relationship within franchise networks in emerging markets, and thus contribute to reduce the knowledge gap identified in the literature. Fig 2.7 illustrates the conceptual framework of relational control developed from literature, to guide this study. The researcher envisages that the relationship between franchisors and franchisees begins with the implementation of formal control (output and behavioural). As the relationship progresses, it is expected that macro external variables and micro internal exchange variables will influence franchise partners to make adaptations that reflect the existence of social and relational norms and lead to the emergence of relational control. The following chapter explains and validates the research approach adopted for the purpose of carrying out the investigation.

Figure 2.7 Conceptual Framework of Relational Control



CHAPTER THREE

3 Research Methodology

3.1 Introduction

The purpose of this chapter is to explain and validate the research design used for the purpose of achieving the aim of this study. The chapter begins with clarifications on the research philosophy and approach supporting the study. Wahyuni, (2012) notes that, while philosophical backgrounds usually remain implicit in most research, they usually affect the practice of research. The researcher's philosophical beliefs discussed below, influenced the methodology adopted in the research. Strategies and methods used for the collection of data in the different stages of the investigation are explained as well as justification for the data analysis techniques used.

3.2 Research Philosophy

Every researcher has philosophical perceptions, which include individual attributes and assumptions that underpin the way he or she views and understands phenomena and actions which, in turn influence the processes adopted in acquiring knowledge (Finlay, 2002). A researcher's philosophical perceptions reflect his ontological conviction regarding the nature of reality and his epistemological convictions as to the best method for investigating the nature of the social world (Saunders et al., 2012). Ontology studies the nature of the social world and what can be known about it (Ritchie et al., 2014). In carrying out a research study, careful thought about moral and ontological issues within a real social world is required. This is because concepts are the fundamental building-blocks for any description of reality and concept formation raises the issue of ontology since it involves specifying what is fundamental in the empirical phenomenon represented by a concept (Goertz and Mahoney, 2012).

Epistemological considerations are also important with regard to the choice of methods for acquiring knowledge. These considerations reflect a researcher's personal epistemological development and beliefs described by Hofer and Pintrich (1997:88) as 'how individuals come to know, the theories and beliefs they hold about knowing, and the manner in which such epistemological premises are a part of and an influence on the cognitive processes of thinking and reasoning'. Epistemology is a branch of philosophy that deals with the theory of knowledge and indicates what kind of knowledge is feasible and legitimate within a field of study (Crotty, 1998; Saunders et al, 2012). It is usually perceived as being concerned with knowledge about knowledge and thus investigates the criteria by which we establish what does, or does not constitute warranted or scientific knowledge (Symon and Cassell, 2012). The epistemological framework around which academic research is conducted, is usually seen as the basic pointer to the way the researcher perceives his relationship with his research topic (Darlaston-Jones, 2007). Further, it (the researcher's epistemological perception) forms the philosophical basis of a research study which, in turn affects every aspect of the research process including question formulation, method selection, sampling, and research design (Bryman, 1988).

Research philosophies may be viewed from one of two main paradigms recognised by social sciences. The paradigms include positivism and interpretivism also known as phenomenology (Tuli, 2011; Henderson, 2011). Table 3.1 illustrates the differences between the two philosophies based on their ontological, epistemological and methodological characteristics.

Table 3.1 Differences between Positivism and Interpretivism

	Positivism	Interpretivism
Ontology	Belief in the externality of truth: empirical facts exist apart from personal ideas or thoughts.	Believes that truth is internal: Empirical facts are drawn from the constructions, interpretations and experiences gained by people from their interactions with one another and with the wider society.
Epistemology	Belief in the objectivity of reality: whatever cannot be measured does not exist. Relationships are established between concepts in order to confirm value free causality (free from the influence of the researcher's beliefs).	Belief in the subjectivity of reality. There is so much information underlying the obvious material world. Outcomes are mostly value mediated through the researcher. Aims to comprehend meaning rather than causality.
Methodology	Seeks to offer a scientific explanation to social science research as a method of combining deductive logic with precise, quantitative empirical observations through experiments, tests and hypothesis.	Uses inductive methods with emphasis on deeper understanding of research problem, unique context, process and high validity, but places less emphasis on generalisability.

Adapted from Idowu, 2017; Ritchie et al., 2014; Bryman, 2012; Denzin and Lincoln, 2003.

Positivists view reality as solely dependent on positively verifiable natural laws of cause-effect, based on observable data systemised into law-like generalisations (Delanty, 2005). Traditionally positivists conceptualise social sciences as mostly similar to natural sciences and so focus on discovering laws about human behaviour (Krauss, 2005). But natural sciences hold reality as being external and objective, in addition to recognising the significance of knowledge only on the basis of observed external reality, which could be exemplified by objects (Easterby-Smith et al., 2003). Further, objects exist separate from and independent of the researcher who collects and analyses them (St. Pierre and Jackson, 2014). Thus data collected under positivistic research are considered to be more objective and free from bias because of the researcher's ability to study the object without influencing or being influenced by the object (Hasan, 2016).

A critical epistemological debate concerning the conduct of social science research, is how valid it is for the real social world to be researched on the basis of the same principles used by the natural sciences (Bryman, 2012).

However, social science scholars consider the contingency of preference of research methodology based on its ontological and epistemological philosophies (Tuli, 2011). The suitability of positivistic or interpretive research is therefore dependent on the guiding paradigms of the research, particularly ideologies regarding the nature of reality (ontology), theory of knowledge (epistemology) and the methodology for gaining knowledge suitable for addressing a particular research problem (Tuli, 2011; Schulze, 2003). Tsang, (2013) also suggests that social phenomena under study should be treated as objects or things, such that the fundamental component is not essentially based on the epistemology of positivism or interpretivism, but on the methodological ontology of objects or things. Researchers therefore need to view the social phenomena being investigated as objects or things while conducting research (Tsang, 2013).

Interpretivists, on the other hand, view reality as meanings and lessons drawn from an individual or a group's experience in a specific event (Damayanti, 2014). Multiple intangible mental constructions, held by these individuals, are not absolutely more or less true, but more or less informed (Ponterotto, 2005). Individuals or groups are influenced by the process of being studied and the dynamic, interactive process between the researcher and the researched social phenomena is critical to capturing and explaining values and the lived experiences of the participants (Ponterotto, 2005). This is particularly true for research which studies organisations (with their inherent complexities) as is the case with this research. Some researchers highlight the significance of developing interpretive perspectives for overcoming the limitations of positivism in organisational studies (Lorino et al., 2011; Shotter, 2008; Nayak, 2008; Cooper, 2007). These researchers accentuate the need for the visibility of a researcher's personal identity and disposition, the need to contextualise organisation research and the essence of leveraging the inspired and creative tendencies of organisational being along with the transforming power of human ingenuity. Knowledge gained through an interpretive approach is therefore essentially subjective and thus warrants the use of qualitative methods of research (Alase, 2017).

Positivism and interpretivism are two extreme perspectives of the epistemological continuum. Between the continuum, there are various other paradigms such as post-positivism, postmodern critical theory, constructivism, participative inquiry, pragmatism, realism and systems theory (Niglas, 2007). This study adopts a qualitative approach, which may be situated in any one of three philosophical paradigms namely post-positive, interpretive, and critical approaches (Denzin and Lincoln, 2003). Post-positivists believe that it is possible to pattern the social world and discover and test causal relationships using reliable strategies (Mason, 2006). Positivism and post-positivism are similar. The interpretivist approach is based on the belief that the social world is constantly constructed through group interactions and as such social reality can be understood from the viewpoint of the social actors entangled in meaning making activities (Hess-Biber and Leavy, 2011). The critical approach is similar to the interpretivist approach, but differs by suggesting that discourses created in fields of social power shape social reality and our study of it (Hess-Biber and Leavy, 2011).

This research investigates the development of relational control between international franchisors and local franchisees. The nature of franchise networks warrants the application of an interpretivist stance in studying its relational perspectives (Altinay and Brookes, 2012; Quinn, 1998, 1999; Quinn and Doherty, 2000; Doherty and Alexander, 2004). The researcher holds a subjectivist view, that the way franchisors and franchisees attach their own individual meanings to the relationship and the way each of them think the business relationship should run, is more significant than the objective (contractual/operational aspect) of the relationship. The researcher therefore, believes that a phenomenological approach is most appropriate for the study. In addition, many researchers argue and demonstrate that the interpretivist approach is most suitable for inter-organisational studies (e.g. Randall and Mello, 2012; Taylor, 2005; Dekker, 2004). The reason as Saunders et al., (2012) put it, is that situations in organisations are complex and also unique, because they are a function of a particular set of circumstances and individuals coming together at a specific time. Interpretivism, which focuses on generating thick descriptions of people’s experiences and perspectives within their natural world (Gray, 2014) is therefore considered most suitable for this research.

3.3 Research Approach

Generally, positivists adopt quantitative research approaches, while interpretivists use qualitative approaches (Silverman, 2013; Mackenzie and Knipe, 2006). Quantitative methods usually employ a deductive approach in order to objectively establish the causes of social phenomena without paying attention to possible subjective interpretations (Silverman, 2014). Qualitative research often requires applying an inductive approach (Flint and Mentzer, 2000). Inductive approaches are those approaches through which researchers generate theory from data (Eisenhardt et al., 2016). Prominent among the approaches is the inductive theory building from cases. This approach, usually begins with a research problem and progressively reasons from a specific case or a collection of observations (facts) to theory (Taylor et al., 2002). Eisenhardt et al., (2016) maintain that the inductive approach, may engender novel ideas, not only because the research is likely to explore unexpected perspectives, but also because it is unconstrained by a prior hypothesis. But the deductive approach seeks to confirm existing theories such that it begins with hypotheses and test them with statistical data (Eisenhardt et al., 2016). This research seeks to explore the constructs of relational control in BFF and will therefore aim to build theory inductively, rather than testing theory.

Leitch et al., (2009) argue that methods are not necessarily the basis for establishing validity in interpretivist research, rather validation arises from the substance of the enquiry. The authors advise that substantive validation of a piece of research must be thought through carefully throughout a research process. Interpretivist research happens in a natural setting, with the researcher as the key instrument of data collection. Words constitute data generated through interviews, observation and/or qualitative open ended questions, based on participants' perspective and analysis are inductive (Creswell, 2013).

A number of procedures for establishing validity in interpretivist research have been identified by researchers. Some of these procedures include triangulation, member checking, search for negative evidence, researcher reflexivity, collaboration with research participants, audit trail and peer debriefing (Miles and Huberman, 1994; Moustakas, 1994). Creswell and

Miller, (2000) however, maintain that the use of validity procedures requires thinking beyond specific procedures to acknowledge the lens being employed (researcher, participants, and people external to the study) and the paradigm assumptions of a researcher (post-positivist, constructivist or critical paradigms). The author advises that the lenses will vary depending on the research area and the target audience. According to Stenbacka, (2001) the purpose of inductive study, which is to generate understanding, requires the researcher to scrutinise the standard concepts that underpin quality judgement in research, such that concepts better suited in the inductive context can be used as quality indicators.

Qualitative studies focus on meaning making from a range of opinions and representations of an issue, rather than generalised hypothetical statements (Bluhm et al., 2011). Compared to the samples for qualitative research, which tend to be much smaller, quantitative research uses mostly larger sample sizes which are possibly more representative of the population (Mason, 2010). Quantitative samples seem to provide greater validity with regard to the generalisability of findings and reliability (Polit and Beck, 2010). However, samples for qualitative studies are not always generalisable and do not necessarily need to be as large as quantitative samples. This is because, as a qualitative study progresses with data collection, it attains a point of saturation where additional data does not necessarily guarantee additional information (Ritchie, et al, 2003). Mason, (2010) highlights that one incidence of a piece of data or a code serves the same purpose as many in understanding the process underlying a phenomena, and so is enough to qualify it as part of the analysis framework. Frequencies are therefore, less emphasised in qualitative studies. The nature of the RP this research seeks to address warrants drawing from lived experiences of relevant stakeholders (Edmondson and McManus, 2007) thus a qualitative approach is considered most appropriate.

A limitation of the quantitative research approach is that it is ineffectual in providing explanations for the actions, processes and experiences of people involved in a phenomenon under study, so it is not always appropriate for social research (Bryman et al., 2008; Toomela 2008). The dominance of quantitative research in the field of management for many years is known to have dislodged the reality of day-to-day business operations from the substance of research and thus generated huge knowledge gaps between theory and business reality (Patton and Appelbaum, 2003). Bryman, (1988) highlights, that quantitative methods are deficient for investigating studies involving multiple levels of phenomena, dynamic character and a symbolic component. This inadequacy has, over the years led to qualitative research assuming a significant role as the mode of investigation for management research (Bluhm et al., 2011). Doherty and Alexander, (2006) note the traditional predominance of quantitative methods in international franchise research and the use of large cross-sectional survey techniques. Many researchers therefore, currently uphold the preference for a more qualitative approach to an empirical inquiry on international franchising, based on its ability to generate rich and relevant data which demonstrate the real lived experiences of franchise partners (Jell-Ojobor and Windersperger, 2014; Cox and Mason, 2009; Doherty and Alexander, 2004; Quinn and Doherty, 2000; Quinn, 1998, 1999). Athanasopoulou, (2009) particularly asserts the capability of the qualitative research approach to leverage on the unique experiences of phenomena under study, for the purpose of probing complex relationships within their unique setting in order to build theories and gain new insights. This study therefore, adopts a qualitative approach situated in interpretivist philosophy, to gain richer insight on the development of relational control between franchisors and franchisees, based on their lived experiences within their unique context.

3.4 Research Strategy

Research strategies represent the general plan of actions designed to achieve a specific research goal (Denscombe, 2014). Within the context of social research, Denscombe (2014:3) notes that research strategies encompass an extensive approach depending on ‘a distinct research logic and rationale that shapes a plan of action (research design) to address a clearly identified RP (a specific goal that can be achieved)’. Saunders et al., (2012) emphasise that it is critical to choose a research strategy that enables the researcher to address particular RPs and meet the research objectives. The authors identify a number of research strategies used in qualitative studies which include case study, action research, grounded theory, longitudinal, exploratory, descriptive studies, explanatory studies, ethnographic and archival research. It is usual to employ more than one of these strategies in a particular research study, as long as the researcher finds them relevant for addressing the research problem (Yin, 2014).

One of the strategies employed by the researcher is the exploratory research strategy. An exploratory research seeks to investigate a phenomena based on research problems, without presenting a final and conclusive answer (Crouch and McKenzie, 2006). As a base for qualitative inquiry, it is suitable when there is little known in a particular research area, or when the research topic is a complex one (Barker et al., 2002). This study adopted the exploratory research strategy in conjunction with the case study research strategy which is discussed below.

1. Case Study Research Strategy

A case study is defined as 'an empirical enquiry which investigates a contemporary phenomenon ("the case") in depth and within its real world context, especially when the boundaries between phenomenon and context may not be clearly evident (Yin, 2014:16). This definition implies that case study as a research strategy becomes appropriate under unique contextual conditions applicable to a phenomenon under study. Finn et al., (2000) concur that the context is deliberately a part of a case research design. Halinen and Tornroos (2005:1286) define a case study in the context of network research as "an intensive study of one or a small number of business networks, where multiple sources of evidence are used to develop a holistic description of the network and where the network refers to a set of companies (and potentially other organisations) connected to each other for the purpose of doing business". This definition shows that the case study research strategy is particularly helpful when investigating business networks such as a franchise network.

Case study research allows expanding and generalising theories, by blending existing theoretical knowledge with new empirical insights (Yin, 2014). It enables the researcher to uncover the issues regarding how and why things happen and may result in disparities between what was planned and what occurs in the course of investigating the contextual realities (Anderson, 1993). Case study research emphasises focusing on a particular issue, feature or unit of analysis[10] within, for example an organisation rich in relevant information, rather than studying multiple organisations (Noor, 2008). Further, many franchise studies demonstrate the effectiveness of using case study strategy to examine the intricacies of franchisor-franchisee relationships (e.g. Perrigot et al., 2014; Chen 2010a; Weaven and Frazer, 2007; Doherty, 2007; Watson, 2008). Considering that this research seeks to gain in-depth insight on how relational control develops in international franchise networks, a case study research strategy is most appropriate for investigating the dynamic and complex processes of the phenomenon under study.

2. Justifications for the Use of a Case Study Strategy

Recourse to controlled experiment or observations in the social sciences is very limited, so much of the established theories derive from classic case studies and standard interpretations drawn from these cases (Dyer and Wilkins, 1991). Also, in management and organisational research, there has been a long tradition of using qualitative case studies (Bryman, 2012). They are suitable for exploring business networks and other issues concerning industrial marketing and specifically business-to-business relationships, as they are capable of dynamically capturing studied phenomenon in addition to providing multidimensional perspectives in specific contextual situations (Jarvensivu and Tornroos, 2010; Halinen and Tornroos 2005). Case studies are able to generate rich data, due to their multidimensional perspectives (Rowley, 2002). Another factor that induces researchers' preference for case study is its innate flexibility, which fits the study of complex evolving relationships and interactions (Dubois and Araujo, 2004). By drawing data from peoples' experiences, case studies support the development of strong exemplars, which provide templates against which different theoretical and methodological positions may sharpen their differences (Dubois and Araujo, 2007).

In any field of interest Yin (2014:4) purports that, "the distinctive need for case study research arises out of the desire to understand complex social phenomena". The author further highlights that a case study enables a

[10] A Unit of analysis is the element of a population which a researcher intends to study e.g. dynamics of a social group, time period, relationship, geographic locations or other conditions that fall within a case (Yin, 2014; Simon, 2009)

researcher to focus on a "case" and capture a holistic and real world perspective in studying things like organisational and managerial processes. This research seeks to gain in-depth understanding of the complex social processes involved in the development of relational control between international franchise partners. Gaining in-depth understanding requires the researcher to address "how do" rather than "how should" RPs (Perry, 1998). Case study research is the best approach to addressing the "how do" RP (Eisenhardt et al., 2016). From the foregoing defining the RP clearly is about the most crucial step in an entire case study as it enables a researcher to establish the rationale for doing a case study (Baskarada, 2014).

Many researchers (Yin 2014; Rowley, 2002; Stuart et al., 2002, Darke et al., 1998) agree that case study is obviously a preferred strategy under the conditions outlined below:

- The research requires a natural setting and focus on contemporary events which are beyond the researcher's control.
- Behavioural events related to the research are beyond the researcher's manipulation.
- The researcher may not be able to specify the set of independent and dependent variables in advance.

The above conditions fit into the circumstances of this research, making case study the most suitable strategy for investigating the development of relational control. The significance of case study research has been discussed above. However, the research strategy is not without limitations which are objectively addressed below.

3. Limitations of the Case study Research Strategy and Strategies for Overcoming Them.

Critics of the case study research method advance their argument based on its limitations which include a lack of substantial basis for generalisability, a lack of scientific rigour or reliability, a lack of validity and researcher bias.

Limited generalisability in case studies relates to findings with restricted transferability to other settings (Crowe et al., 2011) and has been a major criticism of case studies (Patton and Appelbaum, 2003). Limited generalisability is the reason why some scholars recommend multiple-case analysis, based on the premise that it supports the inference of more generalisable theoretical conclusions (Eisenhardt, 1989b; Miles and

Huberman, 1994). However, Patton and Appelbaum (2003) argue that for case studies, generalisability is ascertained by the strength of the description of the context. The authors identify such descriptions as a cornerstone of case studies which enable the reader to determine the level of agreement between a particular case and other similar situations. Hamel et al., (1993) similarly asserts that in-depth description given by a case study facilitates an understanding of the empirical foundation of the theory. Schofield, (2002) highlights that a thick description of both the site in which the study is conducted and the site to which one wishes to generalise are essential in enabling the researcher's search for similarities and differences between situations which are analytically applied to determine the extent of generalisability. Yin, (2014) summarily resolves the question of generalisability, by purporting that case studies, like experiments are generalisable to theoretical propositions (analytical generalisations) rather than to populations (statistical generalisations) or the universe. The author further indicates that replication can be established where two or more cases reveal support for the same theory. Generalisation based on case study, draws from situated interpretation and judgement instead of rules used to apply knowledge across contexts (Simon et al., 2003).

Easton, (2000) observed that some researchers adopt a multiple case study strategy in a way that portrays them as relying on the concept of statistical implications, whereas multiple cases, of themselves do not elicit increased explanatory power of the phenomenon under study. The author warns against the danger of investigating multiple cases with the same resources, only to gain more breadth rather than more depth. Dubois and Gadde, (2002) argue in favour of the strength of situation specificity of a single case study and emphasise that the most significant choice is not between single and multiple cases, rather it is the choice of a type of case study that most suitably addresses an RP. The authors indicate that when an RP warrants analysis of some interdependent variables within complex structures, then it is natural to go deeper into one case. Easton, (2010) suggests that a researcher could achieve analytical generalisation through the identification of deep processes operating within contingent conditions through specified mechanisms. Meredith, (1998) also proclaims that a depth of understanding of a single case can aid generalisation of theories, as well as large and diverse set of cases.

Another reason for which some researchers criticise case studies is for their purported lack of rigour and reliability (Johnson, 1994). Darke et al., (1998) highlight that the concern for lack of rigour focuses on the difficulty associated with demonstrating rigour in the reporting and analysis of the results of case study research and with improving the efficiency of data collection processes. This concern stems from the practical difficulty of analysing case study evidence due to the challenge of dealing with the amount and variety of data collected, arising from the fact that there are generally no well-defined strategies and techniques for the analysis of case data (Yin, 2014). To address this problem, Yin (2014) prescribes the development of a general data analysis strategy, as part of the case study design. According to Darke et al., (1998) this prescription clarifies the issue of what to analyse and why, ensures the appropriateness of data collection activities and supports the methods applied in analysing the evidence. Other strategies which aid the establishment of rigour in case studies include drawing from the positivist research approach, by adapting useful techniques for categorisation, tabulating, displaying and identifying patterns within the data (Darke et al., 1998). One other way of overcoming the challenge of rigour and reliability, is to establish credibility by presenting a case study protocol, which involves a detailed description and careful documentation of how the research results were arrived at (Gibbert et al., 2008; Walsham, 1995). Scholars prescribe such protocols as interview schedules, details of informants, research instruments and ethical considerations (Alam, 2005). Darke et al., (1998) also recommend providing sufficient evidence for the research results and carefully considering alternative interpretations to clearly validate reasons for their rejection. Also, it is crucial to define the case by deciding what constitutes the bounded territories (Simon, 2009) i.e. aspects of a case/cases that a researcher can study within the limits of time and resources (Miles et al., 2014). Binding the territories of a case helps in the selection of an appropriate unit of analysis used to effectively explore the topic under study (Simon, 2009).

Critics of case studies allege that the lack of validity question its credibility as a scientific method (March et al., 1991). Researchers have adapted the criteria commonly used by the positivists to overcome the problem of lack of validity in case studies. Such criteria include internal validity, construct validity and external validity (Yin, 2014; Eisenhardt, 1989b). Internal validity is defined as the strength of a cause-effect link made by a case study, which is partly ascertained by indicating the absence of feigned relationships and through the rejection of rival hypotheses (Yin, 2014). Internal validity is relevant only for explanatory case research and not for descriptive or exploratory ones (Yin, 2014). Construct validity is the accuracy with which the concepts under study are reflected by a case study's measures (Yin, 2014). Gibbert et al., (2008) highlight that construct validity needs to be considered during the data collection phase to allow a researcher to ensure that his study investigates what it claims to investigate. To enhance construct validity, Yin (2014) recommends for the researcher to establish a clear chain of evidence to enable readers rebuild the researcher's steps from the initial RQ to the final conclusions. Over the years, triangulation has been a standard practice adopted by case study researchers in order to establish construct validity (Denzin and Lincoln, 1994). Case study research design has been recognised for its ability to achieve triangulation through the use of different sources of evidence (McGloin, 2008).

Four types of triangulation identified by Denzin, (1989) include data triangulation, theory triangulation, methodological triangulation and investigator triangulation. Data triangulation is achieved by using different data sources to strengthen internal and external validity and reliability and boost confidence in conclusions (Denzin and Lincoln, 1994; Yin, 2014). Various data sources, which may be used with regard to persons, time or space (Denzin, 2001) include interviews, documents/archival materials, observation and focus groups, which represent four major data collection techniques used in qualitative research (Leech and Onwuegbuzie, 2008). Data triangulation helps to provide a thick description of a phenomenon under study, which is not possible with fewer data collection strategies (Hassard, 1993). This research relies on data from semi-structured interviews, documents and archival materials from case organisations for data triangulation.

Theory triangulation refers to the use of different theories to analyse and interpret data in order to support or refute findings (Flick, 2002). It involves approaching a RQ from more than one perspective (De Chernatony, et al., 2005). The researcher used a number of theories (for example resource dependence, agency, relational exchange and social exchange theories) identified from alliance and franchise literature for the purpose of theory triangulation. Building on the epistemological and ontological assumptions of these theories, the researcher developed propositions that provided platforms for examining the franchisor-franchisee relationship development. Alternative explanations were derived from the different perspectives of the franchisor-franchisee relationship development, to assess the relevance of the theories and establish theory triangulation in the analysis of data.

Methodological triangulation refers to the use of multiple methods to investigate a single problem (Denzin, 1989). Two types of methodological triangulation include across-method and within-method triangulation (Bekhet and Zauszniewski, 2012). Across-method combines quantitative and qualitative data collection techniques (Casey and Murphy, 2009) while within-method uses two or more data collection procedures within one research approach - qualitative or quantitative (Denzin, 1989). For example, methodological triangulation may be achieved in quantitative research approach by collecting quantitative data via survey questionnaires and historical databases (Denzin, 1989). On the other hand, qualitative data may be collected exclusively through qualitative techniques, such as interviews and documents, thus ensuring within method triangulation (Denzin, 1989). Methodological triangulation helps to ensure the completeness of data, confirmation of the findings, and increased understanding of the studied phenomenon (Casey and Murphy, 2009). Investigator triangulation, which refers to the collection and interpretation of data used in the study of one phenomenon by multiple researchers (Denzin, 1989) is not applicable to this research.

External validity is the extent to which findings from a case can be analytically extended or generalised to other situations that were not part of the study (Yin, 2014). This study used purposive sampling, thick description, and reflexive use of research journals. These techniques are common within-case study research and are proven and valuable strategies for establishing external validity (Petty et al., 2012; Nelson, 2008).

Critics of case study research also express concern over perceived lack of objectivity of researchers or researcher-bias and its ability to generate skewed findings and conclusions (Patton and Appelbaum, 2003). From their study, Brunelle et al., (2000:840) suggest minimising bias through 'subjective logic' that is, allowing the free flow of participants' revelations and insights through open-ended questions combined with 'relaunchings' or paraphrasing of questions. These strategies both maintain concentration on the research purposes and provide participants with a safe and respected platform for a profound and insightful exploration of their ideas (Brunelle, et al., 2000). Other ways to reduce researcher bias is to check for negative occurrences in the data and findings, plausible alternative explanations during data analysis (Yin, 2014) and the use of multiple sources of evidence to generate a convergent course of enquiry (Yin, 2014; Marshall and Rossman, 1999) e.g. triangulation.

Having discussed the limitations of case study research and confirmed strategies for overcoming them, table 3.2 presents a summary of the measures adopted by the researcher to surmount these potential limitations of the case study approach and ensure generalisability, scientific rigour, validity and objectivity. The next section discusses the classifications and types of case study.

Table 3.2 Measures for Overcoming Potential Limitations of Case Study Research

Test Factor	Case Study Strategy	Qualitative Technique	Stage of Research
External Validity	Specification of areas of theory application and bounding limits of application.	In-depth description of study site and generalisation contexts.	Research design
	Compare evidence with existing literature.	In-depth description. Triangulation of sources. Specify procedure for coding and analysis.	Data collection Data analysis Data analysis
Internal Validity	Ensure internal coherence of findings and concepts.	Researcher's philosophical perceptions (assumptions and views that influence the way one understand a phenomenon).	Research design
Construct Validity	Multiple source of evidence. Form chain of evidence. Informants review and feedback on field report.	Validation audit. Triangulation of sources.	Data collection Data collection Report writing Data collection/Analysis
Rigour (Reliability)	Use case study conventions.	Provision of interview schedules, details of informant, research instruments, and ethical considerations.	Research design/Data collection
	Develop data analysis strategy.	Specify what to analyse and why and identify patterns within the data.	Data analysis
	Development of case study data.		Data collection
	Detailed account of theories and concepts.	Reliable audit of rationale for choice of theories that underpin research.	Research design
	Affirm significant similarities of findings across multiple sources of data.	Embed literature by identifying patterns, themes and codes.	Data analysis
	Reflexivity.	Self-reflection and member checking. Self-reflection is the researcher's inspection and evaluation of his/her thoughts, feelings and behaviour. Member checking refers to taking data back to research participants for them to check the accuracy and credibility of descriptions, explanations and interpretations (Miles et al., 2014).	Research design

Adapted from Yin, 2014; Petty et al., 2012; Schofield, 2002; Easton, 2010; Brookes, 2007.

4. Classifications and Types of Case Study

Yin (2014) classifies case study into exploratory case study, descriptive case study and explanatory case study.

Exploratory studies are designed to comprehend poorly understood or under researched phenomena (Birkinshaw et al., 2011) thus they shed light on little understood phenomenon and also answer ‘how’ and ‘why’ questions (Yin, 2014). It helps the researcher to understand the conceptual and theoretical foundations of the phenomena being studied and to leverage the understanding to develop an improved research design used in the subsequent stages of the research (Maxwell, 2013). Wagenmakers et al., (2012) highlight that exploratory study is useful at the first stage of a research study, when the researcher seeks to understand the research problem, but warn that results from exploratory studies cannot serve as strong evidence in support of a particular claim. The authors believe that exploratory studies should rather focus on describing interesting aspects of data, identifying the tentative findings which are of particular interest and proposing ways in which subsequent studies may confirm or disconfirm the exploratory findings.

A descriptive case study describes a phenomenon within the real-life context of occurrence (Yin, 2014;). It reports research findings in a literal and complete manner and illustrates the complexity of the situation while at the same time presenting information from a variety of sources and viewpoints in a variety of ways (Brown, 2008). Through this way of documenting, the descriptive case study is able to identify salient actions, events, attitudes, beliefs, social patterns and social processes happening in the phenomenon (Marshall and Rossman, 1999). According to Brown (2008) a descriptive case study may utilise linear-analytic, comparative, chronological, or unsequenced structure for reporting. According to Yin, (2014):

- The linear analytic is a standard structure which follows the outline of a problem statement, literature review, methodology, empirical findings and conclusions and implications. This study made use of the linear analytic standard structure.
- A comparative structure describes one case study two or more times in order to compare alternative descriptions of the same case.

- The chronological structure presents case study evidence in sequential order, to reflect the time period covered by a study.
- An unsequenced structure is one in which the sequence of sections or chapters is not particularly important to the descriptive value of the study. A researcher should pay attention to concerns for bias, when adopting the unsequenced structure by ensuring that all topics are covered. (Yin, 2014)

The explanatory case study is used to answer questions that seek to explain presumed causal relationships in real life situations (Yin, 2014) and according to Tellis, (1997) may be used for causal investigations.

Considering the nature of this research, which explores the relationship between international franchisors and local franchisees, the exploratory and descriptive case study approach are deemed more appropriate. Answering the 'why' and 'how' questions of franchise relationship require gaining understanding, through franchise partners' description of their perceptions and experiences.

Based on the criteria of the number of cases and unit of analysis, Yin (2014) identifies four types of case study, namely the single holistic case, the single embedded case, the multiple holistic case, and the multiple embedded case. The single holistic case study only investigates a single unit of analysis within the selected case, while the single embedded case examines multiple units of analysis within a single case. The units of analysis in an embedded case are essentially explored individually, so it is important for a researcher to bind a case, by clearly indicating the unit of analysis, thereby specifying what is actually studied (Rowley, 2002). On the other hand, a multiple holistic design or case investigates only one unit of analysis within each of the selected cases, whereas a multiple embedded design examines more than one unit of analysis within each of the selected cases. Baxter and Jack, (2008) advise that the question of which specific case study design to adopt should be guided by the overall purpose of a study. According to Yin, (2014) the unit of analysis and the RP must be related. Binding the territory of a case is therefore helpful in determining whether a holistic or embedded single case is more appropriate.

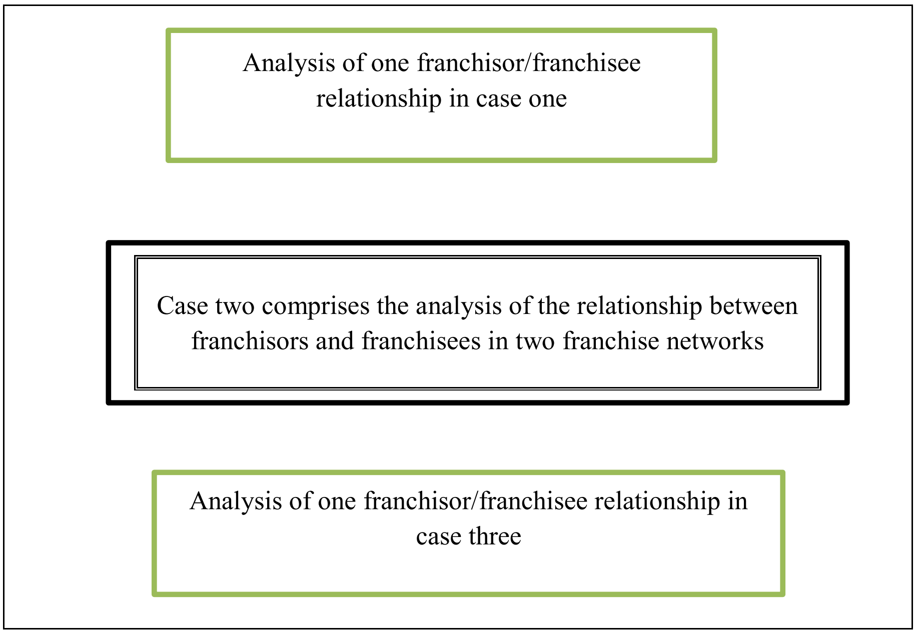
This research adopted a multiple case study design bounded to four international hospitality franchise organisations. This study was carried out in three stages. The first stage explored the development of relational control in an international food franchise. The case is a single holistic case type, carried out in the franchise network of the quick service restaurant brand operated by the organisation. The territory of the case is bound to the relationship between the franchisor and franchisees within the franchise network.

The second stage explored the relational control in the hotel sector, using two global hotel brands, of two international hotel organisations. Each of the organisations operates a family of lodging brands. The two organisations are similar, as both of them own hotel chains managed across different locations of the globe and provide similar BFF services. Based on the multiple holistic case type, the territory of the case is bound to the relationship between franchisors and franchisees in the two franchise networks, under the hotel brand operated by each of the organisations in Nigeria.

The third stage corroborated the study in one global hotel group, which operates a portfolio of brands across the globe. The case is a single holistic case type, bound to the relationship between the franchisor and franchisees in the franchise network under the brand operated by the organisation in Nigeria.

Fig 3.1 illustrates the type of research design used for the study. The next section discusses the identification of study samples and recruitment of participant organisations.

Figure 3.1 Case Study Research Design used in the Study



3.4.1 Sample Identification and Recruitment of Participant Organisations.

The purpose of identifying potential study components is to verify the extent of the existence of the phenomena of study within the stipulated geographical location (Creswell, 2013). The researcher therefore, sought to identify international BFFs operating within the geographical context of the study, through exploratory research. Exploratory desk top research was used to access secondary data from a wide range of sources namely, company websites, articles and publications in online trade magazines and online analyst reports. These secondary data sources enabled the researcher to identify the potential study samples. Secondary data is described as data that exists for purposes other than the research at hand and as such, any source of data existentially preceding the initiation of a research study becomes a secondary data source to that study (Calantone and Vickery, 2010). Saunders et al., (2012) recognise that, for over a decade, there has been an expansion of the number of sources of potential secondary data which can be easily accessed due to the growth of the internet.

BFF in emerging markets like Nigeria is at an infant stage, and majority of the potential international franchise networks are in the hospitality sector (Agu, 2013). In the first stage of the study, a purposive sampling criterion was used to identify three major international fast-food franchise organisations based on the information given about their successful operation on various websites. Various websites corroboratively indicated that the operation of the three fast-food franchise organisations within Nigeria was exclusively based on BFF agreements. The three organisations were approached to participate in the study. Only one of the three international fast-food franchise organisations agreed to participate in the study. Doherty et al., (2014) note that qualitative research is particularly challenging, mainly with regard to company access. The fast-food organisation that accepted to participate in the study was used for the first stage of the study.

Similarly, for the second and third stage of the study which was carried out in the hotel sector, a purposive sampling criterion was applied, based on the number of franchise outlets (within each of the three hotel franchise) and the number of available participants. The researcher identified ten international hotel organisations operating within the country. Information obtained from various companies' websites and online trade magazines only indicated that the international hotels employed a range of business models (full ownership, management contract, BFF and leases), but did not identify which individual hotels were run under BFF. The researcher contacted two key professionals in the Nigerian hotel sector, identified earlier through online trade magazines and analyst reports. These professionals helped the researcher to identify three of the ten international hotels, which operated a BFF and to connect with gatekeepers who enabled access to the hotel organisations. Based on the availability of key-informants, two of the three hotel organisations were used for the second stage of the study, while one was used for the third stage. The purpose of each research stage and the data collection techniques adopted for the stages are discussed below.

3.4.2 Exploring relational Control in Business Format Franchise Networks in Stages

a) Rationale for the stages of Investigation

The first stage of the study sought to explore the development of relational control in an international fast-food franchise network and identify key issues in the franchisor/franchisee relationship development. The first stage also served to develop, assess and refine the planned interviews and procedures to be used in the subsequent stages (Yin, 2014). According to Yin, (2014) the selection of a single case is critical to the researcher's theoretical propositions, which specify a clear set of circumstances within which the propositions are valid. The author maintains that a single case study is relevant for determining whether the propositions are correct or require more relevant sets of alternative explanations. Perry, (1998) maintains that an initial study is an integral part of developing an interview protocol and could be helpful in the development of initial theories as a first step in the process of building theory for a case study research. The case deployed a single holistic unit of analysis involving the relationship between the franchisor and the franchisees. Given the involvement of two contractual parties in a franchise agreement, i.e. franchisor and franchisee, it is significant to investigate both perspectives within a case for a better evaluation of the phenomenon being studied (Brookes and Altinay, 2017).

After exploring relational control in the fast-food sector in stage one, the researcher chose to explore the phenomena further in the hotel sector. The purpose of exploring the study further in a hotel franchise - a variant sector of the hospitality industry, was to seek possible deviations from the outcome of stage one, due to differences in service offering. A multiple holistic case design was used within two international hotel franchises. Eisenhardt and Graebner, (2007) maintain that multiple cases facilitate a broader exploration of RQs and theoretical elaboration. The authors however, advise that although multiple cases are likely to result in better theory, theoretical sampling is more complicated, making it expedient to choose between multiple and single case strategy more on the basis of the contribution to theory development within the set of cases and less on the basis of the uniqueness of a given case. Yin, (2014) observes that multiple cases essentially contribute to theoretical purposes such as replication, extension of theory, contrary replication, and elimination of alternative explanations. The researcher utilised information from six key-informants (two key-informants from the franchisor-organisations, and four key-informants from the franchisee-organisations).

The third and final stage of the research explored the development of relational control in-depth and similar to the first stage, the study was based on a single case study strategy of one international hotel organisation. The third stage built on the findings of the second stage to undertake a confirmatory investigation of patterns of control (Yin, 2014) in the hotel franchise. It also reinforced the similarities and differences between control practices in the cases in stage one and two. This process helped to determine and increase the extent of generalisability (Easton, (2010). The criterion for choosing the organisation for the third stage was the bigger size of its franchise network and the availability of a greater number of participants compared to the earlier stages. Considering the profile[11] of the organisation, the researcher believes it is feasible for either refuting or confirming the findings of stage two as well as the propositions of this research.

b) Data Collection

Data collection in the three stages of the study included both primary and secondary data. Although primary researchers have privileged knowledge of primary data, both primary and secondary data corroborate to construct data in the validation of some empirically grounded arguments and knowledge claims (Irwin and Winterton, 2012). Corroborating primary data with secondary data facilitates triangulation, modification or contradiction of the findings (Blaxter et al., 2001).

Two types of secondary data collection techniques, namely document review and archival analyses were employed by the researcher. The secondary data helped the researcher to gain insight into the historical growth and expansion strategies of the organisations in Nigeria. Prior to the interviews collection at each stage, the researcher was able to build the background of the cases by using data from journals, information from company websites, articles and publications in online trade magazines and online analyst reports. During the interviews, company documents such as company newsletters, franchise brochures, brand and operating standards were requested. These documents provided details of the processes involved in franchise relationships and also corroborated responses from key-informants. Bowen, (2009) recognises document review as a low-cost method of obtaining empirical data and as a part of an unobtrusive and

[11] The profile of the hotel organisation studied in stage three is presented in the findings chapter.

nonreactive process. Watkins, (2012) asserts that systematic document reviews can efficiently provide insight on contextual information of a study group. Patton, (2001) adds that it furnishes the researcher with ideas on questions to follow later in interviews and observations. Secondary data collection is recognised as a means of supplementing research interviews and helps an investigator to form an initial mental picture of the phenomenon under study (Pan and Tan, 2011). It is a powerful tool for generating an extensive database necessary for contextualising the historical background, plotting of a research setting and triangulating data - elements which enhance the interpretation of data (Klein and Myers, 1999).

The researcher also considered archival analysis as appropriate for the study and made use of franchise brochures and newsletters from organisations under study to complement and corroborate primary data. Simnett and Huggins, (2015) maintain that archival research is now becoming possible with the cost and benefits of concise, user-oriented information provided by organisations. Researchers particularly attest to the suitability of document review and archival analysis for case study research (Gibbert and Ruigrok, 2010; Baxter and Jack 2008; Bennett and Elman, 2007).

Primary data collection technique:

Primary data refers to information collected specifically for a particular research, such that the researcher generates data specific to the problem being studied (Saunders et al., 2012). Interview is recognised as one of the most important sources of primary data in qualitative research (Myers and Newman, 2007; Easterby-Smith et al., 2003) and the primary mode of data collection for case study research (Bhattacherjee, 2012). Qualitative interviews have been extensively employed in social sciences (Kvale, 2008) and in organisational case studies (Qu and Dumay, 2011). This is most likely based on their ability to generate insights on how individuals and groups perceive their world (Clark et al., 1998). Through interviews, a researcher is able to access participants' views and interpretations of actions and events that occur within their world (Walsham, 1995). These considerations therefore, inform the researcher's choice of interviews as a data collection method to access the meanings franchisors and franchisees attach to their experiences.

Some of the advantages of interviews include its open-ended nature, which allows immediate follow-up for clarification (Yin, 2014); ability to foster face-to-face interaction; promote flexibility; provide contextual information and fitness for illustration of complex interaction (Gill, et al., 2008; Marshall and Rossman, 1999). In addition, face-to-face interviews enable a researcher to take advantage of respondent's communication via non-verbal cues which can change the tenor of conversations and meaning (Oliver, et al., 2005). These signals can set the tone of a conversation and offer insight into respondents' emotions and attitudes (Schegloff, 1997).

Interviews techniques are however, not without some limitations which a researcher must guard against. It is possible for bias to occur in interviews due to innate flexibility (Wisker, 2001). Hammersley and Gomm, (1997) identify sources of bias during interviews, which may lead to invalid and erroneous results. The authors emphasise that the sources of bias, which include researcher effects, reactivity, context effects and observer effects represent problems which a researcher must overcome by taking proper methodological precautions. However, Speer, (2002) argues that the bias in interviews is unavoidable and could be theoretically interesting. The author warns that attempts to control bias may not only be futile, but may stifle the very features of interaction that are theoretically interesting. To address the problem of bias, Speer (2002) advises the researcher to actively participate in interviews by arguing with participants, questioning their assumptions and creating an enabling environment for participants to feel free to prompt researchers to explain their questions and offer opinions. This strategy blurs the traditional distinction between the researcher as an active questioner and the participant as a comparatively passive respondent (Speer, 2002).

The researcher applied active participation in interviews as recommended above, through the use of semi-structured interviews. Wilson, (2016) defines semi-structured interviews as interviews conducted on the basis of a set of guiding questions which allow an interviewer the flexibility to engage in spontaneous investigations. The guiding questions keep the researcher on track, but interesting topics can be followed in course of the interview without having to stick to a structured set of questions (Wilson, 2016). Barriball and While, (1994) maintain that semi-structured interviews are well suited for the exploration of perceptions and opinions of respondents concerning complex issues and allow probing for more information and clarification of answers. The researcher therefore, used semi-structured interviews to collect primary data.

Interviews are also time consuming, costly and physically demanding because of the need to travel (Bewley, 2002). Another challenge is the difficulty of knowing how honest respondents are with themselves and with the interviewer, since they may have personal or group incentives for concealing the truth (Bewley, 2002). This challenge could be overcome by ensuring the validity of data collected through the techniques outlined in Table 3.2 above. Conflicting interpretations can be corroborated by additional data sources such as trade magazines, company newsletters and brochures, to objectively mediate between the conflicting reports (Pan and Tan, 2011).

The researcher made use of key-informant interviews to gain a holistic outlook of the phenomena under study (Marshall and Rossman, 1999). Key-informants according to Ayala and Elder, (2011) are individuals who, due to their professional training, affiliation with particular organisations or status within a target population, are disposed to provide the needed information and insights on a particular subject. The use of key-informants is common in organisational studies, due to its economic advantage as a means of gaining access to "global" data on organisations (Bryman and Burgess, 1994:49). In addition, Homburg, et al., (2012) suggest that key-informants provide consistent information on constructs related to phenomena internal to their organisation more easily. Key-informants are therefore, in the best position to offer deep insights on the relational perspectives of business agreements between franchisors and franchisees. The researcher ensured that the data generated in the three stages of the study reasonably provided the longitudinal perspectives considered essential in franchise relationship studies (Alon et al., 2015; Dant et al., 2013). In all the stages of the study, key-informants who have been involved in the relationship for five years or more participated in the study.

In stage one of the study, only four interviews were conducted. This number may seem limited however, Morse (2015) advises that when commencing qualitative data collection, the researcher may use quota sampling: interviewing a certain number of people with particular positions of interest. The author maintains that once the researcher's analysis of the interviews begins to provide some understanding and categories or themes begin to develop, the sampling strategy may change. Moreover, the researcher took care to triangulate the data. This strategy generated a number of initial findings, which guided and refined the investigation in the second stage. Six interviews were conducted in two hotel organisations in the second stage of the study. Yin (2014) maintains that, even two cases have the possibility of direct replication and could generate independent analytical conclusions. In the third stage, thirteen interviews were conducted within one organisation. Saunders et al., (2012) recommend that a range of 4 to 12 informants is likely to be sufficient when chosen from a population considered homogenous.

Research Instrument Design

A robust research instrument can be developed in qualitative research by generating strategies appropriate to the substantive character of research (Katz, 2015). Semi-structured interview was designed by the researcher to tap into the lived experience of participants (Madill and Gough, 2008). Craig and Douglas, (2001) highlight the need to think creatively in designing instruments that are easily understood and interpreted by participants without any ambiguity. The instrument for this research was created using questions with sufficient scope for interviewees to discuss their experiences and express their opinions (Rowley, 2012). Drawing on relevant theories and previous research from the literature, a framework for the interview questions was developed. The interview questions were outlined in sections. Each section contained well-chosen and well-phrased questions and sub-questions, delivered in a set order and adapted to enable the informants talk around relevant topics. The interview questions were concise, non-leading and also encouraged further probing and evaluative comments (Rowley, 2012). A copy of the interview questions is provided in appendix B.

Testing the Research Instrument

According to Wikman, (2006) communication is fundamental to ensuring reliability and validity. A pre-test of the research instrument was carried out to ensure that the instrument communicated to participants what the researcher originally intended to communicate. The pre-test was carried out with an American fast-food restaurant franchise in the UK. The organisation is a global fast-food franchise with headquarters in the US and has franchisees in over a hundred countries, including emerging markets, thus providing some similarity with the geographical distance in the study cases. There were also legal differences with regard to food laws between US and UK, which made the organisational suitable for testing the research instrument. An interview lasting about an hour was conducted with a key-informant from the franchisee-organisation and was audio recorded and transcribed. Following the interview, a study summary was written up. The interview indicated the ability of the data collection method and the research instrument to generate usable data for gaining adequate understanding on how relational control develops. While confirming the suitability of the instrument, the summary revealed only a need for minor amendments of certain terminologies in the instrument for easier comprehension by participants. For example, the researcher identified the need to change and simplify the term ‘mechanisms of control’ to ‘methods of control’.

Triangulation of Evidence

As discussed earlier the essence of triangulation in case study research is to establish construct validity by examining the same phenomenon using different data sources. Casey and Murphy, (2009) highlight that establishing triangulation implies ensuring data confirmation and completeness. The authors describe data confirmation as the process of comparing data from different sources to explore the extent to which findings can be verified. Data completeness involves the gathering of different perspectives of a phenomenon from a variety of sources for the purpose of presenting, as much as possible, a complete picture of the phenomenon under study (Casey and Murphy, 2009). Yin, (2014) maintains that the major strength of case study research design is the opportunity it affords for using different sources of evidence through triangulation, to corroborate, enhance and elucidate data.

To facilitate data triangulation, the secondary sources of data outlined earlier were used to triangulate evidence from the primary data. For example, in stage one of the study, the franchise brochure, helped to provide supplementary insight into the control mechanisms used. It indicated how the franchisor supported franchisees through excellent site selection strategy, advanced training programmes and strong marketing support initiatives. Another example in stage two and three is the use of company newsletters, which revealed some informal mechanisms through which franchisors supported franchisees. Table 3.3 outlines the classification of data used for triangulation.

Table 3.3 Classification of Data Used for Triangulation

Primary Data	**Secondary Data**	
	Internal Source	**External Source**
Semi-structured interviews	Company newsletter Company website Franchise Brochure	Academic Journals Press release Trade articles

Access Negotiation and Ethical Concerns

To facilitate access, letters in which the project was summarised were sent out to gatekeepers of identified franchise organisations. The letters were designed to stimulate interest in the study and to address sensitive ethical issues. Emphasis was laid on both the purpose and potential benefits of the research to participating organisations and individuals. The commitment required from participants was also clarified in the letter, to aid their decision to participate. To reassure organisations and their participants, the letter highlighted the credibility of the researcher, to boost the perceived value of the research. The letter was dispatched to potential samples identified through secondary data sources indicated above. Two of the three international fast-food franchises approached for access to participants declined. Various levels of difficulties with gaining access to organisations for research purpose especially when it involves a qualitative inquiry into sensitive issues is well recognised (Easterby-Smith et al., 2003; Johl and

Renganathan, 2010). Drawing on their experience with gaining access to organisations, Okumus et al., (2007) suggest taking a flexible approach, even after a researcher has invested time planning their strategies and designs. The authors' recommendation is based on the fact that many questions as to what data to collect, where to find it, and which collection methods to use, remain vague at the design stage and are clarified once one steps into the research setting. The researcher therefore carried out the investigation for the first stage of the study in the international fast-food franchise that granted access.

In line with the requirement of the Oxford Brookes University research ethics, a participant information sheet containing information similar to the content of the letter referred to above was provided for key-informants ahead of time before the interviews (see appendix A). In some cases, informants requested further information on the nature of the research interview and the researcher sent a document highlighting the themes for discussion. The participant information sheet was helpful in addressing ethical concerns inherent in the study. A common strategy used by researchers is to gain informed consent by highlighting what will be involved in a research and the rights and responsibilities of participants and the researcher (Hammersley and Traianou, 2012). Both the letter written to gatekeepers of franchise organisations and the participant information sheet, carefully addressed ethical concerns and the rights and responsibilities of potential participants. Particularly, the pertinent issue of respecting the autonomy and ensuring anonymity of participants (Hammersley and Traianou, 2012) was clarified. The documents requested the voluntary participation of the organisations and individuals within them and declared that their identities will be kept confidential.

Access to three hotel organisations used for the second and third stage of the study was negotiated through two gatekeepers previously identified. In all three stages of the research, participation was negotiated with potential key-informants, identified after gaining access to the case study organisations. Participant information sheets were dispatched to key participants following the ethical protocol highlighted above. In order to take care of ethical concerns, all the documents collected, audio recordings and their transcripts, were securely stored in the university database.

Conducting the Interviews

A total of twenty three interviews was conducted in the three stages. Each interview conducted in English language lasted for an average of one hour. Doody and Noonan, (2013) maintain that the site of the interview critically influences data collection and recommend that interviews should be conducted at a time and place of participants' convenience, in a comfortable, quiet and safe setting. Seventeen participants (one franchisor-informant and sixteen franchisee-informants) accepted to be interviewed in their offices in Nigeria, which was also suitable for them to discuss freely with the researcher. One franchisor-informant, who happened to be in Nigeria during the interviews, arranged to be interviewed in one of the offices of the franchisee. Four participants (two franchisor-informants and two franchisee-informants) were interviewed by telephone due to distance and cost-related convenience. Some qualitative researcher's in the past viewed telephone interviewing as a less effective method (e.g. Trochim and Donnelly, 2007; Shuy, 2002). It has been demonstrated however, that telephone interviews can be used productively in qualitative research to collect rich and more honest data, as people have become acquainted with virtual communication and its benefits to both the participant and the researcher (Sturges and Hanrahan, 2004; Trier-Bieniek, 2012). Holt (2010) suggests that the lack of non-verbal cues during telephone interviews require that everything has to be articulated by both the participant(s) and the researcher, and implies that a much richer text may be produced. Telephone interviews increase respondent's perception of anonymity (Greenfield et al., 2000) and allow for flexibility during interviews (Redlich-Amirav and Higginbottom, 2014).

The interviews were audio recorded and transcribed for accuracy. Subsequently, each informant was given the completed transcripts for validation, but none of them were keen to be involved in the validation process. The participants were too busy and unwilling to commit more time to check for accuracy. The researcher however, ensured accuracy of the transcripts by double checking the audio record of interviews against the transcripts and in addition, primary data was triangulated with available secondary data from the organisations. Table 3.4 presents a summary of the interviews conducted in the three stages of the study, including the posts held by the key-informants and key attributes of participating organisations.

Wide differences in the length of interviews was because some informants had more stories to tell from their experiences and because of individual differences in their manners of expression.

Table 3. 4 Research Interviews in Stages One to Three

Key Attribute of Franchise Network	Key-Informants/ Assigned codes		Years Informants have been Involved	Duration of Interviews (Minutes)
Stage 1 (FF)				
An international fast-food franchise with over fifty outlets in West Africa. About eighteen per cent of its outlets are run by franchisees.	**Franchisor (FF)**			
	Chief Operational Officer.	FFa1	**7**	**50**
	Head, Marketing and Public Relations.	FFa2	4	45
	Franchisee (ff)			
	Franchisee (owner).	ffb	9	69
	Franchisee (owner).	ffc	7	75
Stage 2 (HA and HB)				
HA is a global hotel franchise from the US and part of a family of lodging brands. The Franchisee to HA owns and manages a midscale hotel.	**Franchisor (HA)**			
	Vice President in charge of Africa.	HAa	7	50
	Franchisee (hab)			
	Owner/Chief Executive.	hab1	14	84
	General Manager.	hab2	3	85
	Finance Manager.	hab3	2	43
	Franchisor (HB)			
HB is a leading international hotel group also from the US and the franchised brand is part of a family of lodging brands. The franchisee owns a midscale hotel.	Financial Controller (franchisor) from the franchisor's regional office in Nigeria.	HBa	5	35
	Franchisee (hbb)			
	Financial Controller.	Hbb1	2	44

Stage 3 HC				
A leading global hotel brand in the US. Its franchisees in Nigeria own and manage hotels including upscale, upper midscale and midscale hotels.	**Franchisor (HC)**			
	International Development Director.	HCa1	5	50
	International Revenue and Systems Manager.	HCa2	4	37
	Franchisee (hcb)			
	General Manager.	hcb1	5	72
	Financial Controller.	hcb2	6	67
	Franchisee (hcc)			
	General Manager.	hcc1	2	79
	Financial Controller.	hcc2	3	85
	Franchisee (hcd)			
	General Manager.	hcd1	4	72
	Franchisee (hce)			
	Maintenance Manager.	hce1	4	51
	Housekeeping Manager.	hce2	4	64
	Marketing Manager.	hce3	3	40
	Financial Controller.	hce4	2	55
	Franchisee (hcf)			
	General Manager.	hcf1	4	84
	Franchisee (hcg)			
	Owner Representative (Appointed by the owner to oversee the property on his behalf).	hcg1	2	90
	Total no. of Interviews	**23**		

3.5 Data Analysis

3.5.1 Data Analysis Approach

Qualitative data analysis is the conceptual interpretation of the entire data through specific analytic strategies which transform raw data into a logical description and explanation of the phenomenon under study (Altinay et al., 2016). It involves structuring and making meaning from a mass of disarrayed information derived from interviews, documents or observations (Miles and Huberman, 1994) such that patterns grounded in the data are highlighted comprehensibly (Altinay et al., 2016). Averill, (2014) advises that the task of analysing qualitative data demands a responsive, inductive, transparent and yet systematic approach, that warrants a researcher's best balance of good science, rigour, and openness to unanticipated findings.

Liamputtong, (2009) recommends commencing data analysis from the beginning of the research as the researcher immerse himself in the fieldwork and then, through reading and rereading, make sense of the generated data. The author maintains, that by commencing data analysis early, a researcher could move back and forth between the collected data and his strategies for collecting new and often better data. Many qualitative researchers also advise blending the process of data collection and analysis together from the beginning (Gibbs, 2007; Schiellerup, 2008) particularly in case study research (Baxter and Jack, 2008).

The approach adopted in analysing data is critical to ensuring a credible qualitative study (Saunders et al., 2012). The literature abounds with diverse approaches to analysing data (Saunders et al., 2012; Mile and Huberman, 1994) and each of them differs in terms of their epistemological assumptions (Lyons and Coyle, 2016). Based on considerations of proficiency, this research used the thematic analysis approach (TAA) – a technique that identifies and interprets patterns of meaning (themes) in qualitative data (Lyons and Coyle, 2016). TAA stands out among qualitative analytic approaches due its advantages highlighted below:

- Flexible application within any of the major ontological, epistemological and theoretical frameworks underpinning qualitative research.

- Applicability to answering most types of RQs in qualitative research.
- Ability to capture surface (semantic meanings) in data and so maintain closeness to a participant's perspective (Lyons and Coyle, 2016:87-89).

The researcher engaged in a continuous and iterative process of refining the research and examining emergent themes. This process involved familiarisation with the data, by repeatedly listening to audio records of interviews, reading and rereading transcripts, for the purpose of developing an overview of the main ideas in the data and relating them to the aim and objectives of the study (Dillaway et al., 2017). Bazeley, (2009) agrees that the starting point in reporting findings from a study is to identify the themes, but he advises on using the data and the ideas generated from the data to build an argument that strengthens the points one wish to make. The author therefore, recommends reading and interpreting the data as an effective way of contributing to meaningful analysis. Getting familiar with the data enabled the researcher to see the patterns emerging and enhanced an effective interpretation of data. Saldana, (2016) advises that careful reading and reviewing of data before and during coding enable themes to be identified. Ritchie et al., (2003) liken the process of familiarisation with data to building the foundation of the structure and advise that an ill-conceived or incomplete foundation could jeopardise the validity of the structure. Subsequent to reading the primary data, secondary data were reviewed to identify replications of key concepts, a process recommended to aid the triangulation of primary and secondary data (Jonsen and Jehn, 2009).

Yin, (2014) maintains that the best preparation for conducting case study analysis is to have a general analytic strategy that links the data to some concepts of interest. One of the strategies recommended by the author is to follow theoretical propositions if the initial objectives and design of the case study were based on the theoretical propositions. The theoretical propositions may be used to devise a framework that guides the data analysis (Baxter and Jack, 2008). The researcher adopted this strategy in the data analysis process and generated a theoretical framework that helped in identifying major themes and issues.

Key steps most qualitative data analysis approaches have in common include data reduction (data coding), data display, and verification (conclusion drawing) (Graue, 2015; Miles and Huberman, 1994). These interrelated thematic analysis approaches, used by the researcher to ensure systematic rigour are described below.

3.5.2 Computer-Assisted Data Coding

Data reduction or coding is defined by Miles and Huberman, (1994) as the process of selecting, focussing and simplifying data in a way that enables themes and conclusions to be eventually drawn from it. Data reduction transforms data into a more comprehensive and dense state without losing the content (Gummesson, 2014). This approach involves an initial process of coding and clustering pieces of ideas and narrations that depict the investigated topic within and across transcripts and also searching for commonalities and differences within them (Lyons and Coyle, 2016).

The interview transcripts and secondary data were fed into NVivo 10, a computer assisted qualitative data analysis software (CAQDAS). CAQDAS programmes have become established tools for supporting a wide range of qualitative research in diverse disciplines (Lee and Esterhuizen, 2000). CAQDAS in particular, has proved supportive to techniques in qualitative methodologies such as thematic coding processes (Wickham and Woods, 2005). They are useful as an initial step to identifying relevant data from within larger sets, due to their ability to sort through large amounts of text (Wiedemann, 2013). CAQDAS facilitates the recording of source details of coded data, thus making it easier to detail the steps in the development of the researcher's interpretation and analysis (Wickham and Woods, 2005). MacLaren and Catterall, (2002) maintain that this attribute enables the reader to retrace the logical steps of the interpretation, analysis and the basis for the researcher's conclusion. Woods et al., (2016) advise that using CAQDAS programmes requires researchers to adapt their research and analytical practices to ways of working that are facilitated by the software. The NVivo software facilitated initial coding of data by the researcher.

Within the NVivo software, text chunks perceived by the researcher as belonging to the same idea or theory were kept together under one code and stored as nodes. Nodes in Nvivo represent descriptive codes identified by the researcher, which summarise the characterisation of issues they address (Pandey and Chawla, 2016). Multiple sources of information assigned to a node were identified as child nodes. The child nodes were grouped into broad categories, which were identified as parent nodes based on emergent themes (See Figure 3.2 and 3.3 for screenshots of a coded transcript and a node tree respectively). The node tree is a hierarchical presentation of the parent and child nodes. The codes provided a clearer understanding of issues and reduced the mass of data to allow for easy comparison and patterning (Guest and McLellan, 2003). The researcher also created NVivo memos of her first impression, thoughts and initial analysis, based on the separated texts; a process that enhanced the development of the initial coding scheme. The coding process informed the analytic processes of pattern detection, comparison of categorised data, attribution of meaning to individual datum, assertion and theory building (Saldana, 2016).

The descriptive codes were subsequently reduced and refined. This process known as axial coding involves the examination of each theme, with a view to discover linkages, relationships, new patterns and redundancy (Lyons and Coyle, 2016). Following Altinay et al., (2014b) the researcher used axial coding to categorise the descriptive codes (first order concepts) into broader second order themes. The second order themes were then grouped into a series of aggregate dimensions, referring to the original data to check the researcher's interpretations. Table 3.5 shows an example of the analytical coding process.

Figure 3.2 Coded Transcript

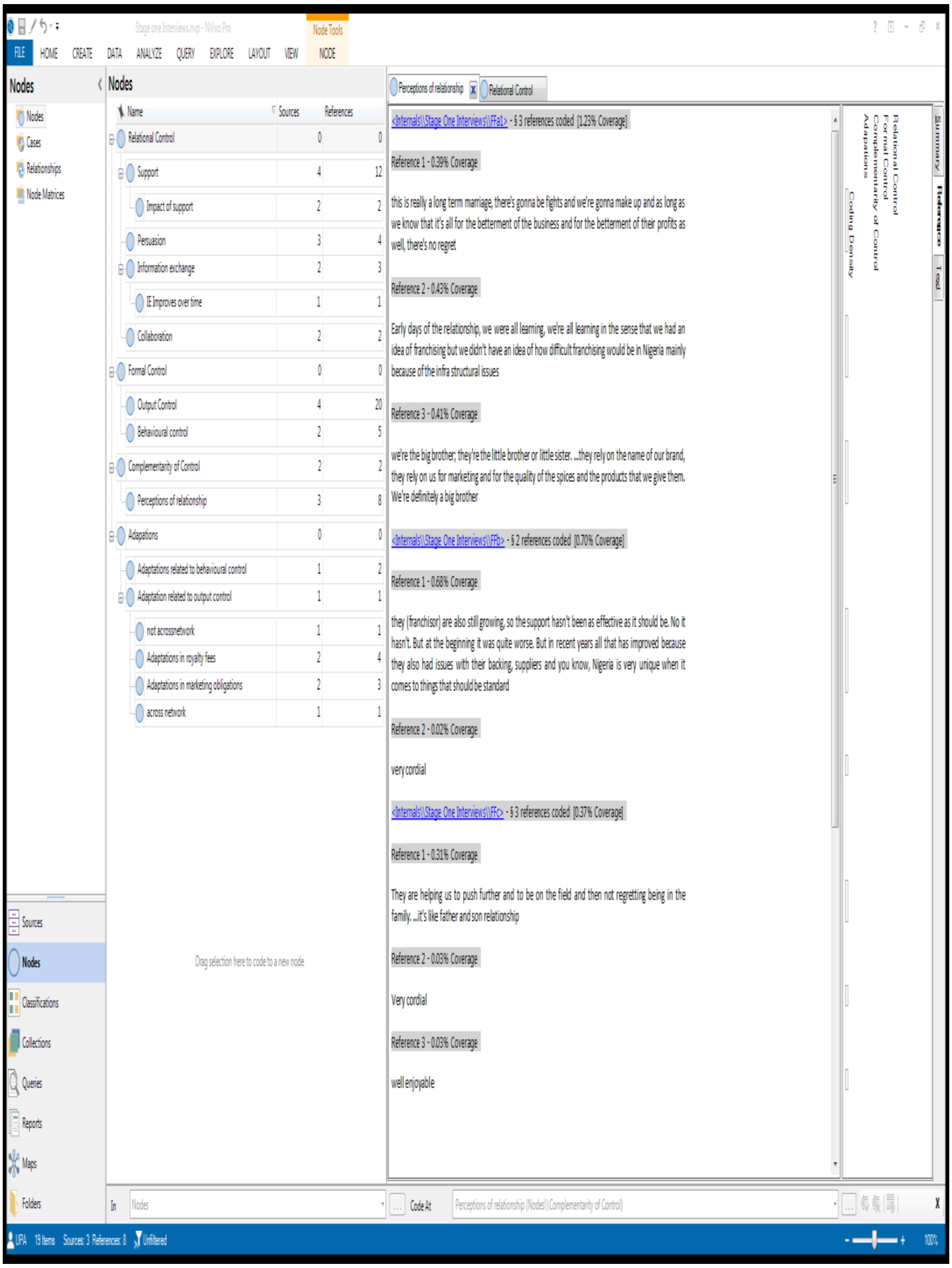
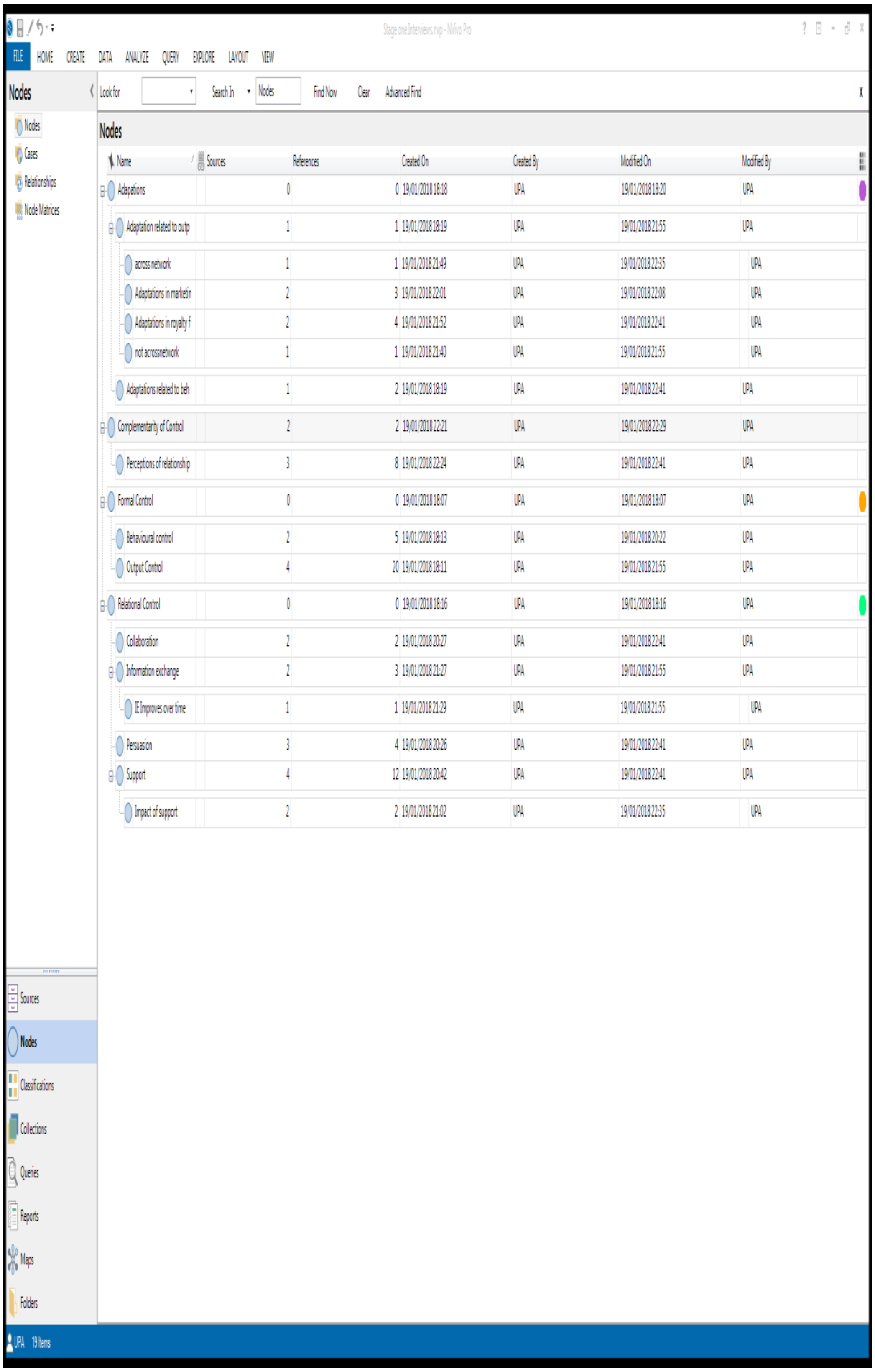


Figure 3.3 Node Tree



Name	Sources	References	Created On	Created By	Modified On	Modified By
Adapations	0	0	19/01/2018 18:18	UPA	19/01/2018 18:20	UPA
Adaptation related to outp	1	1	19/01/2018 18:19	UPA	19/01/2018 21:55	UPA
across network	1	1	19/01/2018 21:49	UPA	19/01/2018 22:35	UPA
Adaptations in marketin	2	3	19/01/2018 22:01	UPA	19/01/2018 22:08	UPA
Adaptations in royalty f	2	4	19/01/2018 21:52	UPA	19/01/2018 22:41	UPA
not acrossnetwork	1	1	19/01/2018 21:40	UPA	19/01/2018 21:55	UPA
Adaptations related to beh	1	2	19/01/2018 18:19	UPA	19/01/2018 22:41	UPA
Complementarity of Control	2	2	19/01/2018 22:21	UPA	19/01/2018 22:29	UPA
Perceptions of relationship	3	8	19/01/2018 22:24	UPA	19/01/2018 22:41	UPA
Formal Control	0	0	19/01/2018 18:07	UPA	19/01/2018 18:07	UPA
Behavioural control	2	5	19/01/2018 18:13	UPA	19/01/2018 20:22	UPA
Output Control	4	20	19/01/2018 18:11	UPA	19/01/2018 21:55	UPA
Relational Control	0	0	19/01/2018 18:16	UPA	19/01/2018 18:16	UPA
Collaboration	2	2	19/01/2018 20:27	UPA	19/01/2018 22:41	UPA
Information exchange	2	3	19/01/2018 21:27	UPA	19/01/2018 21:55	UPA
IE Improves over time	1	1	19/01/2018 21:29	UPA	19/01/2018 21:55	UPA
Persuasion	3	4	19/01/2018 20:26	UPA	19/01/2018 22:41	UPA
Support	4	12	19/01/2018 20:42	UPA	19/01/2018 22:41	UPA
Impact of support	2	2	19/01/2018 21:02	UPA	19/01/2018 22:35	UPA

Table 3.5 Example of the Analytical Coding Process

First stage: Descriptive Coding	Indicative Quotes	2nd Stage: Axial Coding	Rationale for Coding
Output control	Every store has the same operations manual, …So that manual has to be followed, that one is not negotiable because any store that is not following it, you'll see the difference" [ffb]. "…each of them (the products) has its own recipe, process control which must be followed to the letter"[ffc].	Maintain uniformity of output through standardised operations.	Reflects franchisor' goal of maintaining uniform in output across the stores.
	"…we get monthly mystery shopper for every single shop; company-owned and franchise" [FFa2]. "…we have a customer service line through which customers can reach us (the franchisor) and through social media as well - Twitter, Facebook. So we get reports from franchised stores" [FFa1].	Maintain uniformity of output indirectly through customers and mystery shoppers.	Reflects indirect output control.
Information Exchange	"We're available when they knock and we also can contact them easily, so it's interactive, it's two ways" [FFa2]. "If they (franchisor) have new development they send to us, if we're having a problem, we also send to them" [ffc].	Two-way information exchange.	Willingness of partners to exchange information.
	"…being humble enough to understand they are on ground, they talk to the customers on a daily basis. So they have an understanding of what the customers are asking for. So if we do not listen, we become very bad franchisors and we will not support them in the way and manner they expect" [FFa1]. "Because we're operating in diverse communities, it's very good to understand and get all their input (franchisees) [FFa2].	Franchisees' Knowledge.	Recognition of franchisees' knowledge motivates the franchisor's willingness to exchange information.

3.5.3 Data Display

Data display is the presentation of information in an organised, succinct and efficient manner that permits conclusion drawing (Verdinelli and Scagnoli, 2013; Miles and Huberman, 1984). It is considered an important stage of qualitative data analysis (Yin, 2015; Burke et al., 2005; Miles and Huberman, 1994). Burke et al., (2005) note that the display of relationships between multiple themes and ideas is the peculiar strength of data display. Matrix displays, whether drawn by hand or created through software, are extremely useful for detecting patterns in data (Bazeley, 2009). With the support of matrix display of coded data within the NVivo software, the researcher viewed data in a compressed form and assessed patterns and nature of association between themes, concepts and ideas (Figure 3.4 shows an example of a screenshot of matrix display of coded data). This process enabled the researcher to crosscheck the findings from different perspectives, check for negative cases or falsifying evidence that may counter theory and ensure both data and thematic exhaustion (Bowen, 2008). The process thus helped to establish greater reliability and validity of the findings (Miles and Huberman, 1994).

The ultimate goal of theory-generating research is to draw implications for theory using both within-case and cross-case analysis (Halinen and Tornroos, 2005; Eisenhardt, 1989b). Detailed analysis of each case in this study helped the researcher to generate insights about the unique patterns of each case, which facilitated the generalisation of patterns across cases (Eisenhardt, 1989b). Cross-case analysis allows case study researchers to characterise the set of contributing factors to the outcomes of a case and construct explanations regarding why one case vary from or conform to others; thus making sense of unique findings or further articulating concepts or theories constructed from a case (Khan and VanWynsberghe, 2008). Eisenhardt, (1989b) and Rowley, (2002) reiterate the need to guard against jumping to conclusions and Miles and Huberman, (1984) warn against the danger of allowing the lucidness and personality of respondents to wield unfair influence on case analysis. To overcome these pitfalls, the replication strategy advocated by Yin, (2014) was used by the researcher. Cross case comparisons were made, by examining each case in depth and matching patterns from the cases, with the aim of categorising similarities and differences. Conflicting evidence was probed further to identify the reason for conflict. For example, the evidence of inbuilt flexibilities which emerged in the second and third stages of the study (the hotel sector) was not found in the first stage (the fast-food). To establish the reason for this disparity, the researcher had to revisit the evidence in stage one again, both to confirm and probe the reason for the absence of inbuilt flexibilities. Table 3.6 presents an example of data display drawn with the support of Nvivo matrix.

Figure 3.4 Matrix Display of Coded Data in Nvivo

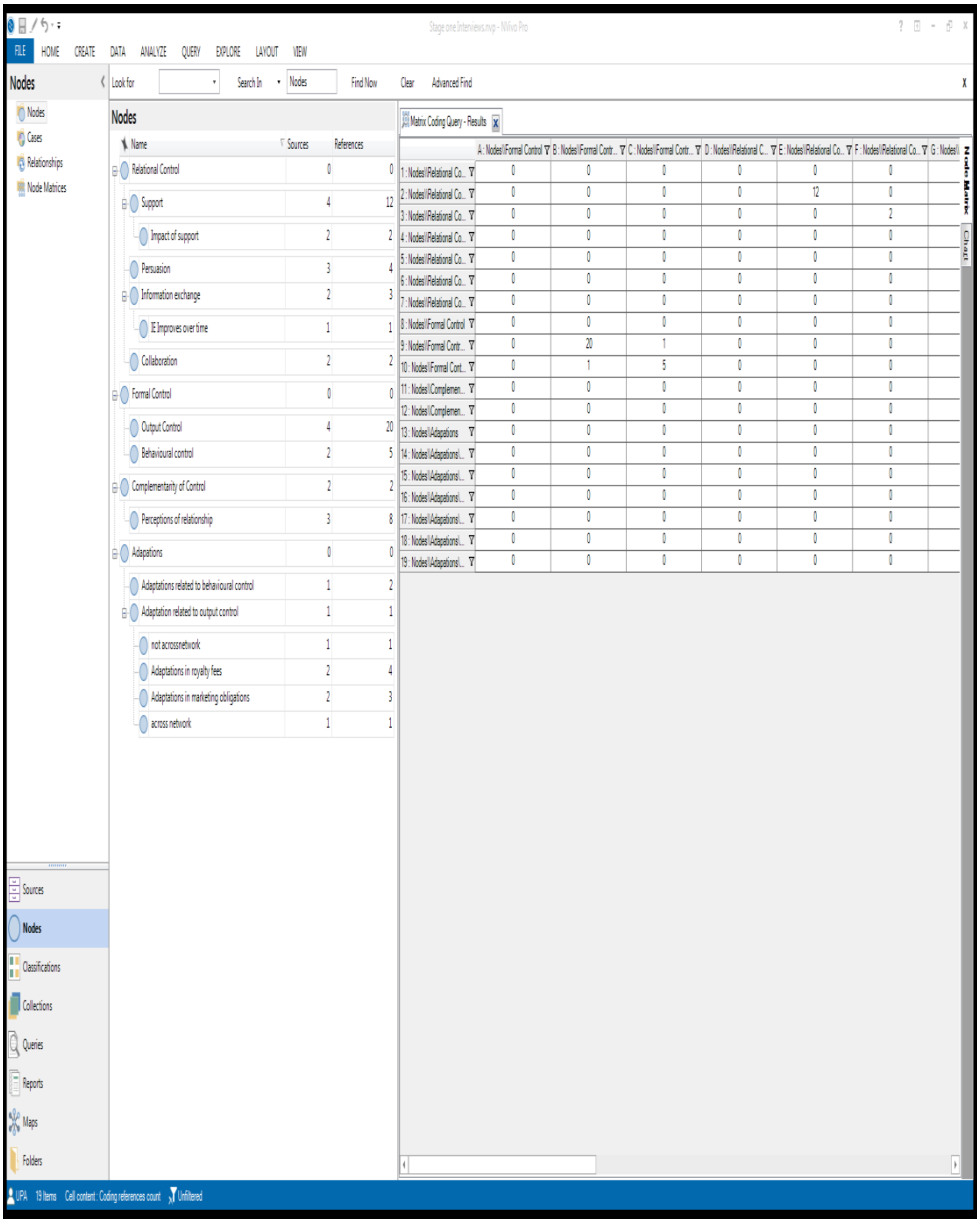


Table 3.6 Example of Data Display of Relational Norms in the three stages

Theme	Stage One (FF)	Stage two HA/HB	Stage three HC
Solidarity	Franchisors show solidarity when franchisees face adverse business conditions. Franchisees willingly strive to meet standards set by franchisors.		
Information exchange	Franchisors use information gathered from franchisees to monitor trends about customers and competitors. Partners share experiences and learning during council and conferences. However, there was a more active use of information technology in the hotel sector because of geographical distance.		
Flexibility	No inbuilt flexibility.	Inbuilt flexibility in the hotel sector.	
	Post-contract emergence of flexibility. Minimum standards are maintained to preserve brand image in franchisees' market, but in addition flexibilities are implemented to respond to the demands of franchisees' markets. But stage three used more inbuilt flexibilities than stage two and implemented very limited post-contract flexibility.		
Role Integrity (RI)	Franchisee perception of franchisor's RI impact on their satisfaction. Franchisor's RI, which improves over time is motivated by a desire for increased royalties.		
Mutuality	Perceptions of mutually supportive relationship influenced behaviour. Franchisors promote mutuality by demonstrating how the relationship creates value for both parties.		
Non-coercive power	Franchisors depend on persuasion and demonstration of skill and knowledge to influence franchisees, rather than on coercive power.		
Commitment	Commitment is strongly associated with relationship duration. Franchisors' normative commitment results in franchisees' normative commitment.		
Trust	Credibility and benevolent trust is significant, as it generates confidence and commitment in franchise partners. Franchisees' perceptions of monitoring activities generate feelings of trust and satisfaction, long term orientation and mutuality dimension of trust. Franchisees' perception of commitment strongly influences the development of trust.		

3.5.4 Conclusion Drawing

Conclusion drawing specifically addresses the issue of drawing and validating conclusions from data analysis (Miles and Huberman, 1984). It involves a rigorous task of presenting data and justifying the process through clear and interlinked evidence of how research outcomes from collected data were arrived at (Barratt et al., 2011). Conclusion drawing compares themes, concepts and relationships derived from the analysis with extant literature, in order to identify reasons for similarities and contradictions (Mehmetoglu and Altinay, 2006). Thus a well-recognised method of establishing validity and drawing conclusions, is linking evidence back to literature (Bluhm et al., 2011; Eisenhardt, 1989b; Mile and Huberman, 1994). To establish this link, researchers can compare constructs from the analysis, with those from extant literature that address the phenomenon being studied (Eisenhardt, 1989b; Miles and Huberman, 1994;

Yin, (2014). The ultimate aim is to identify similar patterns. However, dissimilarities are not discarded, rather the reason(s) for dissimilarities are explained after verifying the uniqueness of the situation (Barratt et al., 2011). The researcher corroborated findings from this study with extant literature related to control in franchise networks and sought to understand, verify and report the context of dissimilar constructs.

3.6 Chapter Summary

This chapter focused on detailing and justifying the method adopted for this study. An inductive and qualitative case study strategy was used to investigate the development of relational control in international franchise networks in emerging markets. The inductive strategy used, arguably provided a detailed account that answers the 'how' questions of the research study. The chapter also sought to explain progressively, the procedures followed during the data collection and analysis, as well as the research techniques adapted to increase validity. The next chapter presents the findings from the three stages of the study in line with the emerging themes.

CHAPTER FOUR

4. RESEARCH FINDINGS

4.1 Introduction

This chapter reports the findings from the three stages of this research, according to the emerging themes, from the analysed data. The chapter reports formal output and behavioural control mechanisms observed in the data. Relational control mechanisms and adaptations (in output and behavioural control) are also identified. In each of the stages, inter-organisational processes of control and how they lead to the evolution of relational control are identified and evaluated. The relationship between formal and relational control is also reported. The chapter begins by presenting the findings from the fast-food sector in stage one. Next the findings from stage two and three, both from within the hotel sector are presented. A summary of the three stages is presented at the end of the chapter.

4.2 Findings from Stage One

The purpose of the first stage is to explore control in an international franchise network within the fast-food sector. The case is an international fast-food organisation. Two franchisor-respondents interviewed are designated as FFa1 and FFa2. The franchisor-informants were purposively selected based, on their role in the relationship with franchisees and the number of years they have been involved. Other respondents are two franchisees designated as ffb and ffc respectively. The franchisee-informants were purposively selected because of their relatively long-term (refer to table 3.4) and successful operation with the franchisor. ffb who has been in the relationship for nine years, as at the time the interview was conducted, acquired a second restaurant two years after acquiring the first one and in his third year into the relationship with the franchisor. ffc has been in the relationship for over six years, at the time the interview was conducted. A brief background of the case organisation is presented below, followed by a presentation of the findings.

4.2.1 Background of Case Organisation

The organisation is a public limited company, has existed for more than ten years and is one of Nigeria's fastest growing fast-food brands. Documentary evidence from the organisation indicated employee strength of over 1600 and an average annual turnover of over 70 million US Dollars between 2009 and 2014. Recognising that the Nigerian fast-food restaurant industry, with its huge potential is extremely dynamic and fast-paced, the organisation pursues an aggressive expansion strategy through plural organisation form (a combined operation of company-owned and franchised outlets, Gillis et al., 2014) across West Africa. At the time (2014) of collecting data, the organisation had 57 outlets, across fifteen cities in the south and middle belt of Nigeria, ten of which are franchised. The other 47 outlets are company-owned outlets. However, a press release in 2016 portrays the organisation's franchise as 'a distinct example of a franchising arrangement in Nigeria that has benefitted from the franchisor's unique brand' and revealed that, 'four of the six outlets that the brand launched in 2015[12] were franchise stores' (Akingbolu, 2016:2). This ratio shows an upward trend in the adoption of the brand's franchise by entrepreneurs. It is a good indicator that franchising is a core aspect of the case study firm and can be studied to gain deep insights on the development of relational control in an emerging market. The next section discusses the types of formal control methods (output and behavioural) used by the franchisor.

4.2.2 Formal Output Control

This section discusses one of the formal control types: output control used by the franchisor, including brand standards, standardised products, centralised marketing, purchasing and formal sales reporting/audit. It also identifies the rationale and mechanisms used to achieve output control.

The data revealed that the franchisor maintained uniformity in the food dishes offered in all the outlets, through the use of standardised recipes. The use of 'recipe formula'[FFa1] ensured uniformity in the step-by-step process for the preparation of each food item; for example, cooking time, cooking temperature and serving temperature and portion control. Adherence to

[12] There were ten franchised stores when data was collected in 2014, the press information reveals an additional four in 2015.

uniform food preparation processes across the franchised units led to the uniformity of recipes. As the franchisee-informants put it:

> “It's a brand, you can't have people doing just anything they like or filling whatever they like on the menu. It has to be all exactly the same”[ffb]
>
> “…each of them (the products) has its own recipe, process control which must be followed to the letter”[ffc].

Brand standards were also controlled by the franchisor mainly through centralised shop fitting and branded packaging items, for the purpose of maintaining uniformity of image. A franchisor-informant confirmed centralised shop fitting as he said that they ‘maintain uniform design across our shops’ [FFa1] and another franchisor-informant talking about packaging said that:

> “Regarding the materials they (franchisees) work with, it is imperative that they get the signature items from us. The signature items are the packaging materials” [FFa2].

Apart from centralised shop fitting and packaging materials, brand collaterals were supplied by the franchisor to franchisees, towards maintaining uniformity of brand standards. The brand collaterals include stationeries, menu boards, takeaway menus, brand posters, table and till talkers (promotional prints on tables and tills), pull-up banners and branded staff and management uniforms. Evidence of the use of these items was identified in the organisation’s franchise brochure and website.

Training (pre-opening and post-opening) was a major mechanism used by the franchisor to teach franchisees and their staff and inculcate in them the habit of adhering strictly to the standardised recipes and menus. The pre-opening training addressed output control standards, including standardised recipes, portion control and brand standards. Documentary evidence revealed that pre-opening training lasted for two weeks and was paid for by franchisees, as it was built into the joining fees. Franchisees and their managers receive both operational and administrative/leadership training, while a supervisor focuses more on the area of operation relevant to his unit. For instance, an operations supervisor would focus on training about standardised recipes and portion control, food, kitchen and personal hygiene. Training is delivered by the franchisor’s operations team and is supervised by the franchisor’s human resources department who give appraisal reports to franchisees after the training. Part of the pre-opening training involved the franchisor sending the trainees to the company-owned stores to acquire some practical experience. Post-opening training was administered when new recipes were introduced by the franchisor and when new staff were hired in franchise stores. Franchisees do not pay any fees for post-opening training, rather they could choose to send one or two staff to the headquarter office of the franchisor to be trained for one week, in which case they only pay for the accommodation of the staff sent for training. Alternatively, franchisees may choose to invite the franchisor's operations department to do the training in their store, in which case they pay for the accommodation of the visiting members of the operations team. Franchisee-informants confirmed pre-opening and post-opening training on standardised recipes when they stated that:

> "Before you open a restaurant you have to go for training, you and all the staff. They do the theory training in their training school and then they put everybody to their stores where they train and learn how to do everything. So I actually took part in that training. …and anytime you hire a new staff you send them for training" [ffb].

> "…particularly for the managers and supervisors, we send them for training. And if they develop a new product and they want to introduce it, they will ask us to bring some people to come and train on the processes of that new product" [ffc]

The franchisor maintained quality assurance of the food products through an operation manual provided for franchisees and their staff. Copies of the operations manual, apart from being used in the training, were kept in each franchisee outlet so that franchisees and their staff could refer to them when necessary. Confirming the use of the operations manual as a reference book that facilitated adherence to recipe standards, a franchisee-informant reported that:

> "Every store has the same operations manual, it's like an instruction booklet for every single thing that is cooked, every single thing that is prepared. It talks about how to check everything, at what temperature you cook, what temperature you hold. So that manual has to be followed, that one is not negotiable because any store that is not following it, you'll see the difference" [ffb].

Quality control was maintained by monitoring and one of the mechanisms deployed in monitoring food quality was mystery shopping. A franchisor-informant reported that:

> "…we get monthly mystery shopper for every single shop; company-owned and franchise" [FFa2].

Other mechanisms employed by the franchisor to monitor franchisees adherence to the standardised recipes/menus was the use of a customer service telephone line and social media. Information obtained from customers through these media was used for monitoring purposes. Based on information from these media, the franchisor contacted franchisees to ensure that corrective measures were taken where necessary. One of the franchisor-informants reported:

> "…we have a customer service line through which customers can reach us (the franchisor) and through social media as well - Twitter, Facebook. So we get reports from franchised stores" [FFa1].

Evidence from the data revealed centralised decision making regarding marketing communication for the purpose of ensuring uniformity and consistency in the output of marketing communication materials which conveyed the franchisor image. The franchisor engaged in national marketing activities on behalf of franchisees, as part of his contractual obligation aimed at ensuring that the "franchisee is getting the volume of sales required" [FFa1]. The franchise brochure revealed that:

> "A marketing contribution of 3% of your monthly turnover is charged and paid into a joint marketing fund, which is dedicated strictly to funding national marketing campaigns and other brand building initiatives. This fund is not for local store marketing".

A franchisee-informant also confirmed that:

> "… royalty is 5% and then I pay 3% of sales as well for marketing" [ffb].

Sometimes franchisees desired to engage in local marketing communication to drive local store sales. Promotional materials were strictly controlled by the franchisor such that franchisees were not allowed to carry out such local marketing on their own, rather they were required to liaise with the franchisor's marketing department in the design of marketing materials. As one of the franchisor-informants put it:

> "…if they seek to improve the sales and they think they have the idea, then they discuss it with us, but we come up with the communication materials because we have a brand guideline" [FFa2].

A franchisee-informant also suggested centralised decision over local marketing communication when he reported that:

> "if there are any specific marketing need I have, then I have to pay a little extra for that and they will still help you with designing the fliers for free, they do stuffs like that but I will actually pay to print those extra fliers, because that particular marketing need is unique to me"[ffb].

The franchisor established centralised purchasing for franchisees over materials considered critical to maintaining consistency in the quality of the output. From the data, two materials considered necessary to be purchased centrally were the spices (for standardised recipes) and packaging materials identified earlier under the brand standard (for uniform image). There were other food materials apart from the spices which the franchisor allowed franchisees to buy from their choice of suppliers. One of the franchisor-informants reported that:

> "…they get all the signature items, the packaging as well as the spices, they buy it off us. And others that they might want to, but it is sacrosanct that the spices and the packaging come from us. Once they can get those basic ones, other materials they can source from their local environment" [FFa2].

The franchise brochure also corroborated information about centralised purchasing of only basic items by franchisees and further revealed that franchisees benefited from the central purchasing arrangement due to economies of scale. Through a statement in the franchise brochure, the franchisor revealed that:

> "Centralised purchasing of key ingredients enables us to share higher economies of scale which benefits our franchisees as well".

Financial control was maintained, as franchisees were obliged to render financial reports on daily and monthly basis. There were reporting standards set by the franchisor which franchisees had to comply with when writing the reports. The financial reports enabled the franchisor to monitor sales, ascertain royalties and seem to be the basis of financial audits that followed. A franchisor-informant revealed that the purpose of the regular reports from franchisees was to:

> "…get their sales information and basically just to find out if there's any issue that they need assistance with and also to do financial audits to make sure the money they claim they are making is intact" [FFa1].

Financial audits were regularly carried out by the franchisor. Franchisee-informants reported:

> "…we send report to them every month, they get our daily sales. Once they receive it, they decode it and then that's when they'll now help us to check what is happening. […] and every week the accountant always send mails out to us if we're delaying, so they enforce it" [ffc].

> "…we do a daily reporting, we report the sales daily, so every morning by 9am, we have to send a report, telling them what the sales of the day before was so that as we are recording it they are also doing the same"[ffb].

The data suggest the franchisor felt the need to audit self-reporting of sales rendered by franchisees. The reports and audits were not just the basis for rendering support to franchisees to grow their profitability, but seem also to be a mechanism used by the franchisor to guard against opportunistic tendencies such as under-reporting. There was an obligation regarding monthly royalty payments which were identified from the franchise brochure to be 'five per cent of turnover'. A franchisee-informant also confirmed royalty payment when he said:

> "…my turnover which is my sales, I pay a percentage of it, royalty is 5%"[ffb].

Another aspect of the royalty was that the franchisor stipulated a minimum amount which franchisees must pay as royalty in case situations arose during the contract term when franchisees either experience very low sales or for any reason shut down their stores. A franchisor-informant reported that:

> "…it's in our contract, just for a franchisee to not just close shop and say I'm going on holiday and think they will not have to pay royalties. There's a minimum amount of royalties they have to pay based on a square metre of their shops" [FFa1].

One of the franchisee-informants also confirmed the payment of minimum amount as royalty when he said:

> “There's a minimum of what your royalty should be, regardless of what your sale is” [ffb]

Royalties were paid monthly and there was a fixed time limit in each month when franchisees were expected to have paid up the royalty fee accruable to the previous month. A franchisor-informant talked about:

> “…royalty terms and what date you have to pay it by, and the penalty that is applicable for not paying it on time, …yea it (the contract) spells out all that” [FFa2].

As indicated earlier, franchisees were mandated on the basis of the contract to pay 3% of their monthly turnover into a marketing fund which was solely dedicated to national marketing. Franchisees adhered to these contractual obligations highlighted above and the franchisor generally adhered to the dictates of the contract in dealing with franchisees.

The section below focuses on the behavioural control used by the franchisor, the rationale and mechanisms applied to achieve this control.

4.2.3 Formal Behavioural Control

Behavioural control was implemented within the franchise network through SOPs and franchisees’ contractual obligations (contract term).

The franchisor controlled franchisees by making sure SOPs were ‘strictly followed to the letter’ [ffc] to maintain uniformity among the stores. SOPs are practices established by organisations on routine operations with the aim of maintaining service standards, efficiency and uniformity of performance. Particularly in the fast-food restaurants, they are practices that are critical to producing safe food.

Another reason for strict adherence to the SOPs, as indicated in the organisations franchise brochure, is to ensure that ‘company's internal processes remain aligned with internationally accepted standards’ for quality assurance in fast-food operations.

The major areas the franchisor established SOPs include personal hygiene, food hygiene and food safety, and customer service procedures. Training, which has been identified above as a mechanism for output control was also used by the franchisor as a mechanism to ensure adherence to SOPs. The training covered behavioural mechanisms such as customer service procedures, a little accounting (basic knowledge of costing, profit and loss accounting), hygiene standards, administrative structures, taught in order to acquaint trainees with the reporting lines, process of receiving stock from suppliers and issuance of stock to operations. A franchisee-informant confirmed use of training when he reported that:

> "…the franchisor inculcates the culture of standard practice into every one right from the foundation. The staffs are trained on the same line" [ffc].

Operations audit was another mechanism used by the franchisor to ensure that 'SOPs are strictly maintained' [ffc]. A franchisor-informant also confirmed the maintenance of SOPs through audit, when he reported that:

> "…we do announced and unannounced audits of their operation to show that they are following the laid down procedures according to our operations manual" [FFa1].

The franchisor also used mystery shopping, identified earlier to monitor franchisees performance on customer service in both the franchise stores and company-owned stores over SOPs.

The data revealed that the franchisor leveraged some of the contractual obligations[13] of franchisees to control their behaviour. Contract agreement signed with franchisees initially committed them to remain in the agreement for a minimum tenure of five years which could be renewed afterwards. The franchise brochure indicated this information and a franchisor-informant confirmed the minimum tenure when he said that:

> "The franchise agreement basically ties them down for a duration of five years, which then is renewed" [FFa1].

[13] The researcher could not access the contract but informants talked about their contractual obligations during the interviews.

A franchisee informant alluded to the contract agreement as a mechanism of franchisor behavioural control when he said, concerning the second store he has operated for three years:

> "That franchise agreement was a five-year agreement, so I think we still had two years to go"[ffb].

So far, the findings of stage one have identified formal output and behavioural control applied by the franchisor to maintain uniformity and adherence to procedures and contract terms. The next section presents the evidence of the development of relational norms in the relationship, identified from the data.

4.2.4 Relational Norms

The franchisor's demonstration of behaviours that signalled the existence of relational norms and characterised the use of relational control were evident from the data. The norms which include non-coercive power, (NP), information exchange (IE), role integrity (RI), flexibility, solidarity, mutuality, commitment and trust are discussed below.

i) Non-coercive power (NP)

As noted earlier, one of the ways the franchisor controlled brand standards was through centralised shop fitting. However, when it comes to the refitting of franchisee shops, the franchisor used persuasion to encourage franchisees to invest in the shop refit. The data revealed that the franchisor carried out a shop refit in the company-owned shops every five years and encouraged franchisees to do same. One of the franchisor-informants revealed this when he said:

> "…every four to five years we change the look, the design of our shops, and we try and encourage our franchisees to do so. We've got about 3 franchisees that we're looking at redesigning their shops currently" [FFa1].

Interestingly, the franchisor did not coerce franchisees to engage in the shop refit but deployed persuasion to convince them of the benefits of the shop refit based on the evidence from the company-owned stores. In addition, franchisees exercised freedom, as they networked with one another to verify the impact of the shop refit. Franchisees yet to refit their shop contacted fellow franchisees to verify for example, the impact of the ambience change on sales. This verification was possible because some franchisees carried out the shop refitting much earlier than others. A franchisee-informant reported that:

> "Now they've done the new ambience for some of the franchisees and then it's a matter of asking them, look has this ambience change affected your sales? And most of them replied that it has actually grown their business. If a franchisee says it has grown his business by 20%, that is very good, then we're comfortable and then we say yes we will equally want to do it" [ffc].

The franchisor also encouraged franchisees to make their findings concerning the shop refit from their company-owned stores as the franchisee-informants confirmed that:

> "…they (the franchisor) actually told us honestly that look, if we doubt this thing, check this franchisee that we have done it for and even from their own company-owned stores which they have revamped" [ffc].

The franchisor's use of persuasion signifies a willingness to refrain from the use of power, resulting in benefits for the franchisor and franchisees.

The data revealed the franchisor's willingness to lay aside the rule regarding franchisees' contract tenure. This concession was in response to security problems faced by a particular franchisee in his locality. The franchisee had to close down a shop in the middle of a contract due to issues involving a violent community where the store was located. The franchisee was one of the key-informants interviewed and indicated that he experienced this crisis with his second store in his seventh year in the relationship with the franchisor. There were problems ranging from incessant robbery to riots in that location. The franchisee came to the point where he needed to close down the shop in order to cut his losses. The franchisor demonstrated understanding and did not implement the penalty indicated in the contract. The franchisee reported that the franchisor has also operated in that environment, but later sold the outlet over to him. According to the franchisee-informant:

> "Yes, that contract was meant to go on for another two years. That franchise agreement was a five-year agreement. But I wrote them an email and I explained, I just couldn't continue. That particular restaurant was running at a loss as far as I was concerned because there were just too many problems. We

> had quite a few burglaries, robbery incidents. So for me, at a point, it just wasn't a safe environment to be in. ...so regardless of how much time was left on the contract, for me it was better to just cut my losses and shut it down then, and move on than continue trying to see whether it will work" [ffb].

Reporting how the franchisor showed understanding regarding the unique environmental problem, the franchisee said:

> "I would say that's a concession because normally there should be a penalty for that kind of thing. But I think they also just understood because for them as well, they were actually in that location. It was a difficult environment for them as well. So if three years down the line I'm also saying you know what I don't want this anymore, nobody is gonna say O you will pay a penalty" [ffb].

NP is identified from the evidence above based on the franchisor's restraint from leveraging his position of power.

ii) Information Exchange

The franchisor instituted a collaborative meeting with franchisees formally called a council. This meeting, which is held at least once a year, enables franchisees to meet with key franchisor-staff and also interact with fellow franchisees, with whom they are able to share 'experiences and learning'[FFa1]. Franchisees also used the opportunity of the council to inform the franchisor about anything they felt could be done to improve the business. One of the franchisee-informants confirmed that the franchisor listened to franchisees and tried to implement changes recommended by franchisees promptly. The franchisee said, 'they usually try and make changes immediately' [ffc]. This meeting visibly contributed to the development of IE within the network, as well as positive relationship outcomes.

One of the franchisor-informants, speaking about the meeting with franchisees said:

> "That gives us the opportunity to listen to them and make some changes if there is the need for that. […] sometimes there's something that may be other franchisees might not have heard, so other franchisees might be able to discuss and say O I've got this issue, I keep running out of stock of this or this supplier has been doing this and they will get their experiences and how to handle it"[FFa1].

Similarly, one of the franchisee-informants also spoke about interactions during the council this way.

> "We usually try to catch up, see how the stores are doing, consider where we need to make changes and then if there are any grievances, we talk about that" [ffb].

The quotes above suggests that both the franchisor and franchisees perceived the council as an interactive platform and provides evidence of IE.

The franchisor established the monthly visitation by area managers as an informal exercise, but seem also to use it to maintain control relationally. The informal visits also made the formal operational audits easier as there were fewer issues to handle during the audit. According to a franchisor-informant:

> "I think that's what the informal visits do and it makes it easier when we're doing the operations audit because then they are more aware, they are more prepared and you find out that there are very minimal issues you have to deal with because the monthly visits have basically taken care of most of them" [FFa1].

The informal visitation facilitated information exchange and was perceived as something that has strengthened the relationship between the franchisor and franchisees. Franchisee-informants described the informal interactions with the franchisor as "ultimately rewarding" [ffb] and:

> "…very very motivational, then it gives us a sense of belonging" [ffc].

Generally informal communication between the franchisor and franchisees is reported to be effective. There is an 'open door approach' [FFa2] that works through different two-way channels like the telephone and informal visitation. A franchisor-informant viewed the communication as interactive, because:

> "We're available when they knock and we also can contact them easily, so it's interactive, it's two ways. It's not us just telling them what we want them to do, but we're listening to them and I think it works" [FFa2].

Similarly a franchisee-informant reported that:

> "If they (franchisor) have new development they send to us, if we're having a problem, we also send to them" [ffc].

The franchisor recognised the significance of communication with franchisees for the purpose of taking their experience and input into account, with regard to marketing activities and products offered to customers. A franchisor-informant reported that:

> "…in terms of all of us deciding on what marketing activities that will take place, … it's good to get the backing of your franchisees as well… If you don't have their backing, then it will never succeed. Other things also are our new products as well, getting their involvement in understanding what new products and also being humble enough to understand they are on ground, they talk to the customers on a daily basis. So they have an understanding of what the customers are asking for. So if we do not listen, we become very bad franchisors and we will not support them in the way and manner they expect" [FFa1].

Franchisee-informants confirmed that informal communication happened 'most times by telephone discussion' [ffc]. Despite general free flow of communication reported above, there were however, indications from the data that communication between the franchisor and a franchisee would be a bit uneasy at the initial stage of the agreement but got better with time. A franchisor-informant described communication in the early stage as 'frustrating' [FFa1] and this was due to the fact that both parties needed time to learn from experiences involved in the relationship. He also described communication at the later stage as 'honeymoon' [FFa1]. The franchisor-informant reported that:

> "The first one year, the communication was frustrating. […] as the relationship has grown, they've (franchisees) got a better understanding of the business, a better understanding of why certain information is important to send to us. They've got a better understanding of how we have been able to support them with that information. […] so I think over the years, that has grown that franchisees will now actually call you and say please come to my shop, I've got this issue or that issue and that's good to know" [FFa1].

Improved communication also led franchisees to take the initiative to see the staff of the franchisor organisation a whole lot more, interact with them and offer any suggestions they think can improve the business. A franchisor-informant talked about franchisees having:

> "…more access to our marketing department, they have more access to our supply chain department, they have more access to the CEO in terms of giving any suggestions that they have. And I think, once again I keep on mentioning the more experienced brands, like the McDonalds, KFCs and Burger King. Well, they have learnt over the years that you've got to listen to your franchisees. So it's always good to listen to them and take it from there" [FFa1].

The mechanism of communication development depicted from the data suggest that franchisees seem to build goodwill toward the franchisor overtime. Responsiveness of franchisees to the two-way channel of communication depended on their proof of the franchisor's ability to provide consistent support. With time, franchisees take the initiative to communicate with the franchisor, not just to address issues bordering on their needs, but also to offer valuable suggestions to the franchisor. This process suggests the increase in IE over time.

iii) Role Integrity

The data revealed evidence of the franchisor using the outcome of output and behavioural control identified earlier as a supportive measure rather than as a basis for taking punitive action against franchisees. It seems that the major reason why the franchisor monitors franchisees formally is to assess their performance and identify areas where they need help and support. Quality assurance audits lasted for one week and the outcome was used by the franchisor to identify where franchisees need assistance rather than as a basis for exercising power or issuing threats. The franchisor recognising that franchisees 'are entrepreneurs … business men' [FFa1] who have 'made an investment… would like to leave them to get on' [FFa1], rather than 'breathing down the franchisee's neck on a daily basis' [FFa1]. According to a franchisor-informant:

> "What we do basically is one, ensure that they are following the procedures and two, also ensure that where we can assist, where from my experience is savings or assistance that we can give from the experience that we have, we offer to them" [FFa1].

Franchisees indicated that the support they got from the franchisor at the initial stage of the agreement was not as effective as they expected. They however, witnessed that the support got better with time. Franchisees confirmed that:

> "…the support hasn't been as effective as it should be… but in recent years all that has improved" [ffb]

> "…decisions or responses were a little bit slower… well things get done faster now… there's no muddling up, the structures are in place" [ffc]

Weekly and daily reports given by franchisees enable the franchisor to watch the business and be able to give a timely assistance when the need arises. Explaining this point, a franchisor-informant indicated that franchisees sales report, which included 'the number of meals they sell, the number of customers they serve per day, the type of meals they sell, the average spend their customers are making' [FFa2] was used for:

> "tracking their sales, and then if it deepens, looking at how we can rush in and assist them" [FFa2].

A franchisee-informant also indicated that the rationale for franchisor control is to offer support as reflected in the statements below:

> "…we send a monthly report, daily or weekly report so it's on the basis of that, when they analyse the report. Then they'll now tell us the areas they can support us" [ffc]

Mystery shopping, identified earlier was not used by the franchisor to fault franchisees, rather it was used to identify areas franchisees needed training support. A franchisor-informant said:

> "If we find out that the mystery shopper now reports a service issue in one shop or another, then we send a training team down there to correct whatever those issues were raised" [FFa1].

The above evidence suggests that, particularly for behavioural control of franchisees over customer service matters, the franchisor leveraged the feedback from the mystery shopper to get the necessary information and insight into supporting and giving franchisees opportunities for improvement.

Informal monthly visits by area managers to franchisees' shops was another mechanism adopted by the franchisor to support franchisees. This visitation was something that was not there initially when the franchisor started the franchise. Some years into the relationship with franchisees, the franchisor thought it would be helpful for area managers who are responsible for company-owned stores and also have franchised stores under their area, to informally take on those franchise stores as well. They visit monthly and ensure that the franchisee-staff are following the right procedures. The informal visit was quite different from the formal operational audit, in that no formal reports were written and there was no assessment of performance. The purpose of the informal visit was not to find faults and penalise the franchisee, rather in the words of a franchisor-informant:

> "…it's just to make sure that the franchisee is getting value for his money, so those are basically very informal thing, nothing is written up, there's no report laid out for it, informally it's just regular visits, basically just to go there and make the franchisee know that look we know you are still here, you're definitely on our mind, is there anything that you need, anything we can assist you with. Is everything ok? Take a look around the shop and observe may be the way this person is making this product is not right, let me show you how and correct it. Or maybe you are using too much of this, so you're losing this much, little things like that" [FFa1].

The attitude of the franchisor with the informal visit is indicative of RI. The franchisor showed interest in the efficient operation of franchisees. The informal monthly visits were reportedly found to be so effective that by the time the formal council meetings were held, there were not really many issues that had not been already addressed. A franchisor-informant described this kind of informal support given to franchisees as very important, as it enables them 'to have a pulse on our business' [FFa2].

The data clearly reflected the franchisor's strong belief in giving franchisees all the necessary support and managing the relationship so franchisees could get return on their investment and be happy to remain in the relationship rather than defranchise at the end of a contract term. A franchisee-informant reported that the franchisor is always willing to give franchisees the 'necessary advice' [ffc] and support to help them succeed. He explained that the franchisor alerted them to make the necessary plans and preparations for special events like Easter and Valentine's Day in order to maximise sales. For example Valentine's Day is usually the day eateries in Nigeria record the highest sales and ‘it's not advisable for anybody to miss that day’ [ffc]. The franchisee-informant further explained that:

> “The franchisor advises us because nobody can project how much we can sell that day. Stock up, do a lot of planning and the rest of them. So these are the kind of things, and we just do it informally. The franchisor would say, guys look, try to plan ahead because that day will be chaotic, so that you won't be rushing up and down, So those are the kind of support informally that we gets from them”[ffc].

Retraining was identified from the data as another dimension of post-opening training which signified support from the franchisor. During the quarterly audit, any lapses observed by the quality assurance team were not used as a basis for taking punitive action against franchisees, rather the team provided a retraining there and then to address the observed lapses. A franchisee-informant confirmed the use of quality assurance audit as a basis for retraining when he reported that:

> “…if you don’t do the quality assessment continuously people will spoil the brand. Every three months, they come to do quality assessment and if the score falls short […] a retraining is carried out there and then. They focus on any of the assessment parameters where staff scores below eighty per cent” [ffc].

The training programme was something the franchisor kept an eye on to ensure it was provided for franchisees whenever it became necessary. This attitude suggests the franchisor’s demonstration of role integrity.

iv) Flexibility, Mutuality, Solidarity and Commitment

Although the relational norms are presented as distinct constructs in the literature, in reality it is sometimes difficult to separate them from the data due to their interrelated nature and blurred lines of distinction. The researcher therefore presents some of the relational norms according to the manner in which they emerged concurrently from the data.

The franchisor made adaptations in output control related to recipe, food packaging, royalties and marketing. Franchisor’s flexible disposition was based on a recognition of the mutuality of the agreement which enhanced solidarity.

The data revealed adaptation in output control of standardised recipes in response to local market demand in franchisees' store/locality. The franchisor's willingness to adapt recipes in response to unique environmental factors provides evidence of the emerging flexibility in the agreement. Such adaptations were not implemented across the network but were only effected in the particular environment where the unique need for adaptation was identified. Unique environmental adaptation was evident in the manner the franchisor managed a franchisee's response to a demand for a particular product in his environment. This franchisee experienced a demand by customers in his locality for a particular product outside the range of products offered by the franchisor. The franchisee who was reported to have been in the relationship for five years at the time of this incident responded by making and selling this product and also paid the accruable royalty. When the franchisor observed the franchisee action, the first reaction was to stop the franchisee from making and selling the product. The franchisee of course was not happy about it because there was a unique problem as other fast-food firms that offered that particular product did not exist in that particular locality. The franchisor then worked out a way to respond to that unique demand in that environment. One of the franchisor-informants reported that:

> "…we don't do birthday cakes in our business. …so we had to put a stop to it, which obviously he was not very happy about. The good thing was that it was going through his till so it wasn't a case that he was trying to sell it on the side and avoid paying royalties on it. We just felt that we haven't done enough test of what he is selling for us to allow that to continue, So in saying that as well, understanding him, listening to his arguments in terms of why he's selling birthday cakes and the demand for it led us to do some sampling, some testing and then writing it up, just to make sure that we understand all the procedures involved and all the ingredients involved in making it so that we don't have any issues at a later date. Later on we were able to allow him to go on once we've ensured that he has received all the approval necessary" [FFa1].

Confirming that this particular adaptation was not implemented across the entire franchise network in the country, the franchisor-informant said:

> "It was just in his outlet, it was a need peculiar to that one state, so it wasn't anything that was going to spread across the whole country" [FFa1].

The incident above suggests the franchisor's sensitivity to the peculiar needs in the diverse environments of franchisees, by supporting franchisees to adapt the menu without insisting on the terms of the contract. One of the franchisor-informants said:

> "Because we're operating in diverse communities, it's very good to understand and get all their input (franchisees). We kind of just try to understand their communities and then make sure that we're giving them all the support necessary to get value out of their business" [FFa2].

Another form of adaptation was observed with regard to the presentation of food to customers in reusable plates as an option besides presenting food in disposable plates. During one of the periodic franchise council meetings, a franchisee complained of some customers' dissatisfaction with the mode of service in his location. Reporting this incident, a franchisee-informant noted that sometimes "franchisees do correct franchisors" [ffc] and further explained that:

> "… sometimes franchisees do correct franchisors. Some years back, one correction that a franchisee has made… we were not serving with plate before. […] A chief went to one of the shops, they were serving with disposable plates, he then said look my friend I'm a chief in my place how can you be serving me with 'carton'. So this franchisee in that particular shop cried out, they now saw the reason, that's how plates were introduced… So when franchisees start talking their experiences out, you know like in Nigeria, we have different cultures, so the major one was this introduction of plate and which is good" [ffc].

This adaptation reveals that the franchisor seems to have recognised that the success of the business relied heavily on his ability to listen to franchisees' account of their experience in their different locations. He therefore demonstrated responsiveness to customers' demand by allowing changes that enhanced the business and mutual benefits. This example reflects the value of flexibility.

The data revealed adaptations made by the franchisor through concessions on royalty fees and tolerance of delays in royalty payments, demonstrating a willingness to refrain from using the power in the contract.

The franchisor sometimes found it necessary to concede his formal right to royalties to certain franchisees that were considered to be struggling at the moment. This gesture, which also reflects the franchisor's flexibility, did not go without additionally aiding the franchisees in the process of reviving their business; an act that demonstrated the franchisor's commitment to franchisees. The franchisor has also given a reprieve to some franchisees on the terms of royalty for a given number of months. These concessions were given in due consideration of adverse business situation faced by certain franchisees. According to a franchisor-informant:

> "If we find out that for some reason the business is struggling, there has been times where our enforcement of collecting our royalties on sales, we've suspended to be able to aid the franchisees to make sure that they can get their business back on track. But that's definitely with our involvement in putting together a strategy and a plan to get that business back on track"[FFa1].

More evidence of the franchisor's flexibility with franchisees regarding royalty payment could be seen in the instance where a franchisee, who has been in the relationship for six years had to close his shop temporarily because of riots in his locality. A franchisor-informant reported:

> "[…] we had a shop where a lot of riots were going on in the area, and the franchisee had to close up shop for about three weeks to a month. Obviously, identifying that there was a unique situation happening in that area, we waived the royalty for that period because of the riot" [FFa1].

In another instance, a franchisee in his fifth year with the franchisor was experiencing very low sales in his community. According to the report:

> "One franchisee had road works happening on their shop which basically dropped their sales by about 60%. It's unfair to start demanding royalties from a franchisee that is having to cater for his own expenses, we can't help by moving the road works along, it's a government project, the only thing we can do is to say look, we understand you're struggling right now, forget your royalties. We understand the road works are gonna end by this time. Two months after road work ends, we shall then start collecting royalties" [FFa1].

These concessions demonstrate the franchisor's flexibility towards franchisees facing certain unique challenges in their environment at a time.

The data revealed adaptations in local marketing activities. As noted earlier, local marketing was contractually the responsibility of franchisees in terms of funding, while the franchisor assisted with designing the marketing materials. Evidence from the data however, shows that the franchisor went out of his way and demonstrated solidarity and commitment with a franchisee whose store performed poorly. Reportedly, in the early part of a particular year, the franchisee during the fourth year of his relationship with the franchisor experienced poor sales, his year on year sales was only increasing by 3% to 5% and sometimes a negative percentage was recorded. What the franchisor did was to wholly take up the local marketing activities, contrary to the dictates of the contract. A franchisor-informant reported that:

> "…the franchisee was struggling, normally the local store marketing activities that we do would have to be paid for by the franchisee. But we didn't, we waived that and we took it basically out of the national marketing fund that we had and supported that way" [FFa1].

After the localised marketing activities, regarding the franchisee's year on year sales, 'we saw a 72% increase and that was tremendous' [FFa1]. This enormous support also motivated the franchisee to do more local store marketing activities, solely financed by him. According to a franchisor-informant the franchisee was willing to take up the local marketing activity because he saw the value it added. He further explained:

> "I think with franchisees sometimes, it's like any business; you're hesitant to spend when you're not making money. And as the franchisor, we've got to kind of put our money where our mouth is and say that we know that this is a successful business. We know that this strategy will work and to prove it to you we'll foot the bill. But once it does work, this is what you're gonna do hence forth and that becomes your bill" [FFa2].

The adaptations of the franchisor reported above suggest a desire not to lose any store and dictate a mutually driven goal to succeed in the relationship with franchisees. A franchisor-informant seemed to indicate that the franchisor's attitude is shaped by mutuality when he said:

> "…it's a win-win situation if they're making sales, the more sales they make, the more royalties we get, the less sales they make, the less royalties we get"[FFa2].

Similarly, one of the franchisee-informant concurred to the fact above as he reiterated:

> "You know why they help us, because we pay what is known as royalty every month. So if they want the royalty to be higher, then they need to support us. So it's symbiotic" [ffc].

The evidence above suggests that the franchisor demonstrated flexibility, solidarity and commitment based on a recognition of the mutuality of the agreement.

v) Trust

The data suggest that older franchisees who have been in the relationship for a longer time (4-5 years) could sometimes delay the payment of their royalties and would not be made to pay interest, as stipulated in the contract. This fact was confirmed by a franchisee-informant who had been in the relationship for seven years at the time. The franchisee delayed payment of royalties due to some family-related issues. His assertive disposition, in saying that the franchisor knows that he will pay the royalty in spite of the delay, suggests the franchisee has earned integrity trust over the years. The franchisee revealed that:

> "[…] in the past two years, I had another baby and I became a bit sloppy with my royalty payments, I didn't pay on time. Sometimes I'll drag it till much later like the 10th of the next month, sometimes I totally forgot till the end of the month and then they send me a few reminders. Normally when you delay on those payments, they charge you interest. But they, let it lie, you know, I just pay my fees later and nobody talks about the interest. So that's the aspect I can talk about where they do not follow the contract strictly. I think it's based on a good relationship. They know I'll pay, they know it's just because I'm a bit sloppy at the time because it wasn't like that "[ffb].

The evidence suggests that only franchisees whose integrity has been established over time could be afforded the flexibility with fees demonstrated above.

Although the word 'trust' was sparsely used by informants, evidence of trust was identified in their response. Expressions in terms of behaviours, attitudes, words or phrases that connote trust exists in the Nigerian context, where trust in another is often indicated without necessarily using the word ‘trust’. Besides, the researcher consciously veered from asking questions about trust explicitly to avoid leading questions. Burns et al., (2006) anchored on the argument that trust plays a central role in models of culture to propose a model based on explicit and implicit trust. Further, Morgan and Hunt, (1994) contend that trust exists when one party has confidence in an exchange partner’s reliability and integrity. The authors highlight that confidence on the part of the trusting party is an important variable that results from a firm belief that the trustworthy party has high integrity and is reliable. They also affirm that reliability and integrity are associated with qualities such as consistency, competence, honesty, fairness, responsibility, helpfulness, and benevolence.

Evidence of trust in this study is therefore, implicit to words and behaviours, which reflect franchisees’ trust in the franchisor and vice versa.

The section below focus on the question of whether informal control substitutes or complements the use of formal contract by the franchisor.

4.2.5 Partners’ Perception of Relationship and Complementarity of Control

Both the franchisor and franchisees perceived their relationship as being ‘very good’[FFa1] ‘very cordial’ [ffb] [ffc] and ‘well enjoyable [ffc], suggesting both parties’ satisfaction with the relationship.

It appears that considerations for the business and the need to uphold relationships with franchisees compelled the franchisor to use formal and relational control simultaneously, as suggested in a statement below by a franchisor-informant:

> “This is a business so as much as in every business, there's a relationship that you have to manage and there are controls that you have to implement”[FFa1].

Franchise partners frequently likened their relationships to families, albeit in different ways. A franchisor-informant described himself as a parent when he said:

> “…obviously there are times when as a parent, we have to bring out the cane and discipline so it's on and off relationship”[FFa2].

The franchisor seemed to use the contract as a safeguard which generally framed the relationship with franchisees, while the day-to-day operation of the franchise was practically controlled through a blend of formal and informal control. Evidence from the data therefore, suggests the use of informal control to complement the limits of the contract.

Franchisee-informants described themselves as son and siblings, as evidenced below:

> "They are helping us to push further and to be on the field and then not regretting being in the family. …it's like father and son relationship" [ffc].

> "…I'm very attentive to detail, I'm very very finicky, you know. So I guess it's just like children, you know all your different children, you know who is gonna do what" [ffb].

The franchisor's indication above, of his parental role, suggest a dominant role over the franchisees. Franchisees perception of their position as father/son, and sibling, suggests their recognition of the franchisor's oversight position. However, another perception indicated below suggest that sometimes, franchise partners could operate like equal marriage partners:

> "…this is really a long term marriage, there's gonna be fights and we're gonna make up and as long as we know that it's all for the betterment of the business and for the betterment of their profits as well, there's no regret" [FFa1].

This evidence also suggests the franchisor's pursuit of mutual goals revealed in the emphasis on improving the business and franchisees' profit.

Another dimension of the relationship was revealed by perceiving it as, 'more like a brother and a sister kind of relationship'[FFa1]. This description was based on the fact of the franchisor's possession of the knowledge and experience about the business, in addition to the name of the brand which the franchisees leverage on to run their own business. According to the franchisor-informant:

> "…they rely on the name of our brand, they rely on us for marketing and for the quality of the spices and the products that we give them. We're definitely a big brother" [FFa1].

The franchisor's description of the relationship as being more like 'we're the big brother, they're the little brother or little sister' [FFa1] is significant. Perhaps this description stems from the franchisor's perception of effective management of power over franchisees and his experience concerning strategies for franchisee-support in the harsh and unpredictable environment of Nigeria as an emerging market. Both franchisor-informants and franchisee-informants acknowledged that the franchisor had to learn how to play his role in emerging markets despite the wealth of experience he possess. The statements below are evidence of the Nigerian environment and the franchisor's learning experience with regard to supporting franchisees.

> "Early days of the relationship, we were all learning, we're all learning in the sense that we had an idea of franchising but we didn't have an idea of how difficult franchising would be in Nigeria mainly because of the infra structural issues"[FFa1]

> "…they (franchisor) are also still growing, so the support hasn't been as effective as it should be, no it hasn't. But at the beginning it was quite worse. But in recent years all that has improved because they also had issues with their backing, suppliers and you know, Nigeria is very unique when it comes to things that should be standard"[ffb].

The findings above indicate the significance of franchisor's learning experience in the early stage of their relationship with franchisees.

4.2.5 Summary of Findings of Stage One

The aim of the first stage was to explore control in an international franchise network within the fast-food sector. The study found evidence of the implementation of formal output and behavioural control for the purpose of maintaining uniformity in brand standards and SOPs. The data also revealed behaviours that signalled the existence of relational norms and the use of relational control by the franchisor. The identified norms include NP, IE, RI, flexibility, mutuality, solidarity, commitment and trust.

Franchise partners' perception of the relationship suggest the relational analogy between franchise partnership and family relationship. Franchisors use formal and relational control simultaneously, thus suggesting the complementarity of the two types of control.

There is clearly a relational perspective of the control mechanisms used by the franchisor in managing the relationship with franchisees. The desire of the franchisor to use both formal and relational control methods are triggered by his willingness to support franchisees and ensure that their business succeeds and thus generate sustainable mutual economic benefits for both parties. Table 4.1 and 4.2, respectively highlight the formal control and relational norms observed from the data. The next stage of the research presents findings from the hotel sector.

Table 4. 1 Formal Control in Stage One

<table>
<tr><th colspan="6">Formal Control</th></tr>
<tr><th colspan="3">Output Control</th><th colspan="3">Behavioural Control</th></tr>
<tr><th>What was controlled</th><th>Mechanisms</th><th>Rationale</th><th>What was controlled</th><th>Mechanisms</th><th>Rationale</th></tr>
<tr><td rowspan="2">Standard recipes</td><td>▪ Training.
▪ Operations manual.
▪ Mystery shopper.
▪ Customer service telephone lines.
▪ Social media.</td><td>Uniformity and quality of menu.</td><td rowspan="2">Behavioural standards</td><td rowspan="2">▪ Training,
▪ Operations manual,
▪ Operations audit and
▪ Mystery shopping,
▪ SOPs (Customer service procedures, Food hygiene and personal hygiene, etc.).</td><td rowspan="2">Process uniformity.

Adherence to international brand operating standards.</td></tr>
<tr><td>Centralised supply of materials.</td><td>Uniform menu, Uniform brand, Economies of scale.</td></tr>
<tr><td>Brand standards</td><td>▪ Centralised shop fitting.
▪ Branding items (Packaging items, Stationeries, Menu boards, Take-away menus, Brand posters, Table and till talkers, Banners and branded uniforms).
▪ Training.</td><td>Uniform image.</td><td rowspan="3">Contract terms (tenure, royalties, marketing fees)</td><td rowspan="3">Franchisees' contractual obligations and follow-up reminders.</td><td rowspan="3">Business control.
Control of franchisees.</td></tr>
<tr><td>Marketing communication</td><td>▪ Centralised Marketing.
▪ Centralised decision making.
▪ Control of local marketing.</td><td>Uniform and consistent image and marketing information.</td></tr>
<tr><td>Finance</td><td>▪ Formal sales reporting and financial audits.</td><td>Financial control.</td></tr>
</table>

Table 4. 2 Relational Norms in Stage One

Identified Norms	Rationale for the Development of Norm
Non-coercive power	▪ To demonstrate the benefits of shop refitting to franchisees. ▪ To show understanding with a franchisee, who needed to shut down store before the expiration of the contract, due to security related issues. ▪ Franchisor concessions on royalty fees and tolerance of delays in royalty payments, demonstrated a willingness to refrain from using the power in the contract.
Information exchange	▪ Institution of franchise council for the purpose of franchisor/franchisee and franchisee/franchisee interactions that encouraged sharing of learning and experience. It also affords the franchisor the opportunity to leverage the information gathered from franchisees to make changes, where necessary, to improve the business. ▪ Introduction of informal visitation of franchisees' stores by franchisor-staff, enhance greater IE and make the formal operations audit easier. It also motivates franchisees. ▪ A two-way communication process that enabled the franchisor to take into account the experience and input of franchisees towards improving the business. ▪ IE increases over time as franchisees' responsiveness to the two-way communication depended on their proof of the franchisor's ability to provide consistent support.
Role integrity	▪ Outcome of monitoring output and behaviour forms the basis for determining areas where the franchisor needs to assist franchisees more. ▪ The franchisor demonstrated RI during the informal visits by encouraging and advising franchisees on how they can operate more efficiently. ▪ Franchisor RI improved over time, with an increase in experience acquired in supporting franchisees.
Flexibility	▪ Flexibility evidenced by adaptation of recipe (Permission to franchisee to offer additional recipe in a local store). ▪ Adaptation with regard to the presentation of food to customers in reusable plates as an option besides presenting food in disposable plates. This adaptation helped to address customers' dissatisfaction with the mode of service offering.
Mutuality	▪ Evidence from the data shows that the franchisor's perception of mutuality motivated the behaviour that led to the development of other relational norms such as flexibility and commitment.
Solidarity	▪ The franchisor shows solidarity by temporarily undertaking the local marketing responsibility of a franchisee who experienced poor sales.
Commitment	▪ Besides conceding royalty to franchisees struggling with their business, the franchisor commits resources, strategies and plan to assist franchisees in reviving their business.
Trust	▪ The franchisor's tolerance of delays in royalty fees by older franchisees, suggests the franchisor's trust in the franchisees.

4.3 Findings from Stage Two

This stage builds on the findings from stage one by investigating control in the hotel sector. This stage adopted a multiple case study strategy to examine two lodging brands, in two international hotel organisations, coded as HA and HB respectively. The researcher found reasonable evidence of relational control in stage one which was based on the fast-food sector. However, the fast-food sector offers relatively limited and simplified products when compared to the hotel sector, which has a more complex product offering and customer grouping. It is therefore necessary, to study and present findings from the cases in the hotel sector, as it is likely to reveal a different dimension of control. The relationship between franchisors and franchisees in the two organisations were analysed. Six interviews were conducted with two franchisor-informants (each in HA and HB) and four franchisee-informant, three from HA and one from HB (refer to Table 3.4). Informants were purposively selected based on their role and length of time in the relationship. A brief background of the cases is presented below, followed by a presentation of the findings.

4.3.1 Background of Stage Two Cases

The case HA is one of a family of eighteen lodging brands, operated across the globe by a publicly quoted international hotel organisation based in the USA. The hotel organisation, which has operated for over thirty five years is one of the largest hospitality organisations in the world (Chepkemoi, 2017) and presently has over seven thousand hotels in over seventy countries. Documentary evidence from HA estimates the global employee strength to be over 380, 000. The average annual turnover (global) between 2011 and 2015 was over 240 million US Dollars. The organisation offers its variety of hotel brands around the world purely on the basis of franchising; making it relevant to a study that focuses on the franchisor-franchisee relationship. Based on a direct franchise arrangement, the franchisee in Nigeria owns and manages the brand under the midscale category. The franchisee is controlled directly from the franchisor’s regional head office that oversees their properties in Europe, Middle East, Eurasia and Africa (EMEA).

Similarly, the case HB is one of a family of thirty lodging brands, operated by another publicly quoted international hotel organisation based in the

USA. The hotel organisation, which has operated for over eighty-five years, has over five thousand hotels in over one hundred countries, and is recognised as one of the world's leading hotel organisations (Chepkemoi, 2017). Its portfolio of thirty brands is created to respond to precise market needs. Documentary evidence from HB estimates the global employee strength to be over 220,000. Its average annual turnover, between 2011 and 2015 was over 3.5 billion US Dollars. The organisation operates its brands under a mixture of franchise and management agreements. However, over 52% of the hotels are operated under franchise agreement, making it relevant to this study. Based on a direct franchise arrangement, the franchisee in Nigeria owns and manages the brand under the upscale category. The franchisee is controlled directly from the franchisor's regional head office that oversees their properties in the Middle East and Africa (MEA).

4.3.2 Formal Output Control

This section focuses on the output control of brand standards and standardised products/services, through the mechanisms of QA audits, centralised marketing, centralised purchasing and formal sales reporting. The rationales for employing these mechanisms are also discussed.

The data revealed a strict output control over the brand standards, in the two organisations, for the purpose of maintaining consistency in brand image. In both organisations quality assurance audit was used by franchisors to ensure maintenance of brand standards. Part of the activities of QA audit focused on monitoring brand standards. Franchisees were inspected and scored on how they uphold the brand standard. A franchisor-informant confirmed that:

> "Part of the quality reviews will take care of that… to see if the brand standard is maintained" [HBa].

Franchisors maintained 'strict control over room standards' [hbb1], but concerning recipe/menu standards, right from the beginning of the agreement, franchisees were only given a guide and a minimum standard on which they could build their own menu. The data suggest that this inbuilt flexibility over menu offering was driven by the goal to make room for franchisees to adjust to the market conditions in their diverse localities. Two franchisee-informants reported that:

> “Our franchisor is flexible in terms of menu because of the different countries that are involved, so we are in the best position to tell them that, ok these are the saleable menu” [hbb1].

> “They will tell you possible items for instance, there's a standard for breakfast; you have to have three different kinds of cereals on your buffet for breakfast. But they'll not tell you it has to be cornflakes or crisps or xyz. They give you some leeway. You have to have a minimum of two juices in the breakfast,... So they give you a basic. I guess you can call it minimum operating standards. You’re free to adjust to local conditions also. So they allow you to make such adjustments that make sense to the local market” [hab2].

The data show that despite flexibility in the menu, mystery shopping and quality assurance audit were mostly used to ensure that franchisees adhere to minimum standards. The mystery shopper in HA, who is usually internal to the organisation played a dual role of mystery shopper and QA assessor. He declares his identity after mystery-lodging and then begins with the formal process of QA assessment. Leveraging the very large size of the organisation, each year a different person is sent from the organisation to assess a hotel. A franchisee-informant in HA indicated the use of a mystery shopper/QA assessor to check the menu when he said:

> “…it’s like mystery shopping. A guy will come and check into the hotel, he'll eat the food and all that, so you won’t know. It’s on the last day that the person will say o! by the way I'm so and so”[hab1].

In HB, the franchisee-informant indicated that an assessment of their menu was carried out by the franchisor’s representative in the country in addition to using the mystery shopper. According to him:

> “…they have their representative here in Nigeria as well that also review the menu” [hbb1].

To ensure consistency in brand standards. Franchisors supervised branding items produced and used by franchisees. Franchisees would normally send branding items such as signposts, menu boards and stationeries for vetting and approval by the franchisor. A franchisor-informant confirmed this fact:

> "…when they want to do local marketing, they communicate with the design section in our head office to look at whatever marketing materials they have come up with to ensure they are in line with set standards" [HBa].

A franchisee-informant also indicated franchisors' effort aimed at maintaining the brand identity, as he talked about some of the branding items. The QA assessor would normally 'ask to see our printed materials' [hab1]. Regarding the signage he reported that:

> "…they put more emphasis on the brand standard. The brand standard is the signage. The signage all have to be the same colour. Also, the signage all have to be a certain size" [hab1].

There was evidence from the data revealing centralised decisions over other marketing communication activities. Franchisors in both organisations engaged in global marketing activities in which every member-hotel was represented. Documentary evidence in HB indicated, for instance, the existence of a "centralised social marketing team", that seeks to "tie customer data to social data in a meaningful way, both for marketing and for better service and engagement". Similarly, documentary evidence in HA indicated a central control of local marketing as it indicated in general that the franchisor:

> "…implements integrated marketing plans, marketing strategies and tactics vary depending on the needs of the specific brand and local market".

Franchisees also contributed a percentage of their revenue towards centralised marketing. For instance hab1 reported that his hotel pays 0.25% of monthly revenue towards centralised marketing. Both organisations controlled local marketing communication of franchisees to ensure consistency and uniformity of message.

In both organisations, there were central purchasing arrangements made by the franchisor so that franchisees worldwide could benefit from economies of scale by buying from approved vendors. For instance, documentary evidence from HA confirms the benefits of centralised purchasing as it indicated that they leverage on the buying power of the hotel group:

> "…to deliver lower total cost of ownership and drive improved quality, service and price".

However, franchisees in Nigeria are not able to benefit from the buying power because the approved vendors do not operate in the country. Besides, the legal restrictions in the country over the importation of linen, furniture and other items centrally supplied by the franchisor was a major challenge. One of the franchisee-informants reported that they 'find a way to import' [hab1] the materials they work with.

The data also suggests franchisors' inbuilt flexibility to enable franchisees overcome the problem of lack of supplies. As long as certain standard products used in the brand were replaced with available products that served the purpose, franchisees were free to make such adjustments. This flexible approach helped to avoid delays which could occur, if the franchisor were to insist on the standard products used in the brand globally. For example, a franchisee-informant suggested flexibility for the timely replacement of products when he stated that:

> "It's something about the reality of life over here, for instance if I have a certain kind of lamp in my lobby and it gets broken, I may not be able to replace that lamp tomorrow like I can in New York. It may take me 6 weeks to get that lamp where I am. So I have to make a decision, do I go without something for 6 weeks or do I compromise and change it and do something else? So that can apply to just about anything based on availability of product. But they (the franchisor) understand that we could use what is available as long as it's for a legitimate business reason" [hab2].

Documentary evidence from HB also indicated inbuilt flexibility with the franchisee over purchasing, as it stated that it:

> "Provides balance of centralised purchasing and influence while maintaining the local autonomy of admin teams".

It seems that franchisor's inbuilt flexibility does not go without the stipulation of a 'minimum operating standard' [hab2]. It also appears that the global coverage of the two organisations is a factor that drives the flexible approach to menu offering, as they seem to encourage franchisees to adapt their menu to suit local taste and culture. In HA, it was indicated that the menu control mostly had to do with breakfast and this was because the hotel only offers breakfast in most other locations including the home country. As a franchisor-informant puts it:

> "They don't have restaurants in America. They only do breakfast. So, in terms of recipes, the only control they have is related to breakfast. …in terms of the other recipes …they don't do lunch or dinner" [hab1].

Franchisors and franchisees in both organisations maintained financial control by having their systems interfaced so franchisors could view room sales in real time. In addition, franchisees were required to send weekly and monthly revenue reports to franchisors. The revenue reports were used by the franchisors to monitor franchisees' performance. The statements below by franchisee-informants, indicate franchisor's monitoring and output control through revenue reports:

> "…we have reports that we send to them, and those reports are weekly and monthly reports. Most times they do that for their own record keeping. They get in touch; it's all about trends, same period last year, same period two years ago. So they look at all those things to say okay or they ask what's happening" [hab1].

> We send them our report, then they generate their percentage invoice back to us and we take care of that [hbb1].

It appears franchisors not only monitored franchisees' sales for the purpose of ensuring accuracy in the amount paid as royalty, but also utilised the sales report to analyse the financial wellbeing of individual franchisees within the network and to compare their performance with competitors within their regions. Franchisees reports also enhanced the provision of up-to-date revenue information to the entire franchise network and was used to generate information on achievements, plans and problems, within the franchise network. Franchisors therefore, use the reporting system both to monitor and manage franchisees operations. One franchisee-informant reported that:

> "Weekly or monthly, they send us a star report… that looks at what hotels in Abuja are doing either weekly or monthly. They also look at how we are doing in relation to other hotels within our region - Middle East and Africa. They say okay, this is your occupancy, this is your average room rate, this is what the hotel in Accra is doing, this is what the hotel in Egypt is doing, etc." [hab1].

4.3.3 Formal Behavioural Control

In both organisations, franchisors maintained SOPs with regard to customer service, food and beverage service, housekeeping operations and revenue-driving departments such as front desk and marketing. Besides the provision of operating manuals, a major control mechanism used in the organisations to ensure uniformity in SOPs was training. Much of the training is accessed online by franchisees and this offered flexibility for trainees. Although real time online training sessions were provided, trainees who were unable to participate could get back on the system later on to go through the learning materials. The use of online training was common in the two organisations; however, HB in addition provided a training school in Lagos, Nigeria where trainees periodically had physical contact with trainers who travelled from the regional head office. The Franchisee in HB could have more physical contact with the franchisor for training purposes. This was because there were other hotels in the country overseen by HB under management contract agreements which perhaps provided a cost effective opportunity for the franchisor to send trainers into the country. Staff from the HB franchisee attended the training with staff from other properties held by the brand under management contract.

Face-to-face training in HA was more of a situation where key franchisee-staff had to travel out of the country, either to the regional headquarters or other places chosen by the franchisor for training. A franchisee-informant confirmed that:

> …at certain times in the year we send like the general manager or we send somebody to the training they have but they don't come to train us [hab2].

Face-to-face training provided by HA was therefore, more of training trainers, who then passed on the knowledge to other staff. Apart from the intensive one-week training provided for a general manager in HA on an annual basis, other trainings meant for other key staff like the financial and front office manager were sometimes optional and also depended on what the franchisee could afford. The franchisor however, placed more emphasis on the online training programmes for all staff. Online training in HA was not only detailed enough, but also the franchisor monitored franchisees to ensure that they were well acquainted with the online training packages. A franchisee-informant confirmed the detailed follow up by the franchisor on online training:

"The company has a core and basic training programme which is administered through the website and everybody in the company has to go through that. In each hotel, this is done locally and so every time somebody is hired in the company, regardless of their level, they have to go through the training programme. We try to run that every six months as a refresher to keep up. You are pretty much given the freedom to do those things on your own and then if you're stuck with any issue and you need their assistance, they can give you their support to tell you this is how to do it. …you can also do the self-testing, to make sure that you've learnt everything properly. So it's easy to transfer to a staff member" [hab1].

Training in both organisations covered SOPs used in major operations departments such as housekeeping and food and beverage, as well as revenue-driving departments such as front desk and marketing. Examples of issues covered in the training included, customer care, reservation procedures, receiving guests, best practice in housekeeping, food and personal hygiene. Cost of training in both organisations was paid for by the franchisee.

Quality assurance audit (QA) was another mechanism used partly for ensuring that franchisees adhered to SOPs. HA conducted QA checks once or twice a year, while HB had theirs twice a year. As highlighted earlier, HA combined QA with monitoring by means of a mystery shopper. Franchisee hb was monitored through a separate visit by mystery shoppers, as indicated in the statements below:

"…we go for quality assurance inspection to ensure everything is still in order, we do it twice a year" [HBa].

In terms of monitoring, they've been sending a lot people, even to come and act as a guest (mystery shopper), you'll not be informed… and after some days we get a feedback from head office [hbb1].

Confirming QA over SOPs by the mystery shopper in HA organisation, a franchisee-informant said that:

"…once he's done with the mystery shopping, he announces that he is from the franchisor, 'let me see your back of house and all the rooms'. Then they grade you based on that. It's quite detailed" [hab2].

From the evidence, the mystery shopper in HA was used in addition, for auditing operations in the back of the house once he had declared his identity.

In both organisations, franchisors used guest reviews on company websites and other external hotel rating websites to partly monitor quality in line with SOPs. Guests were encouraged to make comments and to also rate franchisees' hotels based on their experience. Franchisors monitored guests' feedback and would contact franchisees to ask them to take corrective measures when the comments and ratings were negative. In fact, guest ratings formed part of the score awarded to franchisees during annual or biannual QA assessments. Informants reported that:

> "There's a guest feedback loop that goes to head office, once it happens we contact them (franchisee) and tell them to remedy where necessary" [HBa].

> "…your review ratings from your guests, they scan through, if your ratings are here for the past years on steady basis and all of a sudden they drop down on that, they know it's a bad sign and they will get in touch with you to say what's going on, do you need some help there" [hab1].

Each of the organisations maintained single platforms through the websites/portal intranets that served inclusive purposes of IE and communication. Franchisors used the platform to send email alerts, memos and electronic newsletters to franchisees, including high priority notifications that needed franchisees timely action or response. Speaking about the effectiveness of the centralised communication through the intranet, the franchisee-informant in HB reported that:

> "You can just log on with your ID, then you'll get yourself abreast with the latest information" [hbb1]

Documentary evidence in HA identified the website/intranet as "a single point of access for all brand information and communication". Franchisors seem to take advantage of the website and portal intranet to maintain centralised communication with geographically dispersed franchisees. Although the intranet was mostly used by the franchisor for the purpose of information dissemination to franchisees, it was however, interactive as franchisees were able to give feedback or ask for clarifications on the platform. A franchisee-informant indicated the interactive nature of the intranet when he said:

> '…we do a lot of webinars… It's an extensive intranet, so as a franchisee, you have access…" [hab1]

Email was another major mechanism used by the franchisor to communicate with franchisees, especially regarding specific issues which concern particular franchisees and it was also interactive. A franchisee-informant reported that:

> "Email is most commonly used and it's the best because when you need any answer on something, it doesn't just affect you it usually affects at least two or three other people and they see it and they copy them" [hab2]

A franchisee-informant in HB also talked about email as a mechanism used to resolve issues and that the franchisor and franchisee would usually "be going back and forth on emails before" [hbb1] issues are resolved. Emails were thus used in two ways; for two-way communication and for information dissemination to franchisees. The evidence suggests that franchisors structured centralised communication to facilitate effective communication with geographically dispersed franchisees. The next section focuses on the relational norms identified in stage two.

4.3.4 Relational Norms

This section presents the evidence of the development of relational norms in stage two. Franchise partners in stage two demonstrated behaviours that indicated the presence of relational norms. The norms which include flexibility, RI, IE, NP, mutuality, commitment and trust are discussed below.

i) Flexibility

As mentioned earlier, evidence from the data indicate inbuilt flexibility driven by the goal to facilitate franchisees' adaptation to local market demand. However, situations came up in the course of the relationship which led to increased flexibility, especially over operating standards. Franchisees indicated that they had to obtain permission from franchisors before they could be granted more flexibility.

Interior décor, was one aspect of the brand standard, where franchisees obtained permission to implement a change to fit the preferences of local guests. A particular franchisee-informant observed over the years, that guests prefer local artwork to floral décor prescribed by the franchisor. When it was time for the franchisee to carry out a major refurbishment, he obtained permission from the franchisor to go with local art. The franchisor showed some understanding by granting the request, but not without asking for the franchisee to present a set of options of local artwork out of which one was approved. The franchisee-informant reported that:

> "It's one of those things that we sometimes have to take permission from them to do. After six years of running the hotel, we decided to do a refurbishment. One of the things we told them was that when we do this refurbishment, all of our artworks are now going to be different. We want to do African artworks because initially in the brand it's flowers, but our people here want something else, something more dynamic, something richer. Therefore, we wrote to them and they had to approve it. So, we have to send them may be a set of options and they can say okay, go with option three" [hab1].

Franchisees indicated that over time, the need arose to make further changes to the menu offering, in line with unique local demands. Franchisors flexibility over the menu offering, was solely based on continental dishes. A franchisee-informant's experience was that local guests demand local content in the breakfast menu offering. The franchisee responded to this demand by obtaining permission from the franchisor to add local breakfast dishes to the breakfast menu. According to the franchisee-informant:

> "When this hotel first opened, we used to do strictly continental and Nigerian people said: 'where is the rice? Where is the yam? Where is the 'akara'?' These are part and parcel of the Nigerian culture. Therefore, we told them: Look, what you have doesn't really matter. Yes, we will try to adhere to that, but we have to give Nigerian people what they want. Nigerian people make up 80% of our guests and we have to keep the majority of our guests happy" [hab1].

These adaptations indicate increasing flexibility driven by the need to respond to local market demand. The adaptations therefore, were implemented in a manner that preserved the franchisor's core values and identity, while employing add-on services/products which fit individual markets. This adaptation further indicates franchisors' flexibility, driven by their commitment to the common success they share with franchisees. As a franchisor-informant puts it:

> "One thing about franchise is that if you do more than the brand requires, no one will query you for doing more. You are only

> queried when you do less. If it is added on service, it's not usually a problem" [HBa].

Franchisees seem to strive to convince the franchisor to adapt. Franchisors seem over time, to have learnt to listen to franchisees regarding what works in individual markets. They also seem to acknowledge the significance of paying heed to the demand of customers in different locations, who are at the centre of determining the success of franchisees' business. Both franchisee and franchisor-informants suggested this fact when they said:

> "I tell them what works and what doesn't. I think that right now, on the regional level, it is beginning to make sense" [hab1].

> "If they need to adapt to their local market, we listen to them, we discuss and I think so far we have been reasonable in granting approval for such adaptations. We recognise that what matters is what the customers want" [HAa].

ii) Role Integrity

The support given by the franchisor, seem to have led to the emergence of RI. QAs for example, were carried out formally but were also used by the franchisor to generate useful information for supporting franchisees. One of the franchisor-informants suggested that they give support through formal audits when he said:

> "…though the audits may sound like a serious thing, but we actually support them through the audits. We acknowledge and encourage them over what they are doing right. As much as we pick up what they are doing wrong, it's not for us to penalise them, that's not the idea. The idea is to give them the support to enable them come to the desired standard [HAa].

The analysis of revenue reports from franchisees was also the basis for offering support to franchisees. A franchisee-informant reported that:

> "When they notice a downturn in revenue from our report, they would contact us to discuss and suggest what could be done, may be in terms of reducing price, doing a promo and things like that" [hbb1].

Franchisors' initiative, in generating valuable data from audits and revenue reports used for continual support of franchisees, demonstrates franchisor RI. Monitoring franchisees' performance appears to not only serve as a basis for encouraging franchisees to compete, but helped them to know when to provide assistance. Monitoring was therefore, used by franchisors as a sensor for the on-going fulfilment of their predetermined roles and thus reflects RI.

iii) Information Exchange

Communication with franchisees through the channels identified earlier was analysed to determine when franchisee-staff needed support, by way of retraining or seminar. For example, in HA it was reported that the franchisor developed good mechanisms for collating information from franchisees and processing such information with a view to rendering better support. According to a franchisee-informant:

> "…they can say okay, since we've received 500 enquiries about this type of thing in the last month and a half, there's obviously some confusion out there in the field. We need to set up original seminars so people can fly in and do face-to-face and have an opportunity to interact directly and ask questions"[hab2].

Franchisors initiated communication with franchisees to find out if they had any issues with their operations. In addition, documentary evidence from HB demonstrates an effort to consciously bond with the franchisee through personalised interaction, as an executive account management officer was appointed for each franchisee who offers:

> "…dedicated support to each franchise owner and manage the relationships at the franchise management company level… brings the franchisees' ideas and best practices to every discipline and business leader".

Franchisees were persuaded by franchisors to make use of the website, as it had a lot of information that supported their operations. They also had the freedom to contact franchisors if they had any problems with navigating their way around the system. This support from franchisors, with regard to using the system was reported to be very helpful and appears to have become a major platform for information dissemination to franchisees. According to a franchisee-informant:

> "…they're always encouraging us to use it to support the work we're doing. Even if what they are offering doesn't apply exactly to the way things are here, we can use 50% of it and then adjust the rest of it to our personal situation here and that helps"[hab2].

There was also a periodic interaction with general managers from franchised hotels in HA. The interaction took take place a minimum of twice a year and focused on the franchisor-representatives discussing with general managers of franchised hotels, to ensure they effectively used the information on the website to enhance their operations. The franchisee-informant in HA reported that the interaction was through a Skype meeting, in which the franchisor-representative carefully went through a check-list of resources available on the website, not only to ensure the franchisee is aware of those information, but also to enquire as to whether they have had any problems with using the resources. According to the franchisee-informant:

> "...they want to go through and make sure you are aware of all the services they provide and support available to you. The format is basically that they run through the whole check-list of 'how are you doing with this? Do you understand that? Do you utilise this? They make sure that you're aware of these services that they're providing" [hab2].

Franchisees' interaction in HA is used by the franchisor not only to control franchisees' behaviour, but also as a sensor for on-going fulfilment of his obligations; further evidencing the franchisor's RI.

Franchisors organised annual global conferences yearly and every hotel under the brand was required to send a representative. Although attendees were comprised of representatives from both franchised and managed properties, the conference provided opportunities for collaboration between franchisors and franchisees, and between franchisees and fellow franchisees, as a way of finding solutions to common issues. Reporting on information shared at the global conference, a franchisee-informant said:

> "Yes, we discuss issues we have in our different countries, how we've solved it, what we think about the brand and things like that" [hbb1].

Exchange of information occurred between the franchisor and franchisee through Skype business meetings held at least twice a year and weekly webinars. A franchisee-informant confirmed that franchisee representatives, 'can plug into those live webinars and interact with them' [hab2] and also reported that:

> …apart from my portal, we have Skype business meetings, we have a regional operational director who does business meeting with us, he does that twice a year… it could be more if you need it but six months is the minimum" [hab2].

There was evidence of unsolicited IE between franchise partners. A franchisor-informant seemed to indicate free exchange of information when he said:

> "In our meetings, we are very open, and we talk about things that matters to the business, about what things work, how we can develop our business. We come up with plans and strategies as they share their ideas with us" [HAa].

iv) Non-coercive Power

Supportive disposition of franchisors suggests they were not authoritarian in making contractually binding demands from franchisees. Recognising that franchisees, 'are entities by themselves and each franchise outlet is a private company by itself' [HAa], franchisors seemed to make a conscious effort to make demands, which were contractually binding, from franchisees in a friendly and supportive manner. This attitude over the delayed payment of fees, which reflected NP was confirmed when a franchisee-informant said:

> "…for instance, by the 10th of every month at most you should be able to have paid the previous month's fees. Sometimes we might just not remember, and then they will write to say that the due date has passed. So they are not coming in this harsh tone of saying section this of the contract says this... When you are supposed to do something, and you're not meeting the deadline, they remind you firmly, but they also support by saying if you have challenges, can you let us know?" [hab3].

The franchisee-informant reported that even when, after the first reminder has been sent by the franchisor, 'we still do not pay' [hab3] the franchisor:

> "…will now write again to say they have written before and they are writing again, and if we have a challenge, we should communicate and let them know [hab3].

The franchisor acknowledged that interest on delayed payments was stipulated in the contract, but the franchisor 'did not really implement that' [hab3].

v) Mutuality, Solidarity, Commitment and Trust

Franchisees indicated interest in the growth of the franchisor's brand in their country as they were apt to recommend franchisors' brand to investors seeking brands for their upcoming hotels. Franchisees' confidence in their franchisors in recommending them to upcoming hotel investors in the country, seems indicative of the fact that they have developed credibility trust in their franchisors. Further, franchisees believed that the growth of the brand in the country is beneficial in terms of generating economies of scale in local advertising and supplies. As one franchisee-informant explained:

> “We email and talk about opportunities that come up. For instance, if somebody wants to do a hotel in Nigeria, I’m always prone to push him towards doing another of my brand. Because the more they are here, the cheaper it becomes. All of us can come together and say come, let's do one page advert in 'This Day' and share the cost of advertising. For instance, somebody came to me yesterday saying that they wanted to do a five star, 170 room hotel and they were looking for brands. I suggested my brand” [hab1].

The data also revealed that franchisors in turn, do recommend experienced franchisees to up-coming new and inexperienced franchisees, to see if they could engage the experienced franchisee to manage their hotel. Franchisors’ confidence in experienced franchisees, in recommending them to upcoming franchisees in the country, seems to indicate they have developed credibility trust in franchisees over time. A franchisor-informant suggested credibility trust in franchisees when he said:

> “Currently we have three up-coming properties in Nigeria, we’ve entered into a franchise agreement with the owners of the properties and we’ve contacted our franchisee to ask if he’ll be interested in managing those ones since they are franchises. May be they might want to consider our franchisee to run their hotels since they don’t know how to run a hotel” [HAa].

The evidence above also indicates the presence of solidarity, - a willingness of franchise partners to strive for joint benefits. The franchisor seems to realise that using his experienced and trusted franchisees to run those hotels for the owners will guarantee running them according to his standards. The data also suggest a symbiotic relationship with mutual benefits for the two parties, and therefore indicates the emergence of mutuality.

The franchisor-informant described the process of developing trust in franchisees as a value creation process to which they consciously invest time and effort to build:

> It's very important for us to find franchisees who are credible and able to take their business units and drive it to successful heights, we have to trust franchisees to run the

> franchise and give us the results we desire. For us to achieve this we strive to build that relationship and it's not easy, it takes time, it takes effort and we have to go the extra mile to do these things [HAa].

The statement above reflects the long-term orientation of franchise partner’s commitment. It also suggests franchisors’ recognition of the need to invest resources in building relationships with franchisees.

There was evidence that the franchisee to HA who has been in the relationship for over ten years, could engage in local marketing and produce local marketing materials, without permission from the franchisor. It seems, from the statement by the franchisee-informant, that after many years of the relationship, the franchisor could trust him to properly represent the image of the brand through his local marketing activity. The franchisee who seems to have earned credibility trust over time from the franchisor reported that:

> “We have been with them for so long that we know what it is and then it's local. So we have that freedom to do our adverts as far as the fonts and the print is fine, and their logo is well represented, it’s okay… these things with marketing we already know it… they trust us, they know we know what to do” [hab1].

The section below focus on the question of whether informal control substitutes or complements the use of formal contract in stage two.

4.3.5 Partners’ Perception of Relationship and Complementarity of Control

Most of the respondents perceived the relationship as ‘really business-like, so mutually supportive’ [hab2]; ‘cordial, official and friendly’ [hab3], ‘normal’ [HBa]; ‘nice and cordial’ [hbb1] and ‘good… symbiotic relationship’ [hab1]. These perceptions are indicative of formal control and relational dimension of mutuality which influenced interactions between franchise partners. One franchisee-informant seems to suggest mutuality in the relationship when he described his perception of the relationship:

> “Their business is to supply us with certain things. We try to represent them so they can grow bigger and get more hotels and make more money and they are trying to make us successful so that we can achieve our goals too”[hab2].

Informants in this stage did not describe their perceptions of the relationship in family terms as in stage one. However, franchise partners recognise relationship as fundamental to having a successful franchise partnership, but in addition acknowledge the relevance of professionalism. These perceptions therefore suggest a recognition of the complementary role of formal and relational control. As one franchisor-informant emphasised:

> "For a successful franchise relationship is key. You cannot drive a franchise to be successful if you cannot maintain relationship on a professional level and also personal level, …if you can build a relationship by bonding, then you will be able to get more both ways" [HBa]

4.3.6 Summary of Stage Two Findings

Stage two of this study sought to build on the findings from the fast-food sector, to investigate control in the hotel sector. The findings from this stage revealed evidence of franchisors' implementation of formal output and behavioural control, for the purpose of maintaining uniformity in brand standards and SOPs. Behaviour of franchise partners that indicated the existence of relational norms and the use of relational control by the franchisor were evident in the findings. The relational norms identified include flexibility, RI, IE, NP, mutuality, solidarity, commitment and trust.

There are some similarities between the stage two and stage one findings, with regard to the complementary role of formal and relational control. Differences between findings in the two stages exist with regard to inbuilt flexibilities observed in stage two. Franchisors in stage two ensured the maintenance of minimum operating standards and some degree of inbuilt flexibilities. There were also increasing flexibilities, demonstrated through franchisor's adaptive measures in response to unfolding market conditions. The franchisor in stage one never used inbuilt flexibilities but demonstrated flexibilities only as the market conditions emerged. Again stage one revealed adaptation in menu offering, which was implemented across the network, but stage two only demonstrated adaptations which were only applied to a particular locality.

Table 4.3 and 4.4 respectively, highlight the formal control and relational norms identified from the data in stage two. The next stage of the research presents findings from an in depth investigation of control in one global hotel organisation.

Table 4. 3 Formal Control in Stage Two

Formal Control					
Output Control			**Behavioural Control**		
What was controlled	**Mechanisms**	**Rationale**	**What was controlled**	**Mechanisms**	**Rationale**
Standardised products	• Training. • QA audit. • Mystery lodger audit. • Centralised purchasing.	Adherence to minimum standards.	Behavioural Standards	• SOPs. • Online and face-to-face training. • QA audit. • Mystery lodger audit. • Guest reviews.	Maintenance of standards of customer service for the purpose of maintaining brand image and consistency.
Marketing	• Centralised marketing through global marketing on websites. • Supervision of the production of marketing materials for local marketing.	Uniformity and consistency of message and brand image.	Communication	• Web-intranet and emails.	Information dissemination and two-way communication.
Brand standards	• Centralised supervision and approval of branding items produced by franchisees. • QA audit.	Uniformity of image and brand identity.			
Finance	• System interface and periodic sales reporting.	Monitoring finance and tracking sales.			

Table 4. 4 Relational Norms in Stage Two

Identified Norms	Rationale for the Development of Norm
Flexibility	▪ While ensuring adherence to minimum standards, inbuilt flexibility was granted by franchisors, over menu offering, from the foundation of the relationship, to facilitate franchisees' adaptation to their local markets. Increasing flexibilities were also allowed by franchisors as more market conditions emerged.
Information exchange	▪ Franchisors facilitated a two-way communication process that enhanced effective IE with franchisees. Franchisors provided opportunities for interaction with franchisees, to find out if they had any problem with their operations and to offer a solution.
Role integrity	▪ Outcomes of monitoring output and behaviour were the basis for determining areas where franchisees needed more assistance. Franchisors generated valuable data from the QAs and revenue reports, and analysed it for the purpose of improving support and offering suggestions to franchisees.
Non-coercive power	▪ Franchisors were not authoritarian in making contractually binding demands from franchisees. For example, franchisors' attitude over delayed payment of fees was non-coercive.
Mutuality	▪ Franchise partners' perception of mutuality was evident in their attitude of recommending each other to new business partners.
Solidarity	▪ Recommending each other to new business partners also indicates solidarity, - a willingness to strive for joint benefits.
Commitment	▪ Franchisors demonstrated commitment in building relationship with franchisees over time.
Trust	▪ Credibility trust of franchise partners towards each other was evidenced from the confidence expressed through referring each other to new business partners.

4.4 Findings from Stage Three

Based on an in-depth single case study strategy of one global hotel brand coded as HC, this stage sought to explore control further; building on the findings from stage one and two. A total of thirteen interviews were conducted with two franchisor-informants and eleven franchisee-informants from six hotels under three categories of the brand operated by the franchisor in Nigeria (refer to table 3.4). The number of interviews conducted in each hotel depended on the availability of management staff who have been involved in the relationship with the franchisor. The franchisor-informants were from the regional headquarters, which oversee the development and operation of the brand in Africa, including Nigeria. A brief background of the case is presented below followed by a presentation of the findings.

4.4.1 Background of Stage Three Case

HC is one of a family of eleven lodging brands, operated across the globe by a privately held hotel organisation based in the USA. The brands were created to suit the needs of hotel investors and guests in every market. The organisation, which has existed for over sixty years, is recognised as one of the largest hotel groups in the world (Chepkemoi, 2017) operates its brands only on the basis of franchising. The organisation currently has a global network of over four thousand hotels in more than a hundred countries, with a global employee strength of over 190,000 and its average annual turnover between 2011 and 2015 was over five billion US Dollars (Chepkemoi, 2017). Based on a direct franchise arrangement, its franchisees in Nigeria own and manage hotels within the three categories of the brand as highlighted earlier. The franchisees are controlled directly from the franchisor's regional head office in Europe, which oversees their properties in Europe, the Middle East and Africa (EMEA).

At the period of the field investigation, there were nine hotel properties in the country operating under the brand. Three of these hotels were less than one year into their agreement with the franchisor thus, the investigation was focused on six hotels which have operated under the brand long enough to have established reasonable interaction.

4.4.2 Formal Output Control

This section presents the findings about output control maintained by the franchisor over brand and product standards, centralised marketing, centralised purchasing and formal sales reporting in stage three.

All the franchisee-informants confirmed strict control of brand standards by the franchisor. The franchisor ensured franchisees maintained uniform brand standards in line with the global brand identity and image through the mechanisms of supervision and QA. Signature brand items, such as catalogues, table tents, brand flag and plaques were supplied by the franchisor. Signage and stationeries were produced by franchisees, but the design would be sent to the franchisor for vetting and approval before production commences. One of the franchisee-informant reported that:

> "The franchisor is very particular about the brand identity. They make sure all the i's are dotted and all the t's are crossed. We just don't do branding on our own without sending it across to the franchisor for vetting, …especially with documents like fliers that has got to do with publicity" [hcf1].

In addition to the supervision of branding items (marketing collateral), the franchisor also maintained output control of the brand standard anytime the franchisor-staff had the opportunity to visit the hotels. They would quickly spot any deviation in the design of brand items no matter how minor it appeared and usually insist on correction. The corrections usually involve redesigning and reproducing brand items, leading to a waste of the previous ones produced. One of the franchisee-informants confirmed the output control of brand standards in his statement:

> "During the time of inspection when they see anything bending on their logo they will tell you this is not how their logo is supposed to look like and ask us to change it, then we reprint no matter how much is involved"[hce2].

The franchisor maintained centralised marketing communication through global marketing activities which represented every member-hotel. Documentary evidence indicated the franchisor's engagement in 'national promotions, high profile partnerships and on-site marketing' which enhanced the delivery of revenue to member-hotels. One of the franchisor-informants confirmed their engagement in centralised marketing as he reported that:

> "…the brand has its headquarters, where we have a world-wide sales team and a world-wide marketing team and they basically come up with different ideas and plans for the year to advertise the brand internationally"[HCa2].

The franchisor was mindful of ensuring the brand logo is maintained, as indicated by another franchisor-informant who said that they:

> "…approve logos and they (franchisees) have to use the Logo in an appropriate fashion. If they want to promote Sunday brunch or Friday afternoon or whatever, that's up to the hotel, the hotel looks after that directly" [HCa1].

There were inbuilt flexibilities over standardised products and services similar to the condition observed in stage two. The franchisor provided minimum standards to guide franchisees and allowed inbuilt flexibilities, for example, over menu offering as long as franchisees fulfilled the minimum requirements. A franchisee-informant confirmed the minimum standards when he said regarding recipes that:

> **"…**all you need to follow is whatsoever it is they state to you as the minimum requirement" [hcb1]

One of the minimum standards stipulated by the franchisor was for them to provide decaffeinated coffee for guests who may need it. There were other items as well, which according to one franchisee-informant 'most guests may not really want' [hce3] but are provided since the franchisor requires them as a minimum standard.

Franchisees were allowed to choose their recipes/menu offering in response to local market demand, although the franchisor maintained output control of recipes/menu. Guidelines were provided by the franchisor, especially regarding varieties of both continental and local dishes. Suggesting output control of recipe/menu through QA, one franchisee-informant reported that:

> "They don't have direct control over what is prepared. But when they come, they inspect the food" [hce1].

During QA, the assessment of the menu was based on:

> "…standard items they expect to see on the breakfast table, whether it is continental or African. They know that in African setting there is something like moi-moi, bean balls (akara). So they want to see that variety, the same applies to continental breakfast" [hcd1].

A franchisor-informant also confirmed flexibility in recipe/menu offering when he said:

> "…whether they have a club sandwich or a fish sandwich on the menu is up to them. We don't get involved in that" [HCa1].

The data revealed that the franchisor granted concessions right from the beginning of relationships, in recognition of poor infrastructure in Nigeria, as an emerging market. According to a franchisor-informant:

> "…things like the internet, we require very very high internet speed in the hotels, but in Nigeria that's not always available to have because of infrastructure. So in situations like that, we can move forward and kind of understand that there's nothing much more that they can do. So that can help, but it's the case that we've got to be careful of what we do so it does suit the best need of the guest" [HCa2]

Franchisee-informants confirmed that the franchisor conceded his standard regarding internet speed and property management systems. A franchisee-informant reported that:

> "…we are able to look at some of their requirements in course of our discussion. For instance, we are expected to have Opera as our operation system, but it is very expensive and at the point of take-off, we considered the cost of Opera as something we wouldn't want to embark upon at that point in time. …we went into dialogue with them and they provided other alternatives. The franchisor made it like a standard for us to have the Opera system, they didn't mention other internet systems, but when we dialogued with them, they considered and gave us other alternatives we can go for" [hcb2].

The franchisor provided guidelines on aesthetics and design of franchisees hotel so that each hotel looks 'completely different'[hca1]. Brand categories provided by the franchisor enabled flexibility in aesthetics and design. Such flexibility gave franchisees more control as the franchisor-informant reported:

> "We don't say you have to build your hotel this way unless it's one of our products which is a different type of hotel. So the hotels have more control than what you would with other hotels. …it gives the hotel a lot of priority to create some very unique hotels"[HCa1].

The franchisor maintained centralised purchasing arrangements through approved and branded suppliers for the purpose of driving savings and ensuring the quality of items used by hotel owners. Documentary evidence from HC revealed that franchisees are able to:

> '…reduce bills and overheads through preferred suppliers and collective buying power'

As was the case in stage two, most of the approved suppliers do not operate in Nigeria and legal restrictions over the importation of certain items was a major challenge that hindered franchisees in Nigeria from benefitting from the brand's collective buying power. The franchisor's flexibility with franchisees in the country, regarding centralised purchasing was evident from the data. The franchisor insisted on the use of a certain quality of materials by franchisees, but allowed them the freedom of decision over their sources of supply. A franchisee-informant reported that:

> "They don't have much control on purchases. They are only interested in making sure that items we purchase conform to what we're supposed to have in terms of standard" [hcg1].

A franchisor-informant similarly indicated that:

> "For the purchasing requirement, depending on the level of the hotel, there is a minimum requirement that they have to achieve which kind of relates to the quality assurance. So the quality standards tend to be more along the laundry quality of beddings, and the quality of the cutlery, proper plates, knives and forks. …they have to meet our requirements with regard to quality specifications"[HCa1].

Although the franchisor had a global supply arrangement, through approved vendors, it was not mandatory for franchisees within the country to use the vendors. The franchisor would however, share valuable information with franchisees about supplies, but allowed them to decide whether or not to use such information. An example given by a franchisor-informant confirmed franchisees freedom over supplies:

> "…things like when we approach a hotel supplier who is an approved vendor in North America for our hotels. They have all of the supplies that they were offering at a discounted rate. So we shared the information with the hotels everywhere (including Nigeria). The reason is that they were establishing in Africa and wanted to get into Nigeria and other places so we put the hotels in touch with the supplier and then allowed the hotels and the supplier to choose whether they wanted it" [HCa1].

The evidence above reinforces the franchisor's willingness to support franchisees in overcoming the challenges of lack of supplies, by demonstrating a flexible disposition towards whatever solutions they could offer.

The data also revealed inbuilt flexibility over room rates and discount decisions. The franchisor would only advise franchisees on rates and discounts especially when they notice a downturn on revenue, but the ultimate decision was left to franchisees. Franchisee-informants indicated franchisees freedom over setting rates when they reported that:

> "If they know that may be African countries, we're having challenges they can just send an email, -because of the low volume of sales coming in due to may be the fuel scarcity or the election or whatever we suggest you do this or do that to make the brand known better, or maybe bring down the prices. They send such mails like suggestions not really like rules, it's not an enforcement" [hcb1].

> "Sometimes when business is dull they could advise on our room tariff and suggest - why don't you look at your room tariff, why don't you reduce, things like that. They do advise, not that they enforce it [hcc1].

There was inbuilt flexibility for franchisees in Nigeria regarding channel of communication for monetary transactions. The brand stipulates using fax messages for certain transactional information, but due to infrastructural limitations, the franchisor conceded to the use of password secure emails for such transactional information. The franchisor was also flexible with franchisees over the stipulation of accepting a variety of credit cards from guests when they pay for services. One of franchisee-informants reported that:

> "When it comes to fax, they know that Nigeria is a problem, so we have a waiver on fax line… for most bookings we receive credit card details through email. It would have been through fax but because we have waiver on fax we now receive credit card details through email though pass-worded. Another waiver is on the American express card. Because you are required to accept as many credit cards as possible. It doesn't work well in Nigeria. They allowed us to accept only visa card, master card and cash like Dollar/Pound/Naira" [hcd1].

Despite the implementation of centralised marketing, the franchisor seems to recognise franchisees' power regarding local marketing, so franchisees were only advised regarding their local marketing, leaving them to take final decisions. For example, advice given to franchisees by the franchisor concerning promotional offers, room tariffs and discount rates they package for local marketing is, 'more like add on suggestions for the betterment of the business' [hcb1]. Another informant corroborated the previous statement when he said that:

> "Sometimes when business is dull they (franchisor) could advise on our room tariff and suggest why don't you look at your room tariff, why don't you reduce, things like that. …not that they enforce it, they only advise" [hcc1]

The statement below by a franchisor-informant corroborated the franchisee's report above:

> "We give them advice on marketing. Obviously because they have local knowledge, they might have a stronger knowledge than us" [HCa2].

Franchisees informed the franchisor when they changed rates or decided to promote a product, so that such new information is quickly captured by the franchisor on the website. According to a franchisee-informant:

> "They (the franchisor) take this information and they work on it in their own portal, because it's gonna affect what they get, yes it will. …in terms of giving discount, …whatever it is I choose to do with my rates it's up to me, but I should always have at the back of my mind that I need to generate and increase my revenue" [hcb1].

Allowing franchisees the freedom of local marketing suggests the franchisor's flexibility in responding to market demand, by allowing franchisees' discretion over promotional and pricing decisions. It also points to the franchisor's willingness to cooperate with franchisees for mutual gains.

Similar to stage two, the franchisor maintained financial control through an internet system interface with franchisees which enabled real time monitoring of their sales activity. This system facilitated the monitoring of revenues for the purpose of ensuring accurate royalty payments and also informed decisions over assistance given to franchisees in the form of advice and training in revenue management. The franchisor made weekly revenue calls with franchisee-managers, which focused on advising franchisee-managers on how to improve their sales. One franchisor-informant reported that:

> "We are in touch with our hotels regularly from our revenue strategy, what they are doing when it comes to rates, availability and how they're managing that" [HCa1].

A franchisee-informant confirmed the weekly revenue calls and information about daily revenue captured by the franchisor when he reported that:

> "Every Wednesday we chat with our revenue manager… to monitor how our revenue is going… our daily revenue is captured in the system as well. If we're doing 50% occupancy they can see that the property is doing 50%… we discuss it and see how we can improve the revenue for the organisation" [hcf1].

One franchisee-informant perceived the franchisor's involvement in franchisees' revenue as 'not controlling it per say, they're assisting in generating more revenue' [hcb1].

The next section focuses on evidence of formal behavioural control.

4.4.3 Formal Behavioural Control

Formal behavioural control maintained by the franchisor over SOPs and centralised communication in stage three are presented below.

The franchisor ensured strict control of franchisees' regarding SOPs which were documented in the operations manual for reference. SOPs were enforced through the mechanisms of training, quality assurance audits, guests' feedback and mystery shoppers. One franchisee-informant stated that the franchisor:

> "…is very strict when it comes to their minimum operating standard criteria. They are strict, so they are not going to bend" [hcb1].

Training was a major mechanism by which the franchisor passed on the values and operating standards of the brand to franchisees and much of it was done through face-to-face training at various locations of the franchisees' property. Pre-opening training was delivered by the franchisor and lasted for between one week and a month depending on whether a hotel was opening for the very first time or has been in operation before joining the franchisor. Part of the training covered SOPs for customer care, how to make up the rooms, restaurant service and general food hygiene. Training was delivered by international staff from the regional headquarters in charge of revenue and systems management and the cost of pre-opening training was covered in the joining fees paid by franchisees.

Post-opening training which held once every year in each franchisee's hotel, would usually revisit areas the franchisee performed below expectation in previous QA, negative guests' reviews and any new innovations or changes in standard introduced by the franchisor since the last training. This approach proved to be a useful support in helping franchisees improve on their performance during the next QA which usually came just after the training each year. The post-opening training lasted for two to three days depending on the issues the trainer needed to address in each hotel. Issues covered during the pre-opening and post-opening training included:

> "…trainings on the food and beverage - how food is handled, training on the front office- how a guest is attended to and even trainings on how rooms should be kept"[hce4].

Quality assessment audit (OA) was another major mechanism used by the franchisor to ensure the behavioural control of franchisees. Outcomes of guest online feedback, which was used for controlling franchisees' operating standards contributed to the scores awarded during QA checks. The franchisor reacted to negative guest feedbacks by immediately contacting concerned franchisees to discuss issues reported by guests and ensure franchisees addressed them promptly. In addition, issues raised through guest feedback were addressed during the post-opening training to help franchisees improve. A franchisee-informant indicated assessment through guest feedback when he said:

> "…as we see the reviews, the brand is also seeing it. That is also part of what they assess when they come for QA inspection. …based on the review, they can say you guys are not doing very well in this aspect; you need to sit up in this aspect" [hcf1].

The QA was contracted out to a neutral external assessor[14] to ensure a bias free assessment. A franchisor-informant identified the QA as the most important tool for controlling franchisees when he said:

[14] The external assessor used here is different from a mystery auditor as he comes to franchisees originally as an external assessor and never as a mystery auditor who later

> "There are a few ways to go about that (control of franchisees). The most important one is the quality assurance assessment visits" [HCa1].

A franchisee-informant also confirmed QA as a major mechanism of control when he said:

> "The way they (the franchisor) monitor the hotel is through the quality assessment they have, so QA involves them coming in to view the rooms to see if you've been following them, they are stripping down the bed linens, checking all the minimum operating standards requirements set for the rooms"[hcb1]

Mystery shopper audit was a second type of external audit carried out and the outcome formed part of the QA score. Most franchisee-informants reported that, "reports given by mystery shoppers to the franchisor also form part of our assessment" [hcb2] during the QA. Suggesting the mystery-shopper audit as a very effective control mechanism, a franchisee-informant indicated that the thought of getting a "mystery guest is the one that keeps you on your toes because you do not know the time they come and so they may catch you when you are off guard" [hcb2].

The data revealed that most formal communication between the partners was through emails. Rules, procedures and new ideas were communicated to franchisees through emails. Franchisor-representatives followed up on these to ensure franchisee-staff understood the content and took necessary actions regarding the information. One of the franchisee-informants reported that:

> "They don't just leave their hotel location without following up. They follow up their hotels and when it comes to formal communication, they do a lot of emails" [hcd1].

One of the reasons for which the franchisor communicated with franchisees was to inform them about new criteria and minimum standards of operation, they come up with. The franchisor reviewed the criteria and minimum standards for the hotels, in line with trends in the global hotel industry as confirmed by informants. One franchisee-informant reported that:

> "Periodically they change their standards, they make it better, they increase, especially when they look at the way the hotel

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declares his identity and demand to audit the back of house as was the case in HA. In addition to the external assessor, HC also used a mystery auditor.

> industry is developing all over the world. They will also want to embrace the new trends" [hcd1].

The new standards were also communicated to franchisees through emails. Emails were therefore, the franchisors way of "carrying us along" [hcb1].

Communication also happened through the telephone when deemed necessary. There were formally instituted biweekly phone or Skype calls between a key franchisor-staff and general managers of franchised hotels. The phone/Skype calls ensured a two-way communication, as it offered general managers the regular opportunity of sharing their challenges with the franchisor and getting advice for resolving such challenges. The biweekly calls were reported to be:

> "…very fantastic, if we are having challenges, that is the time we let him know. If we are having issues that have to do with the member web, he will usually assist us to resolve it" [hcc1].

The franchisor also communicated with franchisees through newsletters that were circulated at least every six weeks. Newsletter communication seemed more like a one-way method of disseminating information as franchisees could not react to the information they received via the same medium. According to a franchisor-informant:

> "…It's like a newsletter that we send to the hotels, I want to say monthly but sometimes it might be 6 weekly, but it gives information about what's going on with the brand or what we've done recently, how we're supporting them and sharing brand updates with the hotels" [HCa1].

4.4.4 Relational Norms in Stage Three

Evidence of franchise partners behaviours which indicates the presence of relational norms are presented in this section. The relational norms include flexibility, RI, IE, NP, mutuality, solidarity, commitment and trust.

i) Flexibility

Inbuilt flexibilities were incorporated into agreements with franchisees. These flexibilities were evident in the data in form of tweaks in individual contract. The data revealed that minor adjustments were made in each franchise agreement and no two contracts were exactly the same. In joining fees for instance, the franchisor would consider an amount deemed fit for a country. Also, depending on the location within the country, joining fees may go up or down in reference to the joining fees stipulated for each of the three brand categories that operated within the country. According to a franchisor-informant:

> "Law changes all the time, you have to change with the law. We improve our contract all the time, we always make small adjustments and not one contract is the same as the other. The general structure is the same, but sometimes you need to change things around" [HCa2].

Inbuilt flexibility in contracts made room for the franchisor to, 'be creative on how we do things' [HCa1] and seem tailored towards achieving balance between the diverse business environment of franchisees.

The manner of the franchisor's support over local marketing suggests flexibility. When supporting and advising franchisees on local marketing, final decisions were left to the franchisees, based on the franchisor's recognition of franchisees local knowledge. A franchisee-informant reported that:

> "…they allow you the freedom of locality. So far you maintain the standard requirement" [hcb2].

As stated earlier, the franchisor maintained strict control over brand and minimum operating standards which were hardly compromised. It also appears that, due to inbuilt flexibilities allowed by the franchisor from the beginning of relationships, he 'hardly concedes' [hcc1] as only very limited adaptations were implemented in course of relationships. Adaptations would be implemented when judged not to have a major impact on the brand and guest experience and in response to infrastructural and socio-cultural factors that characterised the external environment of franchisees. As one franchisee-informant puts it:

> "When you talk of telling them what you are experiencing, all these things boil down to guest experience. They want guests to have the highest level of experience when they visit their hotels. The only thing is that they have brand categories; they have general standards, then other than general standards, they still have standards that are peculiar to each category" [hcd1]

The data revealed a situation where the franchisor conceded his standard over the provision of remote controlled umbrellas at the pool. The franchisee reasoned with the franchisor as to why the sophisticated umbrellas may not be suitable in his environment and he listened. The franchisee-informant reported that:

> "They wanted an extension umbrella controlled by remote. We did it, but at a point we noticed that it will not last because this is Africa and the weather affects such things and we have a lot of sunshine. We then suggested to them that we need to change the umbrella. We gave them our reasons and they understood and allowed us to do it just the way we suggested. The reasons we gave them was weather, that is the sun and rain, then our handling culture, material usage, especially by local guests. They had to understand that we needed to change it and use the ordinary manual umbrella" [hcg1].

This evidence indicates that the franchisor draws on franchisees' experience under specific environmental and cultural conditions to adapt his service offering to achieve mutual success.

ii) Role Integrity and Non-coercive Power

RI was evident in the manner of support offered by the franchisor. The franchisor was eager to assist franchisees in resolving any issues and would initiate communication to offer advice when they notice a franchisee is going down on any operational standard. The franchisor provided support to prepare franchisees for QA, by going through a check-list with franchisees about one month before to ensure they are ready. Also, franchisor-representatives initiated communication with franchisees concerning any areas of deficiency identified after QA assessments. The franchisor aimed to assist franchisees through constant follow-ups after QAs to ensure an improvement by the next QA assessment. This attitude is indicative of RI. Regional managers for Africa[15] also showed much concern over the wellbeing of franchisees. A franchisee-informant reported that:

> "Regional managers want to know how you are doing, is there anything they can help you with? …calling to follow up, how is it going? What is the staffing like, what is business like? …they come up with ideas, 'instead of doing this why don't you do that, it would help you more this way' and they explain as to why it helps, they even go as far as giving examples" [hcb1].

By sharing ideas and persuading franchisees through examples, as evidenced from the quotation above, the franchisor seemed to focus on providing support rather than coercion, thus indicating non-coercive power.

Franchisors also demonstrated RI in the manner they handled guest feedback from franchisee's hotels. Issues raised through guest feedback were addressed during the re-training to help franchisees improve. One of the franchisee-informant indicated support through guest feedback when he said:

> "When they come for training, based on the feedback that our guests have given to us via our feedback platform, they gather those information and dwell on those issues which have been spotted"[hcf1].

iii) Information Exchange

To ensure the maintenance of high brand and operational standards, the franchisor established a high level of informal communication with franchisees as a way of supporting them to achieve standards. Franchisees reported that informal interactions with franchisor-representatives by Skype and telephone, 'actually influences their behaviour' [hce4] and described it as 'fantastic' [hcc1] [hcb1] 'because… they (the franchisor) always reach out to you'[hcb1]. The informal interactions also afforded franchisees the 'opportunity to air our challenges informally'[hce4] and seem relational in nature because:

> "…you know it's informal, the relationship there is not like a formal one. You hear them ask things like if there's any problem considering the political situation in the country, what are the challenges… it's just a process of trying to build a relationship,

[15] Regional managers with different portfolios (for example revenue management) looked after the brand in Africa.

> trying to ensure that there is constant communication between the two, to find out whether there is a challenge or avenue of having a better relationship" [hce4].

Another franchisee-informant reported that, 'information is shared not as a rule or based on the contract but voluntarily because of the franchisor's desire to see the franchisee succeed [hcg1]. The franchisor instituted a biweekly webinar chat with franchisees which provided opportunity for exchange of information as they:

> "…discuss issues, if there are any issues we need to let him know or any issues he needs to let us know"[hcc1].

Information about new quality requirements were shared with franchisees informally by phone or Skype before they were formally communicated through emails and newsletters, to encourage them to 'start planning ahead of time' [hce4].

The data revealed that some franchisees had the privilege of bonding more strongly with the franchisor through deeper IE that was based on their performance within the franchise network. Confirming this privilege, a franchisee informant said:

> "They (the franchisor) can reveal to you how well you are doing compared to other franchisees. They can steal information to you, yes they do, especially when they see you as a very close person to them, when they are impressed with your performance, they will reveal so many things to you" [hcd1].

Franchisees also shared information with franchisor representatives informally. Such information as 'telling them how hotels in Lagos are doing' [hcd1], or sharing 'knowledge of what is obtainable in this environment' [hcb2], were highly valued by franchisor representatives who factored such information into future plans for the franchise. A franchisee-informant confirmed the value the franchisor placed on information they get from franchisees when he said:

> "…they like information, they monitor trends, they plan. …any information you give them, they will like to utilise it. They want to key in into it and think about it and use it as one of the tools for future planning. They really appreciate when you tell them how hotel business is faring in Lagos because they think it can be useful in their future plans". [hcd1].

There was evidence from the data that informal communication improved over time as staff from both sides became familiar and more willing to initiate communication with each other. Franchisees confirmed that years into the agreement, they found it easier to pick up the phone to talk with franchisor-representatives. Comparing communication earlier on and later in the agreement, a franchisee-informant reported that:

> "When I just joined I just got phone calls from the franchisor. I did not communicate with anyone. But now it's easy for me to pick up the phone to say hi, I wanna talk to Mr A, hi, I wanna talk to Mr B, so the communication is a lot better and I feel I have them on my beck and call"[hcb1].

A franchisor-informant also confirmed improved communication with franchisees over time when he stated:

> "You have a different type of relationship with somebody you've known for 5 years versus who you've known for two. You know people might be more willing to pick up the phones rather than emails" [HCa1].

The data also revealed more effective communication resulting from partners who, after communicating only through emails and telephone over the course of time get to meet each other face-to-face. Meeting through physical contact seems to create a bond which affects emails and telephone conversations that follow; there is usually a difference in the language used after the meeting. A franchisor-informant's report seems to suggest increased IE after meeting face-to-face when he said:

> "When an email comes in you can read into it more, if they are frustrated about something with you, because you've met them and you've spoken to them, you can read into it, what they're saying is easier to read than only having ever met them over the telephone or by email"[HCa1].

Similarly, a franchisee-informant suggested greater knowledge and IE through physical contact with franchisor-representatives when they visit his property. According to him:

> "The originality is there…, it's not like the email thing; you are seeing the person, you're talking, you're chatting, you're seeing what is on ground. …if there are areas you are having challenges, you can take a walk down there, you see these things yourself, they give you suggestions. I make sure each time they come that I'm usually on ground with them, …I stay with them, eat with them; we stay together until may be the time for them to

> go and have some rest. It's usually an avenue for me to tap from them" [hcf1].

The evidence above suggests the subtle influence of IE as a relational norm, as it develops over time and improves based on the frequency and quality of shared information.

iv) Mutuality

The franchisor leveraged on 'deep contacts involving nationals from all around the world'[HCa2] to assist franchisees in generating sales through the exchange of unsolicited information about market opportunities. The franchisor shared a platform with major global companies for the purpose of 'winning good business in a highly competitive market' [hcf1]. Whenever the franchisor came across organisations seeking for hotels to bid for the provision of hotel services in Africa, he shared such information with franchisees requesting that they respond to these requests for proposals (RFPs) by such organisations. The franchisor assisted franchisees, by vetting their proposals to ensure they provided all the required information.

A franchisor-informant confirmed that:

> "If they (the franchisor) know of any company looking for hotels that would want to bid to become service providers for such company, for instance, if the franchisor knows that Coca-Cola international brand is looking for hotels in Africa to put their people in, they send an email and say okay, this RFP is coming up. Do you want to bid for it, you should put your hotel in there, put your rates in there, put the distance of your hotel, other hotels that are close to you, just different information you need to put in there in order for you to go through to the bidding". [hcb1]

Apart from the franchisor's assistance with RFPs, indicated above, when franchisees faced difficulty with their initiative to penetrate international organisations in their country, they contacted the franchisor 'to see if there is anyhow the local contact person can be influenced by the brand from the top, and they do that for us and see how they can link us up' [hcf1]. The franchisor also negotiated with online travelling agents (OTAs) on behalf of franchisees for more effective and easy transactions. A franchisor-informant reported that:

> "…they help us generate revenue from different online travel agencies, so we could get bookings from there" [hcb1].

Franchisees reported that these strategies often proved helpful as the franchisor tends to push from his end on franchisees' behalf. A franchisee-informant confirmed that:

> "We're doing well through their support, when other hotels are lamenting due to lack of patronage, we'll be saying, that we're okay, we don't have issues. Some hotels would complain that they are doing below a certain percentage, we say ah!, at least we're not doing below 50%" [hcf1].

The evidence above suggests franchise partners' belief about the inherent value of cooperation for mutuality.

v) Solidarity

Market support offered by the franchisor through global and regional adverts,[16] suggests an intention to assist in delivering bilateral benefits and is indicative of the existence of solidarity within the franchise network. Franchisee-informants reiterated the significance of franchisor support and indicated the feeling of a sense of belonging as they said:

> "It's (franchisor support) of very great importance to us, because with that you feel the spirit of being part of them, that they recognise you, it gives us a sense of belonging" [hcg1].

> "I cannot fail to talk about their contribution in terms of global recognition because if I'm on my own, the business I have gotten from them, I wouldn't have gotten that, we get 30-40% of our business from them" [hcb2].

> "It's (franchisor support) important and a big relief to me" [hcf1].

> "…without the extra help I get from them, I think somewhat I would have been misplaced in business. So it's very much important to get their support" [hcb1].

vi) Commitment

The data revealed franchisees valued the franchisors brand and so demonstrated commitment and self-enforced safeguards in maintaining

[16] In addition to global adverts on the franchisor's website, the regional office which looked after Africa alongside fourteen other countries advertised the brand for the countries under its coverage.

brand and operating standards. Franchisees recognised the brand's popularity and international standards and the need to 'keep it for the relationship to be there'[hce3]. Another franchisee-informant reflected on how franchisees valued the brand in a statement below:

> "Without the brand it's going to be just like one local hotel, with the brand we're the global hero. We don't play with the standards set by the brand"[hcf1].

Franchisees were keen on making sure that branding materials were properly designed. This keenness was not just because they wanted to avoid incurring the double cost of reproducing branding materials if they are condemned by the franchisor. It was also due to the influence of the franchisor's values and practices on franchisees through training. As a franchisee-informant put it:

> "It's as a result of their influence because the brand we know and are taught that it's of a higher standard" [hcg1].

Some franchisee staff played the role of gatekeeping over the brand standards. For example, in one of the hotels an IT (information technology) staff ensured that branding materials were accurately done. This particular member of staff was reported to be in regular communication with the franchisor-representative concerning brand standards. A franchisee-informant said concerning the staff:

> "We have an IT guy… who is so keen about anything that has to do with the brand logo, he doesn't joke with it. When we make any logo, if it is against standard, he'll spot it and kick against it immediately. HCa2 trained him; he was always on conference call with HCa2 every week. They talk every week, they chat, - how are things going? This is how it's going and this is what we are planning to do. There was a time I personally printed a fuel voucher, the logo on that fuel voucher was somehow, that is the colour was not well captured. I have printed about fifty booklets, but the staff did not allow it to go, because he said no, the franchisor will never allow it, that if the voucher should go out there and if anyone of them see it, it means a lot of problems and I reasoned along with what he said. …and handbill that we design, he makes sure that it complies, even the wordings, if we write anything that goes against the standard, he won't allow it" [hcc2].

Franchisees reported that they 'do train our staff in-house as well' [hcb2], besides the annual training administered by the franchisor. The in-house training organised by franchisees quarterly or as deficiencies were noticed from staff performance, was a way of ensuring self-checks and making 'sure that we keep our staff in line with the set standard of the brand [hcf1]. This evidence corroborates franchisees' keen interest and self-enforced measures and provides evidence of franchisees' commitment.

vii) Trust

A statement by a franchisor-informant about support to franchisees seems indicative of credibility trust, as he said:

> "Majority of us in the regional headquarters are ex hoteliers, so we're sympathetic to the pain that they always go through when it comes to hotels and they know that we have a level of knowledge of hotels as well that we can help them with. So we try and be a support and as professional as we can to give them the information they need to be successful" [HCa1].

All the franchisee-informants implicitly expressed confidence and trust in the franchisor, as they talked about how they are looked after by the franchisor and the reason for the value they attach to being identified with the franchisor. For example, one franchisee-informant, whose organisation has renewed their contract with the franchisor once, reported that:

> "I am not neglected, and they are always open to questions through emails, …if they notice anything wrong with your booking portal or whatever it is they just send messages to you, …Once they come up with new ideas they send emails carrying us along. …they're so amazing because they'll tell you if you need anything just let us know. …and these are the reasons why their brand sells because of the name. It is very much important to me and to the hotel" [hcb1].

Another franchisee-informant, who related with the franchisor for four, years also highlighted the franchisor's trustworthiness implicitly, as he emphasised how supportive the franchisor has been and affirmed that:

> "They have been too good, they have been supporting us very well, …they are wonderful. They always enjoy you asking them questions because they will always tell you that they are ready to assist you, advise you if there is any aspect they notice that you are not doing well, they will advise you on what to do" [hcd1].

The informant above highlighted that even when they 'were still learning' [hcd1] under the franchisor and did not understand some of the policies:

> "…even then they carried us along and continued to make us understand what they want us to do and how they want us to do

> it and why. They are very good in letting somebody understand. …now that we have been with them for years, …we are becoming more relaxed with them"[hcd1].

Another franchisee-informant assessed the franchisor's credibility when he said that:

> When it comes to quality assurance and service delivery… I think I will score them 90%. They are doing well. If we raise an issue with them, they respond within 24 hours. …they are proactive when it comes to response, I think I am satisfied with them [hcc1].

One more example of franchisees' reflection of the franchisor's trustworthiness is clearly visible in the words of another franchisee-informant when he reported that:

> "I've worked with other brands and this brand is one of the brands that I respect so much because of the way they follow up standards and ensure that things are done correctly. …they don't compromise. I've never contacted the brand on any issue that they turned their back on me, they always respond. …they respond promptly. The franchisor has actually been a source of encouragement. I'm cool with the brand. I've worked with other brands but, I prefer this brand and I love to work with them. Other brands provide training, but not the way they do, …they are not as detailed as this brand is [hcf1].

The next section addresses franchise partners' perception of their relationship.

4.4.5 Partners' Perception of relationship and Complementarity of Control

Perception of the agreement by franchise partners and how they reflect relational norms are discussed in this section. Franchisee-informants perceived their relationship with the franchisor as 'professional' [hcb1], 'cordial' [hcd1] [hcc1], 'very very cordial' [hcc2] [hcf1], 'friendly' [hcb1] [hcd1], and like a 'family'[hcb1] [hcd1] [hcc2]. One franchisor-informant equally perceived the relationship as 'professional and cordial' [HCa1]. The symbiotic nature of the agreement was also indicated by informants who described the relationship; suggesting mutuality. A franchisee-informant seemed to sum up the perception of franchisees about the agreement when she said:

> “It's very professional, it's very friendly, it's like a family. They help me as much as they can and the least I can do in return is to help them improve the quality of the brand and promote the brand the best way I can”[hcb1]

The franchisor perceived the agreement somewhat differently when he said:

> “In summary I am their best friend, their worst enemy, their god and their devil and their mother and their father. It depends on how the business is going or if the hotel is doing well in their quality assurance. It changes sometimes on a daily, weekly, monthly basis and it's an ever adaptive relationship… They take it like a real man or woman and quite happy so… It's like a boy and a girl when they're going out. It changes all the time” [HCa2].

The franchisor’s perception suggests a complex relationship, where the criteria for fine tuning control depends on what needs to be controlled and how responsive franchisees are. Concurrent use of words like ‘very professional’, ‘very friendly’[hcb1] and ‘best friend’ ‘worst enemy’[HCa2] to describe the relationship, suggests the use of coercive and non-coercive control mechanisms and the complementary role of formal and relational control to attend to franchisees adaptation needs, while at the same time protecting and improving on the franchisor’s brand and operational standards.

There was also evidence that the franchisor was supportively disposed towards franchisees as they seemed not to insist on their contractual rights over delays in payment of fees, but rather ‘understand with us’ [hcf1]. For example, the franchisor demonstrates understanding when franchisees sometimes ‘had two months unpaid statements due to the problem of international fund transfer’ [hcf1]. Another informant also reported that ‘they can give you time, up to three months to delay payment’ [hcc1]. This restraint from implementing the contractual right was allowed in spite of the fact that the franchisor:

> “…have cost for every deficiency, like any time you don’t meet up to a particular standard, there is a cost. It’s just like maybe you’ve received an invoice for the month to pay for the necessary fees like their annual franchise fee, then their booking fees. Now if you fail to remit money to them within 60 days, there is a penalty. If you don’t meet up within 30 days there is a percentage penalty, …within 120days, 180 days, so they have structure for all these. …and by the time you decide to owe for a very long time, it may lead to termination of the contract” [hcd1].

Again the findings of stage three indicate the strict use of output and behavioural control mechanisms to maintain brand and operating standards and ensure uniformity within the franchise network. There were however, inbuilt flexibilities in the form of tweaks in contract, guidelines on aesthetics and design, recipe/menu offering, rates and discounting decisions, and purchasing and supplies. The evidence therefore, reflects the complementary role of formal and relational control.

Table 4.5 and 4.6 respectively, highlight the formal control and relational norms identified from the data in stage three.

Table 4. 5 Formal Control in Stage Three

Formal Control					
Output Control			**Behavioural Control**		
What was controlled	**Mechanisms**	**Rationale**	**What was controlled**	**Mechanisms**	**Rationale**
Standardised products	• Training. • Guest feedback. • QA audit. • Mystery lodger audit. • Centralised purchasing.	Adherence to minimum standards Quality and economies of scale.	Behavioural Standards	• SOPs. • Face-to-face training. • QA. • Mystery lodger audit. • Guest reviews.	Maintenance of standards of customer service, food/beverage and room operations.
Marketing	• Centralised marketing through global marketing on the websites. • Supervision/approval of local marketing/branding materials.	Uniformity and consistency of message and image.	Communication	• Web-intranet. • Emails. • Regular Skype/ telephone calls. • Newsletters.	Communication used for monitoring and support.
Brand standards	• Training. • Supervision. • QA audit. • Centralised supply.	Uniformity of image and brand identity.			
Finance	• System interface through which the franchisor captures daily revenue. • Revenue chat.	Real time monitoring of finance and tracking sales.			

Table 4.6 Relational Norms in Stage Three

Identified Norms	Rationale for the Development of Norm
Flexibility	▪ While ensuring adherence to minimum standards, inbuilt flexibility was granted by franchisors over menu offering, right from the beginning of the relationship, to facilitate franchisees' adaptation to their local markets. There were minor adjustments made in each agreement such that no two contracts were exactly the same. Increasing flexibilities were therefore, very minimal in stage three compared to stage two.
Information exchange	▪ Franchisors facilitated a two-way communication process through the web intranet, Skype/telephone calls that enhanced effective IE with franchisees. Through these channels of communication, the franchisors provided opportunities for interaction with franchisees, to find out if they had any problem with their operations and to offer a solution. ▪ Franchisees also initiated IE with the franchisor and shared information about their environment, which helped the franchisor to monitor trends. ▪ IE was found to improve over time and improve after face-to-face contact between franchise partners.
Role integrity	▪ The franchisor provided support to prepare franchisees for QAs by going through a check-list with franchisees one month ahead of the QA. ▪ Regional managers demonstrated interest in the wellbeing of franchisees business by sharing ideas with franchisees and persuading franchisees, using examples. ▪ Issues raised through guest feedback were addressed during the retraining programme to help franchisees improve.
Non-coercive power	▪ The franchisor demonstrated non-coercive power by sharing ideas and persuading franchisees through suggestions and examples, thus indicating non-coercive power.
Mutuality	▪ The franchisor demonstrated a perception of mutuality through the exchange of information with franchisees, about market opportunities. Franchisees also sought the franchisor's support, when they faced difficulty with their initiative to penetrate international organisations in their country, thus demonstrating their belief about the inherent value of cooperation for mutuality.
Solidarity	▪ The franchisor's support to franchisees with their marketing effort, indicates solidarity through a willingness to assist in delivering bilateral benefits. This support generated a sense of belonging in franchisees.
Commitment	▪ Franchisees demonstrated commitment through self-enforced effort towards the maintenance of brand and operating standards.
Trust	▪ Franchisees strongly expressed confidence in the franchisor's credibility, indicating the franchisor's credibility trust.

4.5 Summary of Research Findings

This chapter presents the findings from the three stages of the research. The first stage explored the development of formal and informal control in international franchise networks within the fast-food sector. The franchisor used formal control mechanisms from the beginning of the agreement. In addition, relational norms identified in the stage were indicative of behaviours that served to control franchisees relationally. The franchisor's demonstration of flexibility by allowing greater franchisee adaptations led to the development of more relational norms over the course of the franchise agreement. Stage two of the study presented findings from the hotel sector. In the two brands investigated, formal controls were implemented alongside inbuilt flexibilities used from the start of the agreement. Inbuilt flexibilities in stage two were driven mainly by franchisors' recognition of the need to allow franchisees to respond to local market conditions. There was evidence of relational control of franchisees in stage two, through the relational norms identified. Inbuilt flexibilities were used from the start of the relationship. Other relational norms emerged in the course of the relationship with increased flexibility allowed by the franchisor. Stage three of the study was also carried out in the hotel sector; in one global franchise brand. Compared to stage two, the findings from stage three revealed the use of more inbuilt flexibilities which led to less need for adaptations over the course of the agreement. The franchisor maintained strict formal control of the brand and operational standards, while supporting franchisees through extensive use of IE.

Generally, comparing findings from the fast-food and hotel sectors (stage two and three) a difference is observed in the approach to adaptations to franchisees' environment. In the fast-food sector, the franchisor strictly controlled output and behaviour and only allowed flexible adaptations as market conditions in franchisees' locality emerged. Whereas in the hotel sector, franchisors deployed inbuilt flexibilities from the foundation of agreements. There were however, greater adaptations implemented in the fast-food sector in the course of the relationship and less in the hotel sector which implemented inbuilt flexibilities. This difference may be attributed to the variation in product/service offering between the two sectors. The international fast-food's product/service orientation is based on relatively limited products delivered on stricter uniformity in terms of menu, production process and service standards. On the other hand, international hotel brands have a more complex product offering which demands varying degrees of standardisation and adaptation. It is also possible that the lack of inbuilt flexibilities in stage one was partly because the franchisor was less experienced in franchising in emerging markets, compared to the franchisors in stage two and three. On the other hand, a comparison of franchisors in stage two and three shows a difference in the amount of inbuilt flexibilities implemented. In stage two there were less inbuilt flexibilities and more adaptations introduced over the course of the agreement, while stage three conversely reveals the use of more inbuilt flexibilities and minimal post-contract adaptation.

Evidence from the three stages suggests that franchisors implemented relational control as a complement to formal control. The implications of these findings are discussed in relation to extant literature and research propositions from the literature.

CHAPTER FIVE

5. DISCUSSION

5.1 Introduction

This study seeks to examine the extent of relational control in international franchise networks in emerging markets. Having presented the main research findings in the preceding chapter, this chapter discusses and interprets them in relation to the literature. The chapter thus fulfils the fourth objective of this study. The discussion is framed around three major themes drawn from the findings from the three stages of the research. The first theme focuses on the nature of franchisor-franchisee relationship based on the types and extent of relational norms identified. The second theme considers the external and internal drivers of adaptations made within the franchise networks and their implications for control. The third theme discusses relational control as complements to or substitutes for formal control. The chapter ends by reviewing the key findings from this study in comparison with the research propositions developed from the literature review.

5.2 Nature of Relationships: Types and Extent of Relational Norms Identified

The relational norms identified in the study reflect the nature of the relationship franchisors shared with franchisees. The norms were found to be interrelated as Macneil, (1980) indicated. Flexibility, information exchange, and solidarity, identified by Heide and John (1992) as the fundamental norms are discussed first, followed by role integrity, mutuality (reciprocity), NP and commitment. Trust (benevolent and credibility trust) is discussed lastly, as it was found to develop between exchange partners only after the previously listed norms and a sound long-term orientation have become functional as its antecedents (Dyer and Chu 2000). In line with the views of Morgan and Hunt, (1994) this study found that the relational norms identified first, possess within them the capability that makes the development of trust possible. The relational norms identified and their interrelated nature are discussed below.

1. Flexibility

Flexibility was defined earlier in this study as the willingness and capability of parties to an exchange to adapt in practice and policies to unforeseen changes in the external and internal business environment (Czakon, 2009; Harmon and Griffiths, 2008). Flexibility seemed to be a predominant norm which steered franchisor-franchisee relationships in both the fast-food and hotel sectors. In the hotel sector, the study revealed that reasonable flexibilities were introduced right from the foundation of the agreements as franchisors were 'flexible in terms of menu'[hbb1] and made 'small adjustments' [HCa1] in various contracts signed with franchisees, such that 'not one contract is the same as the other' [HCa1]. In addition the evidence revealed that increasing flexibilities were allowed by franchisors as market conditions emerged. The global nature of the organisations studied in the hotel sector is another apparent reason for the use of inbuilt flexibilities. Their global coverage may have warranted them to implement inbuilt flexibilities in order to cater for their markets, which were much more diverse than the markets in the fast-food organisation studied. As indicated earlier, regarding the background of the case organisations in chapter four, the three hotel organisations studied operate globally in more than seventy countries, whereas the fast-food organisation operates internationally across West Africa. The evidence therefore suggests that in emerging markets, particularly in the international hotel franchise sector, flexibility begins from the foundation of franchise relationships.

In the fast-food sector flexibility began to emerge as events unfolded after a minimum of four years into the relationship. This finding is in line with researchers' suggestion that flexibility follows after the starting point of the contract, which could be altered as the market, exchange relationship and other environmental variables emerge (Koza and Dant, 2007; Dant and Schul, 1992). The post-contract emergence of flexibility within franchise networks implies a continuation of contracting discussions, including negotiations and agreements after the initial contract is signed (Ivens and Blois, 2004; Spencer, 2009). In contrast to the hotel sector, inbuilt flexibility was not observed in the fast-food sector and is perhaps attributable to the nature of their service offering. Compared to the hotel sector, which offers a more complex range of products and services (accommodation, food, conference halls, swimming pool, business centre, laundry services, etc.), the relatively simple service offering of a fast-food franchise may require flexible adaptations only as external variables manifest themselves. There is also an indication, from the findings that the lack of inbuilt flexibilities in stage one could be attributed to the level of experience of the franchisor. Stage one revealed that the franchisor was less experienced in emerging markets, as he 'didn't have an idea of how difficult franchising would be in Nigeria' [FFa1]. The data indicate that franchisors in stage two and three were more experienced than the franchisor in stage one, both in the number of years they have been involved in franchising and in geographical coverage in emerging markets. In their research based in developed economies, Perdreau et al., (2017); Solis-Rodriguez and Gonzalez-Diaz, (2012); Cochet and Garg, (2008) highlight the role experience acquired by franchisors over time plays in their approach to contracting and managing their relationship with franchisees. These authors found that experience enabled franchisors to pre-empt and handle future contingencies and ultimately avoid potential conflicts, reduce transaction costs and promote competitive advantages. This study extends this finding, by demonstrating the role of franchisors' experience in adapting more efficiently in emerging markets through inbuilt flexibilities.

The inclusion of inbuilt flexibilities seems to contradict the impression that flexibilities only emerge as franchisors willingly make good-faith modifications and adaptations as circumstances dictate (Koza and Dant, 2007; Dant and Schul 1992; Kaufmann and Dant 1992; Macneil 1980). It seems that hotel franchisors, recognising the unique challenges and environment of franchising in emerging market (Alon and Welsh, 2002) consider inbuilt flexibilities as a way to 'move forward… in situations like that' [HCa2]. Franchisors however, are careful to ensure that the flexibilities 'does suit the best need of the guest' [HCa2]. Franchisors in both the fast-food sector and the hotel sector ensure that the flexibilities do not distort their core standards and identity. In the fast-food sector, a franchisee could be conceded some flexibility in product offering 'just in his outlet' [FFa1] in response to 'a need peculiar to that one state' [FFa1]. In the hotel sector, franchisors seemed to ensure adherence to a 'minimum operating standard' [hab2] [hcb1] which mirrored the brand image appropriately. Franchisors' flexibility thus responds to the needs of different local markets and creates innovation opportunities (Gillis and Combs, 2009; Falbe et al, 1999), as franchisors allow franchisees 'to make such adjustments that make sense to the local market' [hab2]. Kaufmann and Eroglu (1999) argued in favour of a delicate balance between the benefits of franchise network standardisation and the benefits derived from local market adaptation. Similarly, other researchers acknowledge that achieving long-term success in a franchise network requires the ability to develop a fine balance between standardisation and adaptation, which creates and captures value for franchise partners (Gorovaia, 2016; Winter et al., 2012). Building on these studies therefore, this study suggests that international franchisors in the fast-food and the hotel sector in emerging markets maintain minimum standards in franchisees' markets in order to preserve their brand image, maintain brand uniformity and in addition, implement flexibilities to respond to the demand of their diverse markets. This study thus responds to the call for research which investigates the conditions that favour the standardisation of business format franchise and also reveal specific environmental factors which encourage or discourage adaptation across a range of diverse geographically dispersed environments (Gorovaia, 2016; Winter et al., 2012).

While the study established the use of inbuilt flexibilities in both stages two and three within the hotel sector, there is a notable difference in the degree of inbuilt flexibilities applied in the two stages. In stage two, there were less inbuilt flexibilities and more flexibilities introduced over the course of the agreement as the relationships progressed. For instance, 'after six years of running the hotel'[hab1], a franchisee found there was a need to have African artwork, rather than flowers, for the interior décor because, 'our people here want something else, something more dynamic, something richer'[hab1]. The data indicated that franchisors obliged such need for increasing flexibility. Stage three conversely revealed minimal implementations of post-contract flexibilities after implementing greater inbuilt flexibilities. While the data did not clearly reveal any difference in experience between franchisors in stage two and three, the fact which stands out from the finding, is that franchisors who apply greater inbuilt flexibilities are likely to minimise the challenge of implementing greater flexibilities over the course of the relationship. This finding implies that a greater use of inbuilt flexibilities will lead to greater efficiency through the reduction of transaction costs, greater competitive advantage and ultimately result in better franchise relationships (Solis-Rodriguez and Gonzalez-Diaz, 2012).

2. Information exchange (IE)

IE is the expectation of exchange parties regarding members' initiative in providing timely and useful information to the system ((Heide and John, 1992). This study confirms a positive relationship between IE and relationship quality (Tong and Crosno, 2016; Ishak, 2016, Macneil 1980). In the fast-food sector, the periodic council for example, provided a platform for collaboration between franchisor representatives and franchisees who met at least once a year to share 'experiences and learning' [FFa1]. Although the council was formally instituted, it gave the franchisor opportunity to listen to franchisees and 'make some changes if there is the need' [FFa1]. Organisations in the hotel sector, which had greater geographical and cultural distance with their franchisees (compared to the fast-food sector) leveraged on a more active use of their websites/intranet as 'a single point of access for all brand information and communication' [Documentary evidence HA]. Franchisees were able to 'plug into those live webinars and interact with' [hab2] franchisors. They also exchanged information through Skype and telephone. Similar to the council in the fast-food sector, conferences which were held annually in the hotel sector provided a significant opportunity for information exchange. During the conferences franchisees and franchisors deliberated over 'issues we have in our different countries, how we've solved it, what we think about the brand and things like that'[hbb1]. But beside the annual conferences, much more information was exchanged through Skype, telephone and regular webinar sessions. The evidence suggests the franchisor endeavoured to achieve affective bonding through the convenient media of information exchange. The website/intranet for instance, was not just used by the franchisor as a one way channel of information dissemination to franchisees. It proved to be an effective means of two way exchange of information between franchisor representatives and franchisees who kept 'going back and forth on emails' [hbb1] before issues are resolved. Franchisors in the hotel sector seemed to adapt to the geographical distance between them and franchisees by leveraging information systems for extensive information exchange. It therefore appears that the geographical distance between franchise partners in this study, seemed to impact on the medium of IE used.

Regular exchange of information through Skype and telephone was 'a process of trying to build a relationship, trying to ensure that there is constant communication between the two, to find out whether there is a challenge or avenue of having a better relationship' [hce4]. These patterns of IE employed in the study and their effect support Ju et al.'s (2011) finding that IE provides the required knowledge and understanding and abates information asymmetry to strengthen monitoring ability and provide greater capabilities in managing exchange relationships. This study also extends previous findings by underscoring the value partners in geographically distant exchange relationships place on information sharing (Tong and Crosno 2016; Robson et al., 2018).

This finding supports Boulay's (2010) assertion that information systems provide a valuable means of managing franchisees activity through the exchange of information. It also demonstrates that IE as a norm can be developed through the extensive and interactive use of information systems.

This finding demonstrates the tendency of IE to develop over time and improve the frequency and quality of shared information. Franchisees over time had 'more access to the chief executive officer in terms of giving any suggestions that they have' [FFa1]; became 'more willing to pick up the phones rather than emails' [HCa1]; found it easy 'to pick up the phone to say Hi…' [hcb1] and emailed to 'talk about opportunities that come up' [hab1]. These affirmations, which depict evidence of improved IE, emerged after franchise partners have been in the relationship for at least four years and suggest the development of IE over time, when franchisees demonstrate willingness to share more information. Paulraj et al.'s (2008) view that long-term orientation enhances the future exchange of information and strategic collaboration among exchange partners is therefore supported by the evidence. By providing empirical evidence from franchise relationships in an emerging market setting, the study extends the knowledge of relational

IE that result in favourable relational outcomes over time (Tong and Crosno, 2016; Macneil, 1980).

Ju et al., (2011) found that information gathering and sharing represent the most important resource a firm can control and a prerequisite for the development of effective control mechanisms. The authors maintain that market information provides international exchange partners with a deeper knowledge about customers and competitors and helps to ensure effective control. This study affirms these assertions as franchisors were found to gather information from franchisees with which 'they monitor trends… plan… key in into it and think about it and use it as one of the tools for future planning' [hcd1]. Similarly, franchisors 'come up with plans and strategies as they (franchisees) share their ideas with us' [HAa]. This study responds to Ju et al.'s (2011) call for dyadic data which will provide more insights on inter-firm partnerships. The authors underscore the significance of information sharing and utilisation in international export markets. This study extends the study of Ju et al., (2011) by demonstrating the significance of IE in dyadic franchise relationships in emerging markets. It also validates the findings from franchise research on the role of information-rich mechanisms in enabling franchise partners to develop relationships and a shared sense of identity (Brookes and Altinay, 2017; Blut et al., 2011; Chen et al., 2011; Wright and Grace, 2011).

3. Solidarity

Solidarity has been defined as the willingness of cooperating partners to strive for joint benefits (Rokkan et al., 2003) evidenced in the exchange partners' loyalty towards one another (Yang et al., 2017) for the purpose of preserving and advancing an exchange relationship (Kaufmann and Dant, 1992). The study reveals that the emergence of solidarity within the fast-food sector enhanced adaptations made in favour of franchisees facing adverse business situations. The franchisor was motivated by the desire to prove to franchisees that his business 'strategy will work' [FFa2], in spite of the adverse business situation, hence his willingness to 'put our money where our mouth is' [FFa2]. Similarly, the hotel sector revealed franchisors' demonstration of solidarity when franchisees faced adverse business conditions. When franchisors noticed a downturn in revenue from franchisees' financial reports, they would send emails 'because of the low volume of sales coming in' [hcb1] and suggest strategies which franchisees could adopt to 'make the brand known better' [hcb1] and thus overcome such conditions. Franchisors came up with suggestions such as, 'reducing price, doing a promo and things like that' [hbb1]. Franchisors also demonstrated solidarity with franchisees in the hotel, by helping them to overcome difficulties encountered when trying to access major organisations in their locality. They find ways through which 'the local contact person can be influenced by the brand from the top' [hcg1]. This finding therefore supports Rokkan et al.'s (2003) study, which affirms that solidarity can mitigate the impact of adverse situations in exchange relationships. In addition, this study suggests that franchisors' show of solidarity when franchisees face adverse business situations is underpinned by franchisors' desire for success and the willingness to prove the validity of their business format. Strutton et al., (1995) found that the extent to which franchisees perceive the presence of solidarity in their franchise network can be shaped by franchisors. The evidence above supports Strutton et al.'s (1995) finding, as it demonstrates the ability of franchisors to maintain good relationships and cohesion with franchisees based on solidarity. Franchisors solidarity disposition generated 'a sense of belonging' [ffc], [hcg1] in both the fast-food and hotel sector.

The study revealed franchisees solidarity, as they manifested a willingness to strive hard to meet the standards set by the franchisor. For example, franchisees in the fast-food sector showed positive feelings about franchisor's formal visits and indicated that the monitoring visits were 'very very motivational' [ffc]. In the hotel sector as well, the franchisees seemed to have the understanding that the franchisor's interest is to 'make us successful so that we can achieve our goals' [hab2] such that the franchisees 'don't play with the standards set by the brand' [hcf1]. These positive dispositions towards attaining the franchisor's standards support the view that in franchise relationships, solidarity moderates and mediates the impact of monitoring[17] (Ishida and Brown, 2011). This attitude of franchisees also

[17]One of the negative impacts of monitoring identified by Ishida and Brown (2011) is the crowding out effects. It is the extent to which the principal's monitoring generates feelings of restricted self-determination or autonomy in an agent and principal distrust, stemming from a lack of confidence, in the agent's ability and willingness to perform his or her

encouraged the development of franchisee-solidarity as they perceived the franchisor's intention for monitoring them positively. This confirms Ishida and Brown's (2011) finding from their quantitative research, that extensive monitoring increases solidarity because of the positive signals it sends. Ishida and Brown, (2011) conducted their study among randomly chosen single-unit franchisees from a wide range of sectors. This study complements the authors' findings, by focusing on the fast-food and hotel sector in an emerging market, to empirically validate the relationship between positive perception of monitoring and the development of relational norms.

Previous alliance researchers quantitatively established a positive relationship between the interdependent nature of interfirm relationships and the emergence of solidarity (Shen et al., 2017; Yen and Hung, 2017; Gulati and Sytch, 2007; Jap and Ganesan, 2000). Shen et al., 2017 found that an increase in interdependence resulted in alliance partners receiving more value and irreplaceable resources from each other, which in turn influenced partners to reach a consensus of relationship maintenance which imbues solidarity and allays opportunistic tendencies. The findings of this study suggest that franchisees' perception of dependence on franchisors for the success of their business inspired them towards a positive disposition to franchisors' monitoring efforts. This study therefore, extends the views on the moderating role of perceptions of dependence in relationship maintenance and the development of solidarity in international franchise relationships in emerging markets.

4. Role integrity

Role integrity (RI) is evident when partners comply with ethical standards and keep promises, (Nicholson et al., 2001). Both franchisor and franchisee RI was evident in the study, as the partners were keen to fulfil their predetermined roles. In the fast-food sector, the study provides evidence, in line with previous research, that RI improves over time as a result of the transacting experiences of exchange partners (Yakub, 2013). The franchisor

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specified tasks. The more extensively solidarity describes the franchisor–franchisee relationship, the fewer the crowding out effects as a result of the franchisor's monitoring (Ishida and Brown, 2011).

indicated that franchisees, over time, gained 'a better understanding of how we have been able to support them' [FFa1]. Franchisees also alluded to the franchisor's RI as they talked about how the support, which 'has not been as effective as it should… has improved' [ffb]. Further, over the years 'things get done faster now… there's no muddling up, the structures are in place' [ffc]. These affirmations point to the significance of exchange partner's perceptions of integrity in aligning partners' goal in BFF (Brookes et al., 2015; Davies et al., 2011). The study also supports the assertions in alliance research regarding the ability of RI to ensure stability and advancement of durable win-win relationships (Ivens, 2004; Kaufmann and Stern, 1988). This support stems from the fact that if the franchisor 'want the royalty … then they need to support' [ffc] franchisees by demonstrating RI, because 'it's symbiotic' [ffc]. This evidence suggests that the franchisor's desire for increase in royalty motivates him to support franchisees who, in turn, are motivated to continue in the relationship based on their satisfaction with the franchisor's performance.

Although franchisees interviewed in the fast-food sector have related with the franchisor for seven and nine years respectively, and were yet to complete their ten-year contract tenures, they expressed satisfaction with the franchisor's support. They did not indicate any intention to leave the franchise; instead one of them acquired a second restaurant within three years of relating with the franchisor. The acquisition of a second store implicitly indicates the franchisee's satisfaction and intention to remain with the franchisor, and corroborates the study of (Brookes et al., 2015) who reported that the desire for further unit growth was as a result of franchisees' satisfaction with franchisors. Again the other franchisee in his sixth year indicated satisfaction with the franchisor when he described the relationship as 'very cordial… well enjoyable… like father and son relationship' [ffc]. Further, other franchisees indicated satisfaction and their intention of continuing with the franchisor. For example, a franchisee in his infancy envisaged himself, '10 or 15 years later with more restaurants, serving more people in more areas… with such a strong foundation and the support' [Documentary evidence FF].

Franchisee RI was also evident among franchisees in the hotel sector as it appears franchisees consider the reputation and standard of the brand that makes them (franchisees) 'the global hero' [hcf1] and inspires them to 'improve the quality of the brand and promote the brand'[hcb1]. In addition, franchisees' attitude concerning issues being 'addressed as they arise' [hcg1] because of 'their (franchisor's) influence' [hcg1] and 'the brand we know and were taught that it's of higher standard' [hcg1] suggests franchisees' RI. This study therefore, supports the assertion that the franchisor-franchisee agreement, as a relational exchange is likely to manifest higher levels of RI (Altinay et al, 2014a; Altinay et al, 2014b; Altinay and Brookes, 2012; Frazer et al., 2012). The evidence above suggests that franchisees' perceived reputation of franchisors' brand, to some extent motivates franchisees' RI. Findings by previous researchers indicating that brand name stimulates franchisees' commitment and RI (Altinay and Brookes, 2012; Monroy and Alzola, 2005) are therefore supported. The study suggests that the display of RI in exchange relationships contributes to activating the social dimension as it impacts positively on the social satisfaction of partners (Yaqub, 2013) by signalling the 'sense of belonging' [ffc] [hcg1]. The study thus indicates the significance of RI in emerging markets. Particularly, it reinforces the case for the generalisability of the role of exchange partners' perceptions of RI in generating satisfaction and intention of continuity, developed from alliance and franchise research in the West and other cultures.

5. Non-coercive power (NP)

NP is the forbearance from leveraging one's bargaining position in an exchange (Harmon and Griffiths, 2008) through deviation from coercive power (threat and sanctions) and an inclination towards the use of NP, through persuasion (Paik and Choi, 2007; Quinn, 1998, 1999). The study revealed that franchisors deterred from using coercive power, but rather depended on persuasion and demonstration of their skill and knowledge to influence franchisees' compliance to their recommendations. Franchisors tend to rely more on non-coercive sources of power, to secure franchisees' cooperation over issues like marketing strategy. Franchisors seem to demonstrate the need to use NP in order to boost the required cooperation from franchisees (Frazer et al., 2007; Moore et al., 2004). This study therefore, supports evidence from empirical research which emphasises that franchisors, more frequently use NP as an effective control mechanism (Altinay et al., 2014a; Brookes and Roper, 2011; Paik and Cho, 2007; Frazer, et al., 2007; Quinn and Doherty, 2000). NP is also recognised by alliance researchers as a critical driver of cooperation and compliance (Hausman and Johnston, 2010; Cannon et al., 2000). This study contributes to evidence of the role franchisor non-coercive influence strategies (persuasion and demonstration of financial reward, skill and knowledge) play in enhancing franchisee cooperation and compliance in emerging markets.

The data also suggest there is a positive relationship between franchisees local knowledge and entrepreneurial skills and franchisors' use of NP. Franchisors recognised that franchisees 'are entrepreneurs… business men' [FFa1] who have made investment and left them 'to get on' [FFa1], rather than 'breathing down the franchisee's neck on a daily basis' [FFa1]. They also recognised that franchisees 'have local knowledge' [HCa2], so 'they might have a stronger knowledge than' [HCa2] the franchisor. These indications evidence the fact that franchisees' local knowledge and entrepreneurial skills are antecedents to franchisors' use of NP. They also indicate the resource dependence dimensions of exchange relationships (Berthon et al., 2003) of which Altinay and Brookes, (2012) indicate the impact of mutuality on the relative balance of power, in their study of master franchise agreements. Building on the theoretical foundation of resource dependence, this study reinforces these empirical findings, by demonstrating that franchisees' local knowledge and entrepreneurial skills influence franchisors' use of NP.

6. Mutuality

Mutuality is the attitude of exchange partners reflecting a realisation that each partner's success is achievable through both partners' common success (Palmatier, et al., 2007; Dant and Schul 1992). Adaptations made by franchisors in the study suggest that they were motivated by their perception of the 'mutually supportive' [hab2] relationship, which they seem to value above the contract. The mutuality of the agreement was also reflected in both franchisors' and franchisees' descriptions of the relationship, as 'symbiotic' [hab1] and a 'win-win situation' [FFa2]. These descriptions depict the SET dimensions of mutuality acknowledged as the key drivers of value creation in inter organisational relationships by alliance scholars (Lee et al., 2010; Lawson et al., 2008; Liao, 2008; Bendoly et al., 2006; Gundlach et al., 1995; Macneil, 1980) and franchise researchers (Shocley and Turner 2016; Brookes et al., 2015; Nyadzayo et al., 2011; Lawrence and Kaufmann, 2011; Mignonac et al., 2015). Further, this finding about franchise partners' perception of mutuality in their relationship confirms Monroy and Alzola's (2005) and Diaz-Bernardo's (2013) conceptual argument, as well as the empirical findings of Altinay and Brookes, (2012); Brookes and Roper (2011); Flint-Hartle and De-Bruin, (2011). These studies point to the significance of perceptions of mutuality in franchisor–franchisee relationships. Based on the reviewed literature, Monroy and Alzola's (2005) posit a theoretical scale for measuring relationship quality in franchise networks and maintain that, under high levels of mutuality, benefits are evaluated from a long-term perspective, rather than on a transaction-by-transaction basis. Similarly, Diaz-Bernardo (2013) conceptually argues that mutuality reflects the expectations franchise partners have in terms of the benefits of their exchanges over the long-term. Antia et al., (2017) maintain that franchisor's long-run viability is tied to the continuity of franchisee operations, and so franchisors leverage multiple control mechanisms to encourage the continuity of franchisees' performance. This study builds on these empirical and conceptual studies to reinforce the significance of boosting perceptions of mutuality, by deploying control mechanisms which induce franchisees' motivation through goal congruity.

Brookes and Roper, (2011) found in international master franchise agreements (between a U.S franchisor and a franchisee in Europe), that perceived mutuality influences cooperation and relational controls. Other studies in other types of franchise agreement in developing and developed economies, also underscore the significance of mutuality in franchise relationship development (Altinay et al., 2014b; Rahatullah, 2014). Evidence in this study indicated that franchisors endeavoured to send positive signals to franchisees regarding their monitoring and support activities, by demonstrating how the relationship creates value for both parties. Franchisors' cooperation through for example, leveraging 'deep contacts involving nationals from all around the world' [HCa2], assisted franchisees in generating sales and 'doing well through their support, when other hotels are lamenting due to lack of patronage' [hcf1]. Similarly, the fast-food franchisees concur that the franchisor is 'helping us to push further and to be on the field and then not regretting being in the family' [ffc]. This study therefore, builds on previous research findings by providing evidence that mutuality influences cooperation in direct franchising agreements and in emerging non-western markets.

7. Commitment

Commitment is an enduring desire to maintain a valued relationship (Moorman, et al., 1992) which, according to Adeiza et al., (2017a) motivates exchange partners to go the extra mile to make necessary investments to preserve such relationship. The franchisor's gesture of sometimes suspending 'our enforcement of collecting our royalties on sales' [FFa1] together with extra effort 'in putting together a strategy and a plan to get that business back on track' [FFa1], demonstrates the franchisor's normative commitment. This gesture from the franchisor typically resulted in franchisees' normative commitment, as they willingly commit resources such as investment in local marketing, following the franchisor's commitment and having witnessed the positive value it added. This finding is in line with research findings which indicate that franchisors' genuine commitment to franchisees' success is a critical factor, which strengthens and builds robust franchise relationships (Adeiza et al., 2017a; Mpinganjira et al., 2017). The study also demonstrates how franchisors' normative commitment motivates franchisees' normative commitment and helps to maintain continuity in franchise relationships (McDonnell et al., 2011).

The commitment of both partners, observed in the fast-food sector supports the view that commitment is strongly associated with relationship duration (Johnson et al., 2006; DeWulf et al., 2001; Drigotas and Rusbult, 1992). Franchisees in the fast-food sector, to whom the franchisor showed commitment when they witnessed business challenges, have spent a reasonable length of time in the relationship, ranging from four to six years. Although none of these franchisees have reached the stage of contract renewal, as highlighted earlier, their expressions of satisfaction with the franchisor and the acquisition of a second store by one of them is indicative of their intention to continue with the brand. They would even recommend the brand 'to anyone who is desirous of playing the QSR industry as you can be rest assured that you are on the right path to a sustainable and profitable business' [Documentary evidence FF].

In the fast-food and the hotel sector, franchisors' demonstration of commitment, by making effort to preserve their relationship with franchisees (Adeiza et al., 2017a) was apparent in their effort to train franchisees and in the exchange of information. Franchisor's commitment to training franchisee-staff instilled an 'influence' [hcg1], and knowledge about the brand's 'higher standard' [hcg1] which, in turn, led to the affective commitment of franchisees, through their demonstration of a sense of shared values. Franchisees' demonstrated keen interest and self-enforced measures (e.g. in-house training), which suggest affective commitment. Training carried out by franchisors both at the beginning of franchise agreements and on an ongoing basis, seemed to inculcate affective commitment in franchisee-staff only after they have gone through series of repeated trainings and experiences with franchisors. An example of inculcation of affective commitment over the course of time and after repeated training, was reported about a franchisee-staff 'who is so keen about anything that has to do with the brand' [hcc2].

Franchisors in both the fast-food and hotel sectors retrained franchisees at least once a year and as often as deficiencies were observed in franchisees' outlets or new management staff were employed. Although training and quality assessment audits are well recognised formal control tools, the evidence suggests that franchisees' perception of them influence the emergence of the affective commitment. Training support seems to be one of the relationship-specific commitment of resources which franchisors invested in the relationship with franchisees (Wilson, 1995) and supports Altinay et al.'s (2014a) recognition of training as a means of boosting franchisees trust and confidence in franchisors' credibility. Evidence of franchisors training commitment also supports the view that franchisors use internal brand activities in the form of brand centred human resource efforts to promote franchisees' brand commitment and positive brand citizenship behaviour[18] (BCB) (Nyadzayo et al., 2015). Franchisee commitment, due to on-going training, is apparent in the handling of issues ‘as they arise… as a result of their (franchisor) influence because the brand we know and are taught that it's of a higher standard’[hcg1]. The findings support the view that shared values impact on relationship commitment and therefore, relationship quality (Watson and Johnson, 2010; Ting, 2016). Further, these findings are consistent with the relational model of SET (Lee et al., 2010; Liao, 2008; Bignoux, 2006; Cropanzano and Mitchell, 2005; Lawler and Thye, 1999) and the significance of the social attributes of SET in controlling alliance (Li et al., 2010b; Arranz, and Arroyabe, 2012; Huang et al., 2014) and franchise relationships (Brookes et al., 2015). Particularly for franchise relationships, the findings demonstrate, from the perspective of SET, that perceived support generates greater franchisee affective commitment (Mignonac, et al., 2015). Drawing on these studies, this research reinforces the findings on the positive relationship between perceived support and franchisee affective commitment, by specifically demonstrating that perceptions of franchisor commitment promote franchisee affective commitment in franchise networks in emerging markets.

8. Trust

Trust is a “psychological state comprising the intention to accept vulnerability based upon positive expectations of the intentions or behaviour of another” (Rousseau et al., 1998:395). The researcher noted in the literature review, that examining trust in a franchise context requires framing the investigation within the broader academic literature which views trust from two perspectives namely credibility and benevolence (Grace et al., 2016; Altinay et al., 20124b; Bordonaba-Juste and Polo-Redondo, 2004). Credibility is the belief in a partner’s competence and reliability in fulfilling his obligations (Morgan and Hunt, 1994) while benevolence reflects the belief by a trustor, that a trustee is willing to act in his interest, even in the absence of short-term rewards/outcomes for the trustee (Lui and Ngo 2004**;** Pollack et al, 2017).

[18]BCB refers to discretionary activities by which members of a franchise organisation contribute to the viability and vitality of the brand (Hughes and Ahearne, 2010).

The franchisor's concessions over royalties to older franchisees in the fast-food sector suggest the existence of the franchisor's trust in franchisees' credibility. This credibility trust appears to have developed over time (Rahatullah and Raeside, 2008, Monroy and Alzola, 2005; Ring and Van-de-Ven, 1994) during which the franchisor gains experience with franchisees and acquires information about their trustworthiness. Franchisees who received the concessions had been in the relationship for a relatively long time: between 4-6 years. The concessions appeared to be based on mutual understanding and indicated that franchisees, over time established credibility trust with the franchisor. A franchisee-informant suggested mutual understanding and credibility when he said that, '… it's based on a good relationship. They know I'll pay, they know it's just because I'm a bit sloppy at the time because it wasn't like that' [ffb]. This finding however, contradicts the finding of Dickey et al., (2008) who found no relationship between trust and franchisees' length of time in franchise relationships. It is possible that the finding of Dickey et al., (2008) is context specific, since the data was collected from franchisees in a country (U.S.A.) with a well-developed history of BFF. However, other research in alliance studies (Yaqub, 2013; Meier et al., 2016; Jap and Ganesan, 2000) as well as franchise studies (Grace et al., 2016; Chiou and Droge, 2015; Blut et al., 2011; Bordonaba-Juste and Polo-Redondo, 2008) supports the argument that trust develops over time. Further, the franchisors attitude of conceding to a 'unique situation happening' [FFa1] to older franchisees supports the view that the development of credibility trust between exchange parties leads to the use of more informal control methods (Dyer and Singh, 1998; Barringer and Harrison, 2000).

The long-term orientation of franchisors trust in franchisees' credibility is also evident in the hotel sector, where for instance, franchisees 'have that freedom to do our adverts' [hab1] because they have been with the franchisor 'for so long that we know what it is' [hab1] and the franchisor 'trust us, they know we know what to do'[hab1]. Franchisors on the other hand, recognise that, 'it takes time, it takes effort… to build that relationship' [HAa] with franchisees whom 'we have to trust… to run the franchise and give us the results we desire' [HAa]. These findings support the view that franchisors' propensity to trust franchisees draws from their knowledge of franchisees' ability and intention, derived from the relationship history, and a positive history resulting in the perception of lower relational risk (Hendrikse et al., 2015).

On the other hand, franchisees' demonstration of trust in the franchisor's credibility, based on long-term orientation is evident in the hotel sector, and led to franchisees' commitment to promote and suggest the brand to potential franchisees. It is evident from the data that, franchisors 'carried us along and continue to make us understand what they want us to do and how they want you to do it and why'[hcd1]. Franchisees over time, developed trust in franchisors' credibility and could affirm that 'now that we have been with them for years… we are becoming more relaxed with them" [hcd1] and become 'cool with the brand' [hcf1] because 'the franchisor has actually been a source of encouragement' [hcf1] (refer to the findings chapter on explanation about expressions, behaviours and attitudes that connote trust in the Nigerian context). These findings extend the view as to how franchisors, through their support, motivate franchisees to become brand champions and promoters of franchisors' brand building effort (Nyadzayo et al., 2016; Brookes et al., 2015; King et al., 2013). The finding also articulates the view that franchisees' perceptions of commitment strongly influence their trust in franchisors' credibility (Dickey et al., 2008). The franchisor's credibility therefore, encourages franchisees' positive behaviour in line with SET, leading to franchisees' acting as brand advocates (Brookes et al., 2015).

The study also provides evidence of benevolent trust, demonstrated by the franchisor's show of confidence in the older franchisee's credibility to manage the hotel for new franchisees who, 'don't know how to run a hotel' [HAa]. The hotel sector revealed the attitude of franchisors when they 'come up with ideas' [hcb1] to solve existing problems in franchisees' business, in the form of suggestions, rather than coercive pressure. Explanations 'as to why it helps' [hcb1] (the franchisor's advice), and going 'as far as giving examples' [hcb1], all suggest a soft approach which resulted in franchisees' development of benevolent trust in the franchisor through non-coercive approaches (Altinay, et al., 2014b). The study supports alliance researchers who indicate the significance of trust in the efficiency of interfirm relationships through increased information sharing

(Gulati and Nickerson 2008; Lui and Ngo, 2004; Gulati 1995). It demonstrates the place of trust as a behavioural prerequisite for increased information sharing between franchisors and franchisees (Herz et al., 2016; Nyadzayo et al., 2011; Dant, 2008). This finding reinforces the importance of franchisor benevolence as a determinant of trust (Grace et al., 2016). It also confirms that franchisors/franchisees may encourage the development of benevolence trust in a partner through cooperation and rich IE (Lee et al., 2016; Doherty and Alexander, 2004; Bordonaba-Juste and Polo-Redondo, 2004). In sum, the findings from this study build on previous studies to support the significance of credibility and benevolence trust in the development of franchise relationships (Chiou and Droge, 2015; Altinay et al., 2014a; Anderson and Narus, 1990; Morgan and Hunt, 1994).

Franchisees' positive perceptions of franchisors' monitoring activities indicated earlier, seem to imbue feelings of satisfaction, trust and commitment, identified by researchers (e.g. Ivens, 2004; Yaqub, 2013) as the three determinants of relationship quality in exchange relationships. Also, franchisor-franchisee mutual commitment, demonstrated in the evidence presented earlier, confirms that economic satisfaction exerts a direct influence on the development of trust (Mpinganjira et al., 2017; Sarmento et al., 2014).

Summary of key contributions under types and extent of relational norms

The relational norms identified above articulate the relevance of relational control in international franchise relationships in emerging markets. The relational norms are visibly built on SET which explicates goal-seeking behaviour of exchange partners, based on interrelated interests (Davies et al., 2011). Identification of these norms in an emerging market context therefore, extends the view that franchisors commonly leverage relational control mechanisms to shape franchisees' behaviour (Cochet et al., 2008).

The study evidenced the evolution of all the relational norms identified in the literature and reflects the nature of the relationship franchisors shared with franchisees in emerging markets. Flexibility, IE, and solidarity, identified by Heide and John (1992) as the fundamental norms are discussed first, followed by RI, NP, mutuality (reciprocity) and commitment. These norms evolve over time and seem to culminate in the development of trust (credibility and benevolent trust). A key contribution of this study therefore, is the offering of increased understanding of the order of the evolution of relational norms in franchise networks in emerging markets. Previous studies identified these norms, but did not clearly recognise the order of evolution.

Evidence in the preceding discussion shows that the application of flexibilities by franchisors, in response to external and internal factors, facilitates the development of other relational norms. The relational norms all together, positively influenced the franchise relationships. The study therefore, supports the finding of Ishak, (2016) regarding a positive relationship between relational norms and relationship quality. The next section discusses the external and internal drivers of flexible adaptations made within the franchise networks and their implications for control.

5.3 Drivers of Adaptations within the Franchise Networks and Implications for Control.

Adaptations observed in the study were driven by external and internal factors which are discussed below, together with their control implications for franchise networks. External factors indicated the need for adaptation, but the presence of relational norms within the franchise relationships facilitated the implementation of adaptations.

5.3.1 External drivers

The diversity of markets where franchisees operated were characterised by political/regulatory, economic, socio-cultural and technological (PEST) factors which drove adaptations. These factors, together with franchisors recognition of these factors are discussed below.

In both the fast-food and the hotel sectors, the diversity of markets where franchisees operated generated diverse external pressures on franchisors to permit franchisees to adapt, provided they ‘follow whatsoever it is they state to you as in the minimum requirement’ [hcb1]. Franchisors seem to recognise that, ‘because we’re operating in diverse communities’ [FFa2], they need to ‘try to understand their communities’ [FFa2] and thus ensure ‘giving them all the support necessary to get value out of their business’ [FFa2]. The diversity of market between franchisors’ home country and franchisees’ host country conditions in the hotel sector seems to influence inbuilt and increasing flexibilities implemented by international franchisors. Franchisors’ flexibility therefore, suggests adaptation driven by market diversity.

Lack of material supplies, arising from regulatory restrictions on importation, hindered franchisees from benefitting from economies of scale via the central supply arrangement provided by the franchisor. Franchisees ‘find a way to import’ [hab1] the needed supplies and ensure that ‘items we purchase conform to what we’re supposed to have in terms of standard’ [hcg1].These findings offer evidence of the impact of PEST factors on international franchising in emerging markets, and extend the view on the capability of these external factors to induce modification of a firm’s standard mode of operation (Mylonakis and Evripiotis, 2016).

Economic conditions in the form of adverse business conditions and the state of the regional economy influenced franchisors to foster adaptations with franchisees. Due to franchisees’ adverse business conditions in the fast-food sector, the franchisor momentarily suspended the collection of royalties on sales. In the hotel sector, franchisors responded to regional economic conditions and differences through inbuilt flexibilities which meant that each contract drawn with franchisees was unique. Regional economies also influenced franchisors to move the joining fees and royalty fees up or down depending on the location within the country. Based on the evidence above, this study builds on previous research to underscore the need for international franchisors to understand and adapt to the economic climate of host countries and regions in dealing with franchisees (Baena, 2013; Herrmann and Datta, 2002). The strategies of contract customisation, applied by franchisors in the hotel sector to respond to adverse business conditions and differences in regional economy reflect the customisation of marketing strategies according to the needs of different regions. Customisation of marketing strategies in BFFs has been found to contribute immensely to success in the internationalisation of BFFs (Vignali, 2001). By extension to alliances in new emerging markets, this study highlights the relevance of adopting contract customisation and relational mechanisms to facilitate adaptation to environmental variations of host countries and safeguard channel/relationship performance (Yang et al., 2012; Liu et al., 2009).

The findings indicate that many of the adaptations were driven by cultural differences between franchise partners. Franchisors' recognition of the need to adapt to culture, related to the menu preferences of customers in franchisees' locality was evident in the study. For example, in the hotel sector there was an indication that the franchisor, from the onset of franchise agreements, required franchisees to provide a blend of local and continental dishes as there were 'standard items they expect to see on the breakfast table, whether it is continental or African' [hcd1]. The franchisor seemed to already 'know that in African setting there is something like moi-moi, beans balls (akara), …so they want to see that variety, the same applies to continental breakfast' [hcd1]. These findings extend the view of Altinay et al., (2014a, 2014b) on the significance of franchisors' cultural sensitivity as a role performance factor that impacts relationship development in emerging markets. Previous researchers acknowledge the significance of franchisors' demonstration of sensitivity to cultural differences, for success in international franchise markets (Altinay et al., 2014b; Davies et al., 2011; Doherty, 2009; Wang and Altinay, (2008); Sashi and Karuppur, 2002). Wang and Altinay, (2008) specifically demonstrate that successful international franchising relies on maintaining a balance between standardisation and adaptation in order to secure the power of a consistent brand image and attain the benefits of international franchising. The empirical evidence of this study, from a different emerging market context, support these findings. Building on existing research, the study demonstrates that international franchisors resolve the challenges of cultural distance by adopting a balanced approach, which permits franchisees to respond to adaptation needs, while at the same time ensuring a consistent brand image through standardisation. In line with Dant et al., (2016) this study extends the understanding of the critical role of franchisors' development of a marketing strategy which adapts to country specific conditions to ensure success in a host market. The way franchisors carefully responded to the local needs, by ensuring the maintenance of minimum standards and implementing adaptations as additions, supports the view that franchisors are mindful of the imperatives of adapting to local markets through ‘judicious localisation’ (Dant et al., 2016:211).

Factors related to infrastructure impacted on franchisors’ use of adaptive approaches with franchisees. Adaptation due to technological setback in the host country, was evident in the hotel sector where for example, ‘very high internet speed’ [HCa2] required by the franchisor was ‘not always available to have because of infrastructure’ [HCa2]. The franchisor adapted his very high standard in such situations, based on the understanding that ‘we can move forward and kind of understand that there's nothing much more that they (franchisees) can do’ [HCa2]. Franchisors adaptive disposition, with regard to internet speed is particularly intriguing. Given the critical role of the internet in building and maintaining brand equity and ultimately gaining competitive advantage (Hoffman et al., 2016), franchisors are compelled to adapt their internet-speed standard, while ensuring that the internet facility provided ‘does suit the best need of the guest’ [HCa2]. Even for hotel operating systems, the franchisor, based on infrastructural considerations sometimes ‘provided other alternatives’ [hcb2] after dialogue with franchisees and knowing that ‘when it comes to fax… Nigeria is a problem’ [hcd1] allowed franchisees to ‘receive credit card details through email though pass-worded’ [hcd1].

It is apparent that the external factors above were the compelling drivers of adaptations. In addition, internal factors within the franchise networks, which impacted on adaptations observed in the study are discussed next.

5.3.2 Internal drivers

Internal factors which drove adaptations include franchisee local knowledge, franchisees’ entrepreneurial tendencies, franchisors’ recognition of franchisees entrepreneurial tendencies and relational norms that existed between the franchise partners.

Franchisees’ local knowledge is a factor which the data suggest, has the capability of driving adaptations, even across the entire network. The ability of franchisees to foster adaptation sometimes derives from their knowledge of the local market, which offers them the discernment regarding local market preferences and, together with their ownership incentives, motivates them to leverage their knowledge (Gillis et al., 2014; Kidwell and Nygaard, 2011). In the fast-food sector, the experience of a franchisee in his local store concerning the customer's rejection of a mode of product offering – presentation of food in disposable plates which the customer despitefully tagged 'carton'[ffc] is significant. The affected franchise 'cried out' [ffc], thus persuading the franchisor to see reason, and 'that's how plates were introduced' [ffc] across the entire network. In line with the conceptual research of Paswan et al., (2014) and empirical findings (Khan, 2016; Lawrence and Kaufmann, 2011; Cox and Mason, 2007) this research demonstrates franchisees' role as key social and economic actors and contributors of operant resources (knowledge) in the value creation process in franchise networks. The franchisor's adaptation to serving customers with plates proved helpful, as indicated in a franchisee-informant's statement when he said that:

> "Sometimes franchisees do correct franchisors. …some years back, one correction that a franchisee has made, …when franchisees start talking their experiences out, you know like in Nigeria, we have different cultures, so the major one was this introduction of plate and which is good" [ffc].

Gorovaia and Windsperger's, (2010) empirical assertion, which recognises franchisees as valuable sources of knowledge and innovation, that could be assimilated throughout an entire franchise network if carefully managed, is supported by the evidence above regarding the impact of the franchisee's experience. The implication of franchisee knowledge resources is that, over time, franchisees' can accumulate knowledge and skills which culminate in the increased availability of information capital within a franchise network (Dada, 2016; Gorovaia, 2016; Watson et al., 2005). The franchisor's response, by adapting the service format through flexibility extends the view that flexibility promotes knowledge and innovation (Bouncken et al., 2016) and confirms franchisees' ability to foster adaptation (Gillis et al., 2014; Kidwell and Nygaard, 2011; Sorenson and Sorensen, 2001; Kaufmann and Eroglu, 1999). By implication, this study reflects the positive impact of encouraging the implementation of franchisees innovative ideas for greater business performance (Adeiza et al., 2017b; Dada and Watson, 2013) in a controlled manner.

The findings of this study also reflect franchisors' recognition of franchisees' local knowledge, and the mutuality of the franchise agreement, since franchisees also draw from their experience to add value to the business. This recognition makes franchisors 'humble enough to understand they are on ground, they talk to the customers on a daily basis… so they have an understanding of what the customers are asking for' [FFa1]. They recognise that 'obviously because they (franchisees) have local knowledge, they might have a stronger knowledge than us' [HCa2]. This recognition induces franchisors to adapt to local preferences in products or service offerings. Researchers maintain that as long as such adaptations do not threaten the franchise model's core attributes, they increase chain-wide product–market fit and revenues (Kaufmann and Eroglu, 1999; Sorenson and Sorensen, 2001). This assertion is confirmed in the statement of a franchisee-informant who said, 'they (the franchisor) allow you the freedom of locality… so far you maintain the standard requirement' [hcb2]. Paswan et al., (2014) in their conceptual study, propose that franchisors' adaptations, in response to franchisees' local knowledge promote mutual support of value co-creation and symbiosis within franchise networks. This study empirically verifies the proposition of the authors, by demonstrating the capability of franchisors' adaptation, in response to franchisees' local knowledge, to promote mutual support of value co-creation in franchise networks within emerging markets.

In the fast-food sector the data suggest that franchisees' entrepreneurial tendencies could be a compelling factor which influences a franchisor to adapt the business format. When a franchisee in the fast-food sector, without recourse to the franchisor, responded to customers' unique local demand, the franchisor 'had to put a stop to it which obviously he (the franchisee) was not very happy about' [FFa1]. Obviously, the demand by local customers was a tempting and favourable market opportunity for the franchisee operating within that locality. The initial response of the franchisee, was to produce the product in demand and sell it without the franchisor's approval. This attitude supports the view that franchisees, driven by entrepreneurial tendency, typically exercise autonomy in their effort to respond to local market conditions (Kaufmann and Eroglu, 1999; Cox and Mason, 2007). The franchisee's dissatisfaction signifies, in line with the findings of Davies et al., (2011) that dissatisfaction within franchise networks is partly due to the interception of franchisee aspirations for autonomy, in their pursuit of entrepreneurial success. The franchisor adjusted after 'listening to his arguments, understanding him' [FFa1] and doing 'enough test of what he is selling for us to allow that to continue' [FFa1]. Later on, the franchisor was able to allow the franchisee to continue with the production of the item in demand. Similarly, franchisees in the hotel sector acted autonomously in response to their market environments. For instance, franchisees used their discretion to implement local market adverts and to fix and change the rates for their services, even though the rates they decided on impacted on the royalty fees they paid to franchisors. Franchisees leveraged their entrepreneurial tendencies to ensure that they changed room rates around in order to achieve improved sales volume. As a franchisee-informant highlighted:

> "Whatever it is I choose to do with my rates it's up to me, but I should always have at the back of my mind that I need to generate and increase my revenue" [hcb1].

Similarly, franchisees in the hotel sector demonstrated their entrepreneurial capabilities, by taking the initiative to resolve the problem of lack of supplies, driven by regulatory barriers. Despite the fact that franchisors' control of the sources of supply is a key factor for guaranteeing quality standards (Shane, 2005) franchisees had to 'find a way to import' [hab1] materials/equipment. Franchisees appear over time, to develop and use their knowledge of the local market to resolve the challenges posed by the lack of supplies in their market. This study therefore demonstrates, in line with Shane's (2005) assertion, the significance of franchisees' capability and strong motivation in navigating the unique legal challenges of international franchising. Franchisors cooperated with franchisees by conceding, while focusing attention on 'making sure that items franchisees 'purchase conform… in terms of standard' [hcg1]. Franchisors therefore, still strive to maintain control in the midst of the challenges. This study therefore, extends the findings of Wu, (2015) by advancing the knowledge of factors affecting franchisees' strategy in emerging markets, and how it influences franchisors to adopt more supportive strategies and cooperative arrangements which generate value for both parties.

Apparently, these adaptations were enhanced because of franchisors' recognition of franchisees entrepreneurial tendencies. For example, the findings revealed that franchisors, recognising that franchisees 'are entrepreneurs … business men' [FFa1] who have 'made an investment … would like to leave them to get on' [FFa1].

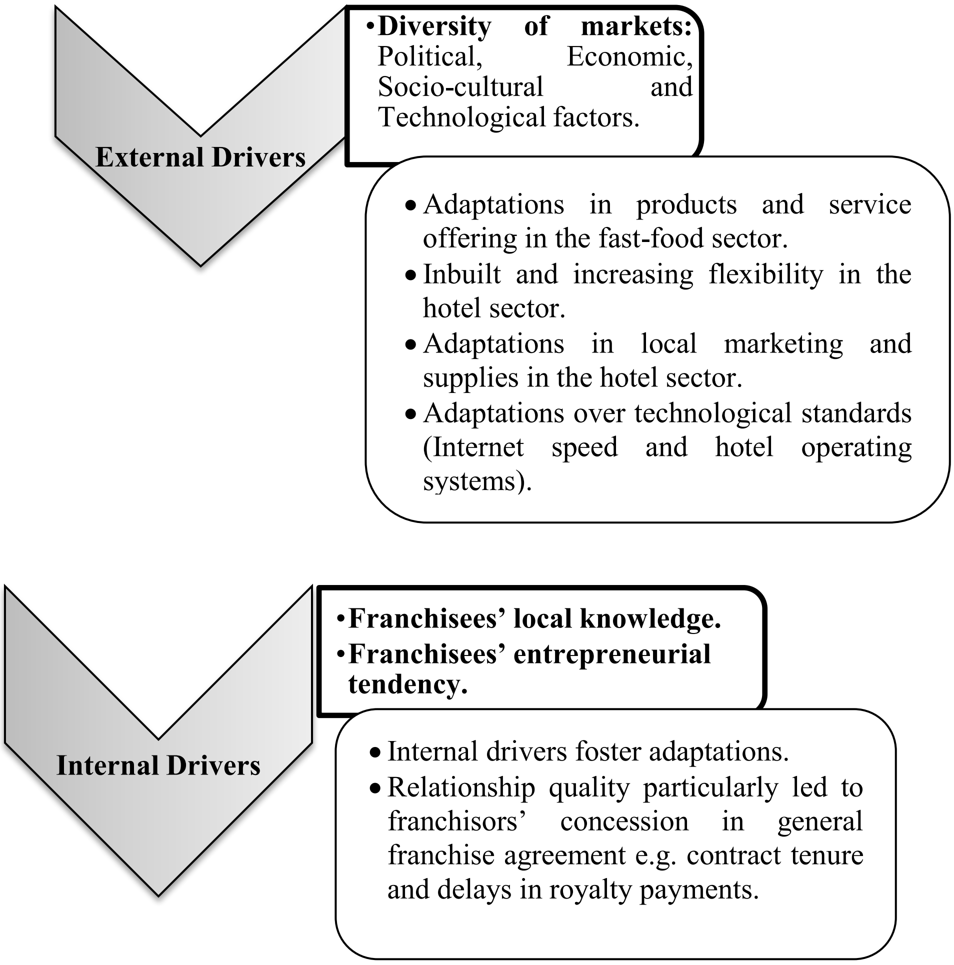
Davies et al., (2011) maintain that a significant challenge faced by franchisors concerns their ability to enhance franchisee compliance to standards without frustrating franchisee ambition. The evidence above corroborates the view about entrepreneurial characteristics and motivations of franchisees as desirable and related to the identification and exploitation of market opportunities (Evanschitzky et al., 2016; Dada and Watson al., 2013; Combs et al., 2004). It is critical to understand how franchisees' entrepreneurial tendency should be managed (Dada, 2016). Franchisors implement different mechanisms to preserve their brand image as an intangible and fundamental asset, and maintain a consistency of customers' perception of the brand (Pizanti and Lerner, 2003). The evidence above shows that franchisees' entrepreneurial tendencies motivate them to exploit local market opportunities which tend to generate tensions in the franchise agreement. Initially franchisors try to stop franchisees activities due to their focus on maintaining control and consistency over brand image and brand offering. However, franchisors cautiously adapt and later on permit franchisees to harness their entrepreneurial potential, only after carrying out 'some sampling, some testing and then writing it up, just to make sure that we understand all the procedures involved' [FFa1]. Cautious adaptation is reflected, for example, in the franchisor's decision that the change 'wasn't anything that was going to spread across the whole country' [FFa1]. This strategy reflects the impact of franchisors prudent responses to the entrepreneurial need for achievement and autonomy (which characterises franchisees), in a manner that aligns mutual goals and procedures and prevents the waste of market opportunities due to distrust and non-compliance (Davies et al 2011). This study contributes to the literature on the understanding of how franchisors resolve tensions caused by franchisees' entrepreneurial characteristics, by empirically demonstrating the process of franchisors' cautious adaptation to franchisees desire for the exploitation of local market opportunities in emerging markets.

The data suggest that the relational norms which developed in the franchise relationships functioned as internal drivers of the adaptations made by the franchisor. The findings demonstrate how relational quality emerges from relational norms and facilitates franchisors' flexible adaptations, concessions and freedom given to franchisees to apply their marketing knowledge and entrepreneurial tendencies. An example is the concession granted by franchisors to franchisees over delayed payment of fees, by forgoing the interest stipulated in the contract for such delays. As highlighted earlier, such franchisees have over time, earned franchisors trust in their credibility. Franchisees' credibility trust is recognised as a critical component of relational mechanisms and serves the purpose of increasing relational quality and enhances flexibility (Davies et al., 2011). For example, the franchisee who has been in the relationship for seven years at the time he became 'sloppy with my royalty payments' [ffb], seems to have established a successful relationship with the franchisor over time as he acquired a second store in the third year with the franchisor. Similarly franchisees in the hotel sector sometimes delayed paying fees on due dates and 'still do not pay' [hab3] even when first reminders have been sent. The attitude of franchisors, in both the fast-food and hotel sector, over delayed payments suggests the existence of a 'good relationship' [ffb], developed over time between the franchise partners. In line with Varotto and Parente, (2016) the evidence suggests the positive moderating effect of time on the quality of the relationship. This study responds to the call by Athanasopoulou, (2009) by suggesting the positive effect of time on relationship quality in a non-U.S. or European market; an across country context and within a dyadic franchise qualitative study.

The impact of relational quality is evident in increased adaptations made in franchisees' locality and underscores the significance of combining motivation-inducing mechanisms in the control of franchisees (Antia et al., 2017). Figure 5.1 presents a model of the adaptations, based on the relational norms driven by external and internal drivers.

The next section discusses relational control as complements or substitutes for formal control in franchise relationships.

Figure 5.1 A model of External and Internal Drivers of Relational Norms



5.4 Relational Control: Complements or Substitutes for Formal Control?

Evidence from this study suggests that franchisors used a blend of formal and relational control with franchisees. 'Minimum operating standards' [hab2] were formally controlled throughout the period of franchise agreements. Output control of brand standards and operational standards were continuously upheld through mystery shopping and sales reporting. Behavioural control through SOPs was also maintained through periodic quality assurance audit, training and retraining. Franchisors were reported to be:

> "…very strict when it comes to their minimum operating standard criteria. …so they are not going to bend" [hcb1].

Another franchisee-informant reported a continuous implementation of formal control and insisted that, 'if you don't do the quality assessment continuously people will spoil the brand' [ffc]. The use of relational control to complement formal control was triggered mostly by contextual events. Some alliance researchers suggest the substituting role of formal and relational control mechanisms, based on the argument that the implementation of one mechanism reduces or eliminates the need for the other (for example, Huber et al., 2013; Li et al., 2010b; Lui and Ngo, 2004; Dyer and Singh, 1998; Gulati, 1995). However, the evidence from this study suggests a contrary view to the substitution viewpoint, and is rather consistent with the viewpoint that formal and relational control complement each other (Cao and Lumineau, 2015; Schepker et al., 2014; Kang et al., 2012; Liu, et al., 2009; Gulati and Sytch, 2007; Poppo and Zenger, 2002; Jap and Ganesan, 2000; Heide and John, 1992). The implementation of formal control in this study did not have the effect of reducing or eliminating opportunities for the development of relational control. The evidence in this study rather suggests that, despite the fact that relationships between franchise partners were framed by the contract, franchisors willingly adapted to contextual situations prevailing in franchisees' diverse environments, and the development of relational control and trust enhanced greater adaptation and complemented formal control mechanisms. A franchisor in the fast-food sector acknowledged that succeeding with franchisees implies that 'there's a relationship that you have to manage and there are controls (formal) that you have to implement' [FFa1]. Similarly, a franchisor-informant in the hotel sector maintained that, 'for a successful franchise relationship is key' [HBa], but added that, 'you cannot drive a franchise to be successful if you cannot maintain relationship on a professional level and also personal level' [HBa]. These expressions suggest the complementary implementation of formal and relational control by franchisors, as they seem to concurrently emphasise on relationship and formality in the agreement. As suggested by Poppo and Zinger, (2002) the evidence above shows that formal controls were implemented by franchisors to maintain quality standards and brand image. At the same time, relational controls were implemented as occasion called for, to ensure franchisees' cooperation and continuity of relationships. Another franchisor-informant in the hotel sector described himself in terms of who he is to franchisees in the relationship. The franchisor-informant saw himself in the 'ever adaptive relationship' [HCa2] as:

> '…their best friend, their worst enemy, 'their god and their devil and their mother and their father,' depending on how the business is going or if the hotel is doing well in their quality assurance' [HCa2].

These characterisations reflect the joint implementation of coercive and non-coercive control mechanisms and imply that franchisors allow formal and relational control to complement each other in managing the relationship with franchisees. As indicated earlier, relational norms and trust led to the development of relationship quality and in line with the findings of Brookes and Roper, (2011) drove the development of shared values which served to control franchisees relationally. Concerning functions which relate more directly to monitoring and adaptation[19] of collaborative agreement, Reuer and Arino, (2007) suggest the substituting role of relational control. However, evidence from this study suggest the complementing role of formal and relational control, even over those functions related to monitoring and adaptation. The argument that formal control can become redundant when relational norms are well established (Wang et al., 2011; Gulati, 1995) was also not supported by the evidence in this study. This lack of support possibly stems from the fact that franchisors still complemented formal control with relational control for older and stable franchise relationships in the study, marked by visible relational norms. Some researchers (for example Malhotra and Lumineau, 2011; Gulati and Nickerson, 2008) on the other hand, argue that the use of formal control indicates a lack of trust and could damage the development of relational control. Contrary to this view, this study suggests that the

[19]Specific examples of functions that relate to monitoring and adaptation of collaborative agreement, according to (Reuer and Arino, 2007) include rights of reports for relevant transactions, notification rights for departures to the agreement, and auditing rights. Reuer and Arino, (2007) qualified enforcement function as functions that relates to the most stringent provisions that deals with intellectual property as well as more severe breaches.

implementation of formal control spurs the confidence of exchange parties towards cooperation, thereby making way for the development of relational control (Yang et al., 2012; Poppo and Zenger, 2002; Cannon et al., 2000).

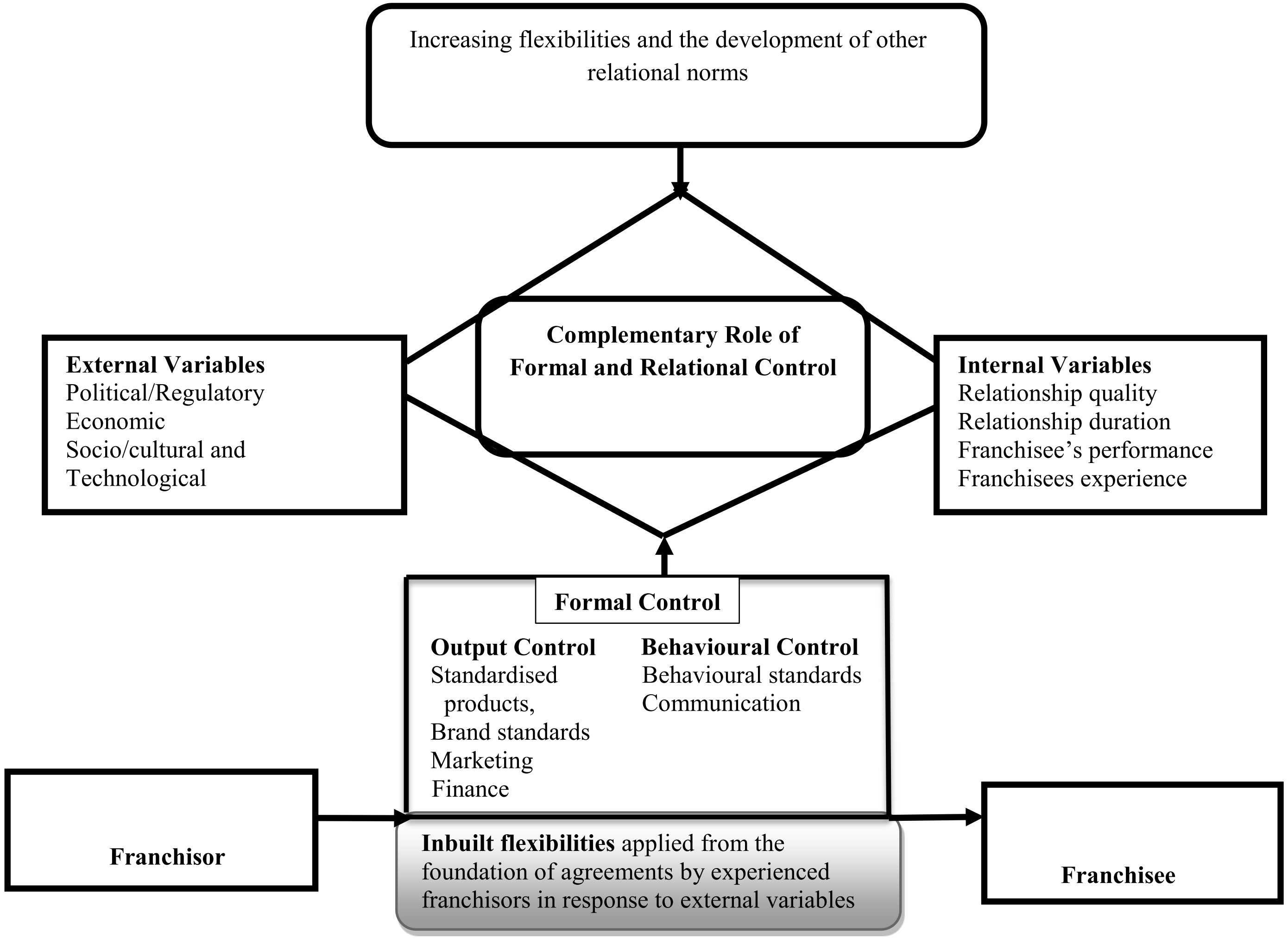
As indicated earlier, franchisors in the hotel sector implemented flexible adaptations right from the foundation of their relationships. The inbuilt adaptations meant that each contract was customised to take care of unique environmental and economic conditions in diverse localities of franchisees. Poppo and Zenger, (2002) suggest a positive relationship between customisation and the complementarity of control mechanisms. The authors suggest that through specifying contingencies, adaptive processes and controls, customised contracts facilitate the development of relational control. Franchisors used formal control mechanisms to ensure that operational standards were strictly followed yet as highlighted earlier, relational control and the development of trust enabled greater adaptation for franchisees. It seems franchisors sought to maintain both the relationship and the brand/operating standards, hence the complementary use of formal and relational control. The findings support research findings on the complementary role of formal and relational controls in BFF (Davies et al., 2011; Pizanti and Lerner, 2003; Brookes and Roper, 2011; Chen, 2010a; Monroy and Alzola, 2005). It is likely that relational norms (e.g. IE and RI), demonstrated by franchisors in this study, enabled franchisees to develop perceptions of cohesion, as suggested by Akremi et al., (2011). The authors suggest, in line with the evidence of this study, that franchisors could implement formal control together with relational control, since strict formal control tends to sour relations with franchisees (Akremi et al., 2011) as it decreases trust and the motivation to behave cooperatively (Herz et al., 2016). This study therefore, builds on these findings, by providing empirical evidence that the development of relational control and trust facilitates greater adaptation and serves to complement formal control in franchise networks in emerging markets.

5.5 Revised Framework of Relational Control

Based on the findings of this study a revised framework of relational control is presented in Fig. 5.2 below. The conceptual framework, which was developed to inform the research suggests that the relationship between franchisors and franchisees begins with the implementation of formal control (output and behavioural). As the relationship progresses, it is expected that external forces will influence the development of flexibility and other relational norms that lead to behaviours which serve to control franchisees relationally. The findings from the hotel sector however, shows a variation from the conceptual framework which is evident in the development of flexibilities from the start of franchise agreements (inbuilt flexibilities).

The next session compares key findings from this study with the research propositions stated earlier in the literature review.

Figure 5.2 Revised Framework of Relational Control



5.6 Review of Research Propositions based on the Findings.

Three propositions drawn from the literature were used to frame this research investigation. The research propositions are reviewed below in comparison with the key findings from the study.

Proposition 1: The characteristics of emerging markets present control challenges between franchise partners and therefore enhance the importance of control. The study revealed that the external environment of franchisees was characterised by political, economic, socio/cultural and technological factors, which constituted strategic constraints on the franchisors implementation of standardised BFF. These external factors were the primary factors which drove adaptations. In the hotel sector, franchisors strategically adapted to these factors by implementing inbuilt flexibilities, while the fast-food sector only implemented adaptations after the relationship have started and when considered critical. The study suggests that external environmental conditions in franchisees' market are the primary drivers of strategic adaptations implemented by international franchisors, in order to overcome the control challenges in emerging markets. It seems that the complexity of hospitality offerings has an influence on the timing and extent of adaptations implemented. The fast-food sector offers limited products and services compared to the hotel sector, which presents a more complex product and service offering (accommodation, food, conferences, etc.). The time and degree to which adaptations are implemented could depend on the type of product offering and services of the franchisor, international experience of franchisors, and particularly the level of knowledge about franchising in emerging markets.

Proposition 2: The second proposition suggests that the control challenges faced by international franchisors in emerging markets compel them to recognise the need to develop relational control with franchisees over time. This study demonstrates how the relational norms developed between franchise partners, beginning with flexibility which served the fundamental purpose of overcoming the control challenges. Flexibility facilitated the development of other relational norms, as it impacted positively on the perceptions of franchisees. The development of relational norms, over time, characterised enhanced relationship quality. This study, in addition to flexibility, identified other relational norms, namely information exchange, solidarity, role integrity, mutuality, non-coercive power and commitment. These norms evolve over time, and seem to culminate in the development of trust (credibility and benevolent trust) which enhance greater adaptation for franchisees and encourage behaviours that serve to control franchise relationships relationally. The study also contributes to increased understanding of the order of the evolution of relational norms in franchise networks in emerging markets.

Proposition 3: The third proposition suggests that, due to the difficulty of anticipating every possible contingency in emerging markets, as well as the interdependent nature of franchise partners, relational control would serve to complement, rather than substitute formal control mechanisms in emerging markets. Evidence from this study shows that the franchise relationships were mutually supportive and franchisors used relational control mechanisms to support franchisees and manage the challenges of franchising in emerging markets. However, these relational control mechanisms only served to complement formal control mechanisms as franchisors maintained formal output and behavioural control over brand and operational standards throughout the period of the franchise agreement. The study suggests two reasons for the complementarity of controls. First is franchisors' recognition of the need to maintain brand and operating standards. The second reason is that franchisors need to maintain the relationship with franchisees in emerging markets, on whom they depend for the success of their operation. The study therefor, supports the view concerning the complementarity role of relational control.

5.7 Chapter Summary

This study demonstrates the evolution of relational norms in emerging markets' franchise agreements. Flexibility, IE and solidarity were identified as the fundamental norms followed by RI, mutuality, NP and commitment. These norms develop over time, and seem to culminate in the development of credibility and benevolent trust. The study suggests that the relational norms and trust lead to the development of shared values and behaviours which serve to control franchisees relationally. The study identified adaptations in operational standards implemented by franchisors to enable franchisees compete locally. The adaptations were primarily driven by external factors in franchisees' diverse markets, which were characterised by political, economic, socio/cultural and technological factors. These factors compelled franchisors to implement flexible adaptations to operational standards, in a manner which ensured the preservation of the brand image, while at the same time addressing the adaptation needs. In the hotel sector, franchisors' recognition of the impact of external factors from the foundation of franchise relationships, led to the implementation of inbuilt flexibilities. Flexibility facilitated the development of other relational norms over time. The relational norms over time, characterised enhanced relationship quality.

The evidence from the study indicates that franchisors implemented relational control mechanisms as complements to formal control mechanisms, which framed the relationship from the foundation. Implementation of formal control did not reduce or eliminate the need for relational control, rather franchisors willingly adapted to contextual situations prevailing in franchisees diverse environments alongside the implementation of formal control.

The following chapter draws conclusions from the study based on the findings. A number of recommendations are made and the limitations of this study are also highlighted.

CHAPTER SIX

6. CONCLUSION

6.1 Introduction

The purpose of this chapter is to draw conclusions from the study based on the aim and objectives identified earlier. The chapter begins by demonstrating how the aim and objectives have been fulfilled. The identification of the original contributions of the study and how they fill the gaps identified in the literature then follows. A number of recommendations are suggested for maintaining effective control in international franchise networks in particular, and alliances in general. The limitations of the study are discussed and recommendations for future research are suggested. The chapter concludes with a personal reflection on the research journey.

6.2 Research aim and objectives

This research sought to investigate and evaluate the development of relational control in international franchise networks in emerging markets. To achieve this aim, five research objectives were identified:

I. To identify and analyse key components of relational control by critically reviewing the literature on relationships in alliance and franchise networks.

II. To produce an initial conceptual framework that focuses on key performance indicators of relational control in international franchise networks.

III. To explore franchisors' and franchisees' perception/experience of relational control through a multiple case study research in four international hospitality franchise networks in an emerging market-Nigeria.

IV. To use the conceptual framework to examine the extent of relational control in international franchise networks in emerging markets.

V. To contribute to knowledge by proposing approaches for improvement and refinement of relational control in international franchise networks in emerging markets.

The first and second objectives are accomplished in chapter two (Literature Review) where key theories underpinning control in alliances and franchise networks are examined. The chapter draws on extant literature to identify the key indicators for effective and efficient control in alliances and franchise networks. Relevant theories and mechanisms for effective control are also identified. The knowledge gaps regarding the need to investigate the development of relational control in international franchise networks in emerging markets are highlighted. Relevant relational norms in alliances and franchise networks, and the factors that influence the development of these norms are identified and used to produce the initial conceptual framework for the study.

The third objective is accomplished through in-depth interviews with key-informants in four international hospitality franchise networks in an emerging market- Nigeria. The findings from the data generated from the interviews are presented in three stages, in chapter four.

The fourth objective of the study is accomplished in chapter five by applying the initial conceptual framework to discuss the key relational control issues based on the analysis of the findings. Through an analysis of formal and informal control mechanisms, the study identifies eight significant relational norms in franchise relationships in emerging markets. The relational norms include flexibility, information exchange, solidarity, role integrity, non-coercive power, mutuality (reciprocity), commitment and trust (benevolent and credibility trust). The nature of the franchisor-franchisee relationship is explained based on the nature and extent of the relational norms identified. External factors in the environment of franchisees and internal factors in the franchise agreements drive the need for adaptations (refer to Figure 5.1), while the presence of relational norms in the franchise relationships enhance the implementation of adaptations. Evidence from the findings are also used to present arguments in favour of the complementarity of relational control in international franchise networks. A revised framework of relational control is presented based on the findings.

The final objective is accomplished in chapter six. The study makes a number of contributions to the knowledge of the development of relational control in alliances in general, and in emerging markets' international franchise networks in particular, which are discussed in the following section.

6.3 Research Contributions

This research contributes to existing knowledge in theory and practice of control in alliances and BFF, based on two major gaps identified from the literature. The first gap concerns the inadequacy of knowledge on how relational control develops in emerging markets, while the second relates to the ongoing debate about the impact of the development of relational control on the use of formal control (complementarity or substitutability of relational control and formal control). A critique of the theoretical underpinnings is presented below followed by the contributions to theory.

6.3.1 A Critique of the Theoretical Underpinnings

This study uses the theories - RDT, AT, RET and SET to explain franchisor/franchisee relationship development, particularly in emerging markets. RDT explains the impact of franchise partners perception of dependence on control (Paik and Choi, 2007). However much of the franchise research that uses RDT focus on developed economies and there is limited research which provides explanation of the relationship between RDT and control in geographically distanced franchise relationships in emerging markets. Further there appears to be no explanations provided by researchers on the impact of RDT on the relational perspectives of franchise relationships in emerging markets.

AT on the other hand has been used to explain why franchisors use BFF (Perdreau et al., 2017; Alon et al., 2012; Gillis et al., 2011) but falls short of explaining how control in international franchise networks actually takes place. It also falls short of explaining how relational control develops in franchise relationships.

RET prescribes behaviour boundaries through relational exchange norms that reduces the need for formal control (Brown et al., 2016; Heide et al., 2007). SET explains the goal-seeking behaviour of franchise partners through voluntary actions that are rooted in perceptions of reciprocity (Nyadzayo et al., 2011; Harmon and Griffiths, 2008). However both RET and SET falls short of explaining the relevance and processes of implementation of formal control in franchise networks.

Despite the strength of each of these theories, they lack the capacity to individually provide the characterisations necessary for holistic relationship development between franchisors and franchisees. Most previous research explain how appropriate the theories are for understanding franchise relationship development but fail to indicate how the theories can be combined to gain a better understanding of control in franchise relationships, particularly in emerging markets. Taking together therefore, and using these theories collectively to answer the research questions, this study makes a number of theoretical contributions discussed in the next section.

6.3.2 Contributions to Theory

The study makes a number of contributions to the understanding of the development of relational control in international franchise networks, particularly in emerging markets.

This study demonstrates how the perceptions of dependence by franchise partners influences their attitudes towards relationship maintenance and the implementation of relational control in international franchise networks in emerging markets.

This study empirically provides evidence of the relevance of AT through the implementation of formal control in emerging markets' international franchise networks. The relevance of AT is reflected in the fact that franchisors in the study set up different monitoring systems, such as QA audits, customer feedbacks, and mystery shopping. However outcomes from these monitoring systems were the basis of developing strategies for enhanced support given to franchisees and for the implementation of flexible adaptations.

This study demonstrates the relevance of RET in specifying behaviour boundaries through relational exchange norms that reduces the need for formal control. Franchisors made conscious effort to leverage relational norms, based on RET, to reach common grounds with franchisees and achieve mutual goals. The study also demonstrates the relevance of SET in understanding the goal-seeking behaviour of franchise partners in international franchise networks in emerging markets. Voluntary actions of both franchisors and franchisees, which were rooted in their perceptions of reciprocity reflect SET. This study particularly demonstrates the complementary roles of these theories in contributing to the understanding of the dynamics of franchisor/franchisee relationship development in emerging markets. The theories clearly complement one another in the processes of the evolution of the relational norms observed in the study. This study therefore adds to the current portfolio of studies in the field of franchise relationship development, which has incorporated the theories of RDT, AT, RET and SET to provide an enhanced understanding of franchisor/franchisee relationship development, particularly in international franchise networks in emerging markets.

The study makes a key contribution to alliance and franchise management literature by identifying the order in which different relational norms develop in emerging markets, thus expanding the use of RET.

A major contribution of this study is the finding about inbuilt flexibilities in the hotel sector. The study contributes to knowledge about the emergence of flexibility from the foundation of franchise relationships in the international hotel franchise sector, due to the complexity of its service offering and diversity of customer markets. Franchisors in international hotels seem to be more flexible because of their customer markets which involve catering for both domestic and international travellers. Drawing on RET, the study therefore highlights the importance of flexibility as a relational norm in complex product/service offerings such as those in the hotel sector, especially when targeting both domestic and international travellers.

The findings complement the work of Ishida and Brown, (2011) by providing evidence from international franchise networks in the hospitality sector in an emerging market context regarding the ability of solidarity to moderate and mediate the impact of monitoring. The study also supports the work of Rokkan et al., (2003) by demonstrating that the presence of solidarity in exchange relationships can mitigate the impact of adverse situations faced by franchisees. In addition the study suggests that franchisors' show of solidarity is underpinned by their desire for success and a willingness to prove the validity of their business format. Based on the theory of psychological climate, Strutton et al. (1995) highlighted the ability of franchisors to influence the extent to which franchisees perceive the presence of solidarity in franchise networks. Drawing on, and expanding the relevance of RET, the empirical evidence of this study complements Strutton et al.'s (1995) finding. This study also extends the predominantly quantitative-based findings of alliance research regarding a positive relationship between the interdependent nature of interfirm relationships and the emergence of solidarity (Shen et al., 2017; Yen and Hung, 2017; Gulati and Sytch, 2007; Jap and Ganesan, 2000). This study does so through the empirical finding about the moderating role of perceptions of dependence in relationship maintenance and the development of solidarity in international franchise relationships in emerging markets.

Based on SET, this study builds on the findings of Ju et al., (2011) which draws on the theory of marketing orientation to identify IE as the most important resource a firm can control in an exchange relationship, and as a prerequisite for the development of control mechanisms. It particularly underscores the value partners in geographically distant franchise relationships place in information sharing (Robson et al., 2018; Tong and Crosno, 2016) and in addition, suggests that geographical distance between franchise partners impact the medium of IE used. Building on Boulay's (2010) assertion that information systems provide a valuable means of managing franchisees activity, the study demonstrates that IE can be developed through the extensive and interactive use of information systems. The study extends the findings of Paulraj et al., (2008) by demonstrating the long-term orientation of IE and its ability to enhance future exchange of information and strategic collaboration among exchange partners. By providing empirical evidence from franchise relationships in an emerging market context, the study extends the knowledge of relational IE which results in favourable relational outcomes over time (Tong and Crosno, 2016; Macneil, 1980).

Another contribution of this study is that it builds on previous studies, to reinforce the significance of exchange partners' perceptions of RI in aligning their goal both in BFF (Brookes et al., 2015; Davies et al., 2011) and in alliances (Yaqub, 2013). The study also builds on previous franchise research to demonstrate, from an emerging market context, the inherent ability of franchise agreements to manifest higher levels of RI (Altinay et al, 2014a; Altinay et al, 2014b; Altinay and Brookes, 2012; Frazer et al., 2012). The assertion regarding the ability of RI to ensure stability and advancement of durable win-win relationships in alliances is also reinforced (Ivens, 2004; Kaufmann and Stern, 1988). Franchisees' perceived reputation of franchisors' brand motivated franchisees' RI, thus reinforcing the findings of previous research on the role of brand name and franchisors asset specificity in stimulating franchisees' commitment (Altinay and Brookes, 2012; Monroy and Alzola, 2005). The SET dimension of alliances is reflected in the evidence from this study; reinforcing the assertion that the display of RI in exchange relationships contributes to activating the social dimension, as it impacts positively on the social satisfaction of partners (Yaqub, 2013). The study therefore, reinforces the case for the generalisability of research findings in alliances and BFFs, regarding the role of exchange partners' perception of RI in generating satisfaction and the intention of continuity.

This study builds on previous alliance (Lee et al., 2010; Lawson et al., 2008; Liao, 2008; Bendoly et al., 2006; Gundlach et al., 1995; Macneil, 1980) and franchise (Monroy and Alzola, 2005; Diaz-Bernardo, 2013; Antia et al., 2017; Shocley and Turner, 2016; Brookes et al., 2015; Brookes and Roper, 2011; Flint-Hartle and De-Bruin, 2011; Nyadzayo et al., 2011; Lawrence and Kaufmann, 2011; Altinay et al., 2014b; Rahatullah, 2014; Mignonac et al., 2015) studies, to reinforce the significance of boosting perceptions of mutuality through deploying control mechanisms which induce franchisees' motivation through shared and underlying mutual objectives. This study demonstrates that mutuality influences cooperation in direct franchising agreements and in emerging non-western markets.

This study empirically provides an increased understanding of the role franchisor non-coercive influence strategies (persuasion and demonstration of skill and knowledge) play in enhancing franchisee cooperation and compliance. It extends evidence from previous studies which establish that the use of NP is a critical driver of cooperation and compliance in alliances (Hausman and Johnston, 2010; Cannon et al., 2000) and franchise networks (Frazer et al., 2007; Moore et al., 2004; Altinay et al., 2014b; Brookes and Roper, 2011; Paik and Cho, 2007; Quinn and Doherty, 2000). The study also demonstrates that franchisees' local knowledge and entrepreneurial skills are antecedent to franchisors' restraint from power and thus indicate the resource dependence dimensions of exchange relationships.

Evidence from this study reinforce findings which, highlight franchisors' genuine commitment to franchisees' success as a critical factor which strengthens and builds a robust franchise relationship (Adeiza et al., 2017a; Mpinganjira et al., 2017). The study, in line with McDonnell et al., (2011) demonstrates how franchisors' commitment earns franchisees' commitment and helps to maintain continuity in franchise relationships. It also contributes to knowledge about the strong relationship between commitment and relationship duration (Johnson et al., 2006; DeWulf et al., 2001). The finding about franchisors' use of internal brand activities in the form of brand centred human resource efforts (training) to promote franchisees' brand commitment and positive brand citizenship behaviour (Nyadzayo et al., 2015) is reinforced by the evidence from this study. Consistent with the relational model of SET (Lee et al., 2010; Liao, 2008; Bignoux, 2006; Cropanzano and Mitchell, 2005; Lawler and Thye, 1999) and the significance of social attributes of SET in controlling alliances (Li et al., 2010b; Arranz and Arroyabe, 2012; Huang et al., 2014) and franchise relationships (Brookes et al., 2015) this study builds on previous SET studies by demonstrating the ability of shared values to impact relationship commitment and therefore relationship quality (Watson and Johnson, 2010; Ting, 2016). Particularly for franchise relationships, the study builds on the study of Mignonac, et al., (2015) to demonstrate from the perspective of SET, that perceptions of franchisor commitment promote franchisee affective commitment in franchise networks.

In line with alliance studies (Meier et al., 2016; Yaqub, 2013; Jap and Ganesan, 2000) as well as franchise studies (Grace et al., 2016; Chiou and Droge, 2015; Blut et al., 2011; Bordonaba-Juste and Polo-Redondo, 2008) this study reinforces the argument about the long-term orientation of trust based on RET. The study also affirms the view that the development of trust between exchange parties leads to perceptions of lower relational risk (Hendrikse et al., 2015) and the use of more informal control methods (Dyer and Singh, 1998; Barringer and Harrison, 2000). The study also articulates the view that franchisees' perception of commitment strongly influences trust in franchisors' credibility (Dickey et al., 2008). Previous research identifies the importance franchisors' support to generate franchisees' trust and motivate franchisees to become brand champions and promoters of franchisors' brand building effort (Nyadzayo et al., 2016; Brookes et al., 2015; King et al., 2013). Franchisor's credibility therefore, informs franchisees' positive behaviour in line with SET (Brookes et al., 2015). This study builds on this finding by demonstrating the relationship between franchisors' credibility and franchisees' behaviour. The study also demonstrates the place of trust as a behavioural prerequisite for increased IE between franchisors and franchisees (Herz et al., 2016; Nyadzayo et al., 2011; Dant, 2008). Similarly, the study supports alliance researchers' indications of the significance of trust in the efficiency of interfirm relationships through increased information sharing (Gulati and Nickerson 2008; Lui and Ngo, 2004).

The study highlights the significance of credibility and benevolence trust in generating confidence and commitment in franchise relationships (Grace et al., 2016; Chiou and Droge, 2015; Altinay et al., 2014a, Morgan and Hunt, 1994). It also highlights that franchisors/franchisees may encourage the development of benevolence trust in a partner through cooperation and rich IE (Lee et al., 2016; Doherty and Alexander, 2004; Bordonaba-Juste and Polo-Redondo, 2004). The study demonstrates that franchisees' positive perceptions of franchisors' monitoring activities seem to imbue feelings of satisfaction, trust and commitment, identified by researchers (e.g. Ivens, 2004; Yaqub, 2013) as the determinants of relationship quality. The study demonstrates franchisor-franchisee mutual commitment, and the ability of economic satisfaction to exert a direct influence on trust (Mpinganjira et al., 2017; Sarmento et al., 2014).

Together, the relational norms identified in the study articulate the relevance of relational development in franchise relationships in emerging markets. The relational norms are clearly built on SET which explicates goal-seeking behaviour of exchange partners based on interrelated interests (Davies et al., 2011). Identification of these norms which lead to behaviours that serve to control relationships informally, extends the view from SET perspectives, that franchisors commonly leverage relational control mechanisms to shape franchisees' behaviour (Cochet et al., 2008).

This study identified adaptations made by franchisors in franchisees' markets, which were driven first by environmental factors, and secondly by internal factors such as franchisees' local knowledge, entrepreneurial tendency and relationship quality. A further contribution of this study is the identification of the interrelated role of external environmental forces and internal factors that drive adaptation. External factors were found to drive the need for franchisors to adapt their business format. But the internal factors enhanced greater adaptation within the franchise networks. This study therefore, reinforces previous findings on the role of environmental factors in driving adaptations in franchisees' market (Hoffmann et al., 2016; Mylonakis and Evripiotis, 2016; Altinay et al., 2014a, 2014b; Winter et al., 2012; Welsh et al., 2006) but further identifies the interplay between external and internal factors in enhancing adaptations within geographically distant franchise networks.

As noted in the literature review there is an ongoing debate about whether relational control functions as a complement to, or substitutes for formal control. This study contributes to the debate by presenting empirical evidence and building on research studies in alliances (Cao and Lumineau, 2015; Schepker et al, 2014; Kang et al., 2012; Liu, et al., 2009; Gulati and Sytch, 2007) and BFF (Akremi et al., 2011; Davies et al., 2011; Brookes and Roper 2011; Chen, 2010a; Monroy and Alzola, 2005; Pizanti and Lerner, 2003) to suggest that the development of relational control serves to complement formal control in franchise networks in emerging markets.

6.3.3 Implications for Practice

The theoretical contributions presented above are crucial in helping franchisors, franchisees, alliance partners and franchise consultants, to gain an enhanced understanding of the dynamics of control in interfirm relationships. Reinforcing the relational control mechanisms reflected in the contributions of this study, indicates a positive outcome towards the survival, growth and competitiveness of franchise and alliance relationships.

The findings of this study support the view of Meier et al., (2016) that the development of relational norms and trust demand substantial investment of time, human and monetary resources (Meier et al., 2016; Yaqub, 2013). The order of the development of relational norms, highlighted by this study is helpful in guiding franchise managers regarding the norms they need to channel resources on developing first, in order to avoid a waste of time and resources. Franchise managers therefore, need to focus on developing flexibility, IE and solidarity at the initial stage of the franchise agreement. Focusing initially on these fundamental norms will likely enhance the development of other relational norms.

Monitoring activities of franchisors should incorporate programmes and information which highlight the values it holds for both parties, such that franchisees perception of solidarity is accelerated to yield greater cooperation. Since IE represents the most important resource a firm can control in an exchange relationship and a prerequisite for the development of control mechanisms (Ju et al., 2011) franchisors in geographically distant relationships could invest extensively in information systems, in order to boost information sharing and achieve efficient coordination of activities with franchisees. Franchisors should pay attention to extensive and interactive communication with franchisees frequently, as a valuable means of managing franchisees' activities relationally. Less intrusive methods of monitoring franchisees are more likely to boost solidarity, since it does not overly infringe on franchisees' autonomy (Ishida and Brown, 2011). International franchisors operating in emerging markets should design interactive communication systems with franchisees, based on less intrusive information technologies which are able to only monitor output and behaviour that are critically linked to the objectives of the relationship. The findings of this study reinforce the need for franchisors to highlight mutual dimensions of their relationship with franchisees, by emphasising strong economic incentives which encourage franchisees' cooperation and compliance (Mignonac et al., 2015). Franchisors, from their rich experience should always seek to explain to franchisees how and what they could gain by paying heed to their suggestions, rather than giving directives.

International franchisors in the hotel sector seeking to sell their BFF in emerging markets should consider incorporating inbuilt flexibilities when drafting contracts with individual franchisees. Definitely, additional revenue could be derived from the benefits of adaptation such as knowledge transfer, growth and competitiveness. Incorporating inbuilt flexibilities will help to address visible PEST factors upfront and avoid losses in revenue which could arise from ignoring these factors at the beginning. It will also convey positive signals about franchisors' support and goodwill to franchisees earlier on, such that franchisees cooperation is realised earlier. Despite the implementation of inbuilt flexibilities, increasing flexibilities should be allowed whenever the ever changing and dynamic emerging market environment dictates. Increasing flexibilities would enhance an ongoing process of value creation, and knowledge management (through harnessing franchisees' knowledge). These processes impact positively on local competitiveness and franchise network performance (Gorovaia, 2016).

Although BFFs has the inherent ability to manifest higher levels of RI (Altinay et al, 2014a; Altinay et al, 2014b; Altinay and Brookes, 2012). In culturally distant relationships however, franchisors need to consciously demonstrate RI through cultural sensitivity and responsiveness for the relationship to flourish (Altinay et al., 2014a). This study further indicates the need for franchisors to pay attention to culture-driven adaptation needs in franchisees' diverse localities. These needs are reinforced by the fact that franchisees' perception of franchisors' RI to a great extent is determined by the demonstration of cultural sensitivity in emerging markets (Altinay et al., 2014b).

Abounding evidence regarding the efficacy of non-coercive influence strategies for achieving positive outcomes in the context of relationships (Hausman and Johnston, 2010) is also indicated by the findings of this study. Franchisors need to adopt non-coercive approaches and demonstrate their recognition of franchisees' local knowledge. Franchisees should be encouraged to feel free to communicate with franchisors about any impediment to maintaining standards in their locality. This attitude is likely to enhance cooperative attitude in franchisees and engender joint action towards resolving adaptation problems.

Franchisors who desire to sustain relationships with franchisees in emerging markets over a long-term should resolve to show their commitment, by supporting older and proven franchisees in the event of adverse business conditions they may face in the harsh business environment of emerging markets. The findings demonstrate that commitment begets commitment and encourages the continuity of relationships (McDonnell et al., 2011). It is therefore imperative for franchisors to strive to preserve a valued relationship, by showing commitment through demonstrating their experience and expertise with franchisees facing business challenges. Franchisors also need to focus on support through training and retraining, to instil a sense of shared values and inculcate affective commitment in franchisees.

Franchisors operating in emerging markets are advised, as much as possible to avoid high turnover of their staff who constitute the support team for franchisees. The high turnover of this category of franchisor-staff can disrupt the process of development of credibility and benevolence trust in franchise relationships and hinder the free exchange of information. Grace et al., (2016) recommend that an essential ingredient to developing franchisee trust is the ability of the support staff to connect with franchisees. The authors advise that since trust is developed over time, a constantly changing support team can disrupt franchisees' business. Franchisees who intend to enter into a franchise agreement or have already entered into one because they value the franchisor's brand, should also make a conscious effort to demonstrate self-enforced control towards maintenance of the franchisor's standard. This attitude is likely to earn franchisors' trust in franchisees faster and motivate them to use more relational methods of control.

Alliance partners can set up incentives aimed at developing or promoting relational norms, however Yaqub, (2013) notes that relational norms evolve as a consequence of exchange partners' transacting experiences. In this study, franchise partners' transacting experiences were visibly influenced by the interplay between external and internal factors. The impact of these factors on adaptations and the development of relational norms, underpins the need for franchisors and franchisees to be sensitive to franchisees' dynamic emerging market environment. Sensitivity will enable franchise partners to agree on the realities of the business environment and work together as a team to surmount challenges.

6.4 Research Limitations

Despite the contributions and implications of this study, it is not without its limitations. The limitations which should be considered along with the findings and also provide imperatives for further research are highlighted in this section.

Four factors which limit the generalisability of this study are highlighted here. The factors are related to the sample size, industry context, country context and the type of franchising used. The major limitation to generalisability is related to the relatively small sample size used with the multiple case study strategy. Nevertheless the aim of the study was to explore and gain deep insight into the development of relational control in international franchise agreements in emerging markets. The researcher has taken rigorous measures to ensure reliability and validity of the findings as noted in the Methodology Chapter. Another limitation is that it is set within the context of the hospitality industry (fast-food and hotel). Although the sector has proved to be a suitable context for exploring the development of relational control in international franchise networks, the context may limit the generalisability of the findings across other industry sectors. However, it may be argued that all franchise organisations operating within emerging markets are subject to similar external factors which have an impact on control. It is therefore possible, to an extent, to generalise the findings of this study to international franchise networks in other industry sectors operating within emerging markets. There is also a limitation regarding the geographical context of the study, as the study investigated relational control only within one emerging market - Nigeria. Another limitation is that it focused on one type of BFF – the direct business format franchising, whereas international franchisors would also use other types of BFF identified earlier, such as master and corporate franchising arrangements. Due to the nature of these franchising arrangements, the development of relational control might be different.

The impact of relational control on the franchise network performance was not investigated by this study and constitutes another limitation of this study. It is possible that relational control impacts positively on the performance of a franchise network only to a certain limit, beyond which reliance on relational control may have a negative impact on performance.

Too much relational control at the expense of formal control could be disadvantageous to the entire franchise network and to individual franchisees. It could affect the financial outcome for franchisors and individual franchisees as well.

This research identified the complementary role of formal and relational control in the franchise networks studied, but did not address the changes in the interplay between formal and relational control which may occur in different phases of cooperation (Olander et al., 2010) due to changes in the external and internal environment of the franchise network.

6.5 Recommendations for Future Research

Recommendations for future research are highlighted, based on the limitations of this study. Further empirical research, drawing on a larger sample of franchise partners in emerging markets will enhance the generalisability of the findings from this study. To increase generalisability, future research should explore relational control in international franchise networks in other emerging markets and in other industry context to see whether external and internal factors have the same impact and whether international franchisors respond to the factors in much the same way or differently. Future studies which seek to corroborate the findings of this study within other types of franchise arrangements are desirable, especially because relational exchange dynamics within networks characterised by large multi-unit franchisees may vary from networks characterised by single unit franchisees (Dada and Watson, 2013).

The impact of relational control on the franchise network performance and is a topic for further investigation within emerging markets' franchise networks. Further investigation into the factors which impact the development of flexibility from the foundation of franchise agreements in international hotel franchises in emerging markets is recommended to corroborate the findings of this research.

Future qualitative and quantitative studies could investigate changes in the interplay between formal and relational control based on the phases of cooperation in franchise networks to better understand the interplay of formal and relational control. Similarly, changes in the interplay between external and internal factors could impact differently on adaptations and the emergence of relational norms and therefore, on the relationship between formal and relational control. Future studies focused on these factors may also prove fruitful towards an enhanced understanding of the impact of changes in the interplay between external and internal factors on the emergence of relational norms.

This findings of this study imply an obvious need for franchisors to trust franchisees' judgement in building their brand overseas, due to their deficiency in local market information. Robson et al., (2018) rightly note that the theoretical explanations of international franchising fail to address a fundamental dilemma facing international franchisors taking their franchising concepts to unfamiliar emerging markets. This situation makes it apparent that franchisors may no longer serve as the sole power broker in the relationship with franchisees (Robson et al., 2018). With the challenges of emerging markets highlighted earlier, which underpin its seeming uncontrollable nature, a promising future research direction will be for researchers to enquire on how the factors in the environment of emerging markets, impact on the balance of power and control between international franchisors and franchisees. Also the relationship between the balance of power/control and the brand building effort of franchisees in emerging markets appears to be a promising future research direction.

6.6 Reflections on the Research Journey

As I reflect over the years I spent doing this research, I consider the research journey which took me through periods of smiles, tears, loneliness, sickness and accident, a rewarding learning experience particularly with regard to becoming a better researcher. My experience in designing the research, negotiating access to organisations, analysing data and writing up the thesis ties to me a history of patience, perseverance and hard work. Like the ever adaptive relationships of the franchise networks studied, I had to adapt my research design and plan to the realities I faced when gathering data. With the advice and inputs from my supervisors I have come to appreciate the beauty of stepping back at intervals of the research process, to reassess my work and see the missing parts. I also appreciate the importance of focusing on the research aim and objectives all through the period of crafting together the different chapters of my thesis.

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APPENDIX A: EXAMPLE OF PARTICIPANT INFORMATION SHEET FOR KEY-INFORMANTS

OXFORD BROOKES UNIVERSITY

PARTICIPANT INFORMATION SHEET

STUDY TITLE: An Evaluation of Relational Control in International Franchise Networks in Emerging Markets.

I would like to invite you to participate in a research study which is being conducted as part of my doctoral studies at Oxford Brookes University**,** Oxford, United Kingdom. *Before you decide whether or not to take part, it is important for you to understand why the research is being done and what it will involve. Please take time to read the following information carefully.*

WHAT IS THE PURPOSE OF THE STUDY?

This study aims to investigate and evaluate how relational control develops in international franchise networks especially in emerging markets. The researcher intends to collect data through semi-structured interviews, archival analysis, document review and observations from selected franchise networks.

WHY HAVE I BEEN INVITED TO PARTICIPATE?

You have been invited to participate in this study because of your knowledge, involvement and experience in franchising. Based on the relational control perspectives, you are able bring valuable insights to this study. Your perceptions and views of how control is implemented or organised in your franchise network will aid the researcher in understanding how important relational control is and how it develops between franchisors and franchisees in a geographically and culturally distant network The knowledge gained may then be used to develop proposals for sustainable relational control in international franchise networks in emerging markets. If you agree to be interviewed, you will be one of approximately 25 individuals to be interviewed for this study.

DO I HAVE TO TAKE PART?

Participation in this study is entirely voluntary; it *is up to you to decide whether or not to take part in interviews. If you choose to participate, you will be given this information sheet to keep and be asked to sign a consent form. Even after you do decide to take part you are free to withdraw at any time without giving a reason. If you withdraw from the study, your data and contribution to this study will be destroyed.*

WHAT WILL HAPPEN TO ME IF I TAKE PART?

If you decide to participate in this study, you will be invited to attend a face to face interview which will last approximately 60-90 minutes. During the interviews you will be asked questions relating to your knowledge, involvement and experience on control procedures in your franchise network. With your consent, the interviews will be audio-recorded and transcribed. It is anticipated that you will not suffer any physical, psychological, social, legal or economic risks by taking part in this study. All the data collected will be used exclusively for academic purposes.

WHAT ARE THE POSSIBLE BENEFITS OF TAKING PART?

By taking part in this study, you will have the opportunity to share your knowledge and experience on the role and development of relational control in international franchise networks. This knowledge will then be used by the researcher to generate a set of strategies to facilitate the development of a more sustainable relationship between international franchisors and local franchisees in emerging markets.

The results of this research will make a contribution for practitioner understanding, refinement and improvement of relational control in international franchise networks. It will also contribute to knowledge by developing an understanding of how geographically and culturally distant franchise relationships develop. Practical economic implications of the role of relational control in international franchise networks will be identified.

WILL WHAT I SAY IN THIS STUDY BE KEPT CONFIDENTIAL?

I intend to protect the confidentiality of your responses to the fullest possible extent, subject to UK legal limitations and in accordance with Oxford Brookes University's Academic Integrity Policy. All responses generated during interviews will be de-identified in the collection, storage and publication of research material. This means that your responses will be anonymised and any references to your personal information that might allow someone to guess your identity will be removed. Furthermore, the raw data generated during the course of the study will only be available to the researcher and her supervisory team. The raw data gathered in the course of the investigation will be kept securely in paper or electronic form for a period of ten years after the completion of the research project.

WHAT SHOULD I DO IF I WANT TO TAKE PART?

If you do decide to take part, please contact me by email or telephone using the contact details provided below. I will then arrange to schedule a face to face interview at your most convenient place and time.

WHAT WILL HAPPEN TO THE RESULTS OF THE RESEARCH STUDY?

The results of this study may contribute to generate a range of strategies conducive to the implementation of more sustainable relationship between international franchisors and franchisees. Research results will be referred to in my final doctoral dissertation. Study findings may also be presented at academic or practitioner conferences and may be published in academic peer-reviewed journals. Once the research is finalised, I will send you a copy of a report with summary of findings through email.

WHO IS ORGANISING AND FUNDING THE RESEARCH?

This research is being conducted by Ugwuezi Pearl Akomas, who is currently enrolled as a PhD student at the Oxford School of Hospitality Management, Faculty of Business, Oxford Brookes University (UK).

WHO HAS REVIEWED THE STUDY?

The research has been approved by the University Research Ethics Committee, Oxford Brookes University.

CONTACT FOR FURTHER INFORMATION

If you have any concerns or questions regarding any aspects of this project, please contact me directly at this address:

Address in the UK:
Ugwuezi Pearl Akomas
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Faculty of Business
Oxford Brookes University
Headington Campus
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Oxford UK

E-mail: ugwuezi.akomas-2013a@brookes.ac.uk

If you have any concerns about the way in which the study has been conducted, please contact the Chair of the University Research Ethics Committee on ethics@brookes.ac.uk.

Thank you for taking time to read the information sheet and considering the possibility of taking part in this study.

APPENDIX B: A SAMPLE OF THE INTERVIEW SCHEDULE FOR FRANCHISEES

Name:
Contact:
Position:
Date:

Setting the Context:

a) Tell me about your background and role with the organisation.
(to establish respondents' credibility to answer historical questions about the franchise relationship)
length of time with firm
current responsibilities
role played in the development of franchise
current role in terms of managing or involvement with the franchisor

b)Formal Control Mechanisms.

i) Contract on paper
Can you tell me about the control methods as established by the terms of the contract with regard to:

Operational Control: brand manuals, brand standards, SOPs, recipes, purchasing requirements, quality control through training and monitoring
Marketing and sales
Financial control (development of financial targets and how financial issues are monitored)
Franchisor's willingness to enforce contract: (tell me about the techniques, extent and frequency of enforcement of the contract).
Formal communication methods (routine, rules and procedures).
Any other

ii) Contract in practice
How important is the contract to maintaining control in the daily operation of the franchise?
Why you think it is important?

c) Informal/Social Control Mechanisms (to establish whether informal control are used as substitutes or complements to formal control)

Tell me about:

i) The support you receive from the franchisor:
for example what advice, communication, and assistance, development of local marketing plan, maintenance of quality of services and products, etc.
ii) Why and how you receive such support.
iii) How important are these support services to you?
iv) How effective do you perceive the methods of providing support have been?
v) Your input into decision making in course of the relationship and why.
vi) Any other issue(s) that has required you and the franchisor to look beyond the provisions of contract terms and for what purpose.

v) What sort of interactions you have with the franchisor,
Why you have such interactions
How often are your interactions?
How important is this interaction in terms of control and/or does the interaction (or certain aspects of it) influence your behaviour in any way?

d) Changes in control since the start of the contract. (to establish if, how and why control has changed and establish current blend of formal and informal control)

Tell me about:

How formal and informal control methods have changed since the start of the relationship and factors driving the change(reasons for the change).e.g. Changes in the method used to enforce the franchise contract, monitoring techniques, implementation of brand standards, service quality, etc.
Any need for you to adapt the franchisor's business format to suit local market conditions?
How has the adaptation issue(s) been resolved?

e) Communication with the franchisor (to verify earlier response about informal relationship with the franchisor.)

Tell me about:

Communication with the franchisor in the early days of the franchise agreement.
Who in particular does the franchisor communicate/ interact with? (communication channel)
Frequency and medium (face-to-face, telephone, e mail, etc.) of communication
Purpose of communication.
Any ad hoc face-to-face meeting, voluntary or unsolicited information from the franchisor
Exchange of information with franchisor
Other forums for networking e.g. informal meeting, conventions, etc.
Your opinion about the responsiveness of the franchisor
Any communication with other firms in the network and purpose of communication
Any change in communication style since beginning of the relationship, nature of change and factors driving change(reasons for change).

f) Overview of the franchisee's relationship with the franchisor. (To enquire about previous and current nature of relationship)

Tell me about:

How you would describe your relationship with the franchisor?
How your relationship with the franchisor has changed over the course of the franchise agreement. What factors led to the change in relationship.
Any pre-contract relationship with the franchisor or a member of the franchisor - organisation.
Who in particular in the franchisor- organisation have you had a relationship with?

APPENDIX C: INTERVIEW TRANSCRIPT EXAMPLE

Question	Response
Can you tell me how long you've been with HC[20]	Four years
What are your current responsibilities?	I look after Africa for HC. Basically I do revenue management which is assisting in selling the hotel and pricing the hotel in the correct manner. I also do quality assurance which is basically assessing the hotels to make sure they meet our standards for our three products which are HC*, HC** and HC***. I also do customer service training and general staff training with the hotels and I also do development which means finding new hotels to join our brand in Africa.
Can you tell me about control methods that you use, in terms of your brand standards, brand manuals, SOPs, purchasing requirements and quality control, training and monitoring. How do you go about these?	Each hotel is independently owned and operated and so we wouldn't have SOPs from let's say a kitchen or restaurant point of view. We would advise them on some of what we consider best practice. But it's up to the hotel to finalise and create their SOPs. We would give them general aesthetics and design reviews to guide them. Every hotel looks completely different, I'm sure you are well aware. So that's the key thing, everything looks different in every hotel because they're independently owned and operated. We don't say you have to build your hotel this way unless it's our HC**** product which is a different type of hotel. So the hotels has more control than what you would with other hotels like HB. So it's quite a different way of working but it gives the hotel a lot of priority to create some very unique hotels. For the purchasing requirement, depending on the level of the hotel, there is a minimum requirement that they have to achieve which kind of relates to the quality assurance. So for example, a HC***, you don't have to place black-out curtains on every room. It makes the room completely dark in the middle of the day. So it depends on the level of the hotel but the sort of basic stuff of having a 32 inch TV minimum in our HC* and HC** hotels and then I think it's 64 inch for the HC*** hotels. So the quality standards tends to be more along the laundry quality of beddings, the quality of final products like the bed sheets and the quality of the cutlery that they have, proper plates, knives and forks. There's a huge array of things, some are the areas where they have to be branded, so there's a cost with regard to buying HC signs from their local producers, but they have to meet our requirements with regard to design and quality specifications. Also the hotels have to buy what we call certified property management system like opera that links them to HC systems from a reservation point of view.
Do you think as a brand, you have some similarities with HB	Some similarities, yea with regard to the fact that we set certain rules for our franchisees, everyone has to abide by, with regards to the standard of the hotels and the WIFI commitment or how strong the WIFI is going to be. Again it's a more individual approach as well for our hotels, whereas if you go to a Hilton in London and you go to a Hilton in Dublin, they're almost gonna look much the same, the same menu, the same burger, the same beds. But with us we will allow for an

[20] The code used in the findings and discussion chapter are used here for the actual name of the organisation.

	individual to be a bit more different, the hotels are buying more into the brands more and I think they invest more in their hotel and because of that category of expenditure.
When it comes to marketing and sells, how do you control your franchisees?	Basically the brand has its headquarters where we have a world-wide sales team and a world-wide marketing team and they basically come up with different ideas and plans for the year, to advertise the brand internationally. Our world-wide sales team have deep contacts involving nationals from all around the world and the hotel proprietors they contact and to that extent they deliver businesses to our brand. And from a local level, we have offices that look after certain countries like this office here looks after Africa, Middle East, Turkey, Russia, CIS, Spain and Portugal, Ireland, Belgium, Finland, Poland, Australia, South America, Mexico. Though we have offices within those countries and we try to kind of expand on the marketing plan. Each regional office also has advertising for the countries or regions they cover. The hotels of course would own their own web sites and advertise through that as well.
Do you get involved in their (franchisees') local marketing effort in any way?	No we don't. It's up to the hotel to decide in what way they advertise locally. What we would do is that we might advertise and say in South Africa and Ireland magazine or we might advertise other areas like that in, say Nairobi and Kenyan Airways. In Lagos we might do some radio or bill board advertising because of the hotels but the hotels does its own advertising as well.
How do you ensure that your brand logo and everything they use is quite okay before they go ahead and do their local marketing.	Anytime they do anything with the brand, it has to be approved here in our office, we review and make sure they are correct.
How do you maintain financial control.	What we would look at is the revenue we deliver from our channels. Outside of that we don't look at their revenue. They spend their money the way they decide.
How willing is your organisation with regard to enforcing the contract.	When you talk about enforcing the contract, it is a very broad issue. The contract is a forty-page contract. Yea with the basic standards, we inspect the hotel once every eleven months, if they don't pass the quality assurance, we reassess the within a month or may be within the next six months depending on the scores they got.
How about the formal communication methods, what are the routines, the rules and the procedures?	A lot of the communication is done by emails, Skype and by telephone where we communicate with them directly. It's an interesting way of looking at things. That's the kind of, the main communication that we would have.
How would you describe the contract terms with different franchisees.	We would cut different contract for different hotel types. Every contract would be different, depending on the area your joining fee might go up or down. Depending on what we deem fit as the joining fee for a particular country and depending on if you are HC*, HC** or HC***. The cost of joining the brand is different for all three hotel types. There are differences also that depend on the area where the hotel type is located within Nigeria.

So why do you deal differently with different franchisees instead of following a standard contract all the time?	Like you know law changes all the time. You have to change with the law. We improve our contract all the time, we always make small adjustments and not one contract is the same as the other. The general structure is the same but sometimes you need to change things around.
How important do you think the contract is in maintaining control in the daily operations of franchisees?	The contract is one of the most important things, without the contract, we wouldn't have a control that we would use to guide our hotel. Without the contract we would have nothing. The contract is very important even in the daily operations of the hotels.
Tell me about the support you give for example in terms of advice, communication, assistance or with regard to the development of their local marketing plan and things like that?	What we do is that we visit the hotel on regular basis and we train them on revenue management and how to operate their hotel. We give them advice on marketing and what ways we feel they should market. Obviously because they have local knowledge, they might have a stronger knowledge than us. To certain aspect, we talk to them about the general good practices that are best for them to do. We also help to train them on the room lay out and how they should paint the room, design the room. We help them on everything and it's just the case of trying to move them in the right direction.
When you say you visit them on regular basis, how regular please?	Once a quarter.
How important are these services that you render to franchisees. How important do you think it is to you in terms of maintaining control?	In relation to kind of helping our hotels, I wouldn't say maintaining control. The relation to helping our hotel is a survival link because if the standards are dropped, HC'S name will be severely damaged.
Why wouldn't you go by the word- maintaining control but instead you prefer to go by the word 'helping them'	Because we don't control our hotels. We assist them. We do control but we don't control, we don't walk in there and go 'hey you have to do this'. So we don't control them, they run the hotels themselves and we assist them to make sure they stick by the brand standards.
So how effective do you passive the support methods has been with relation to assisting or maintaining control.	To be effective depends on the hotel, if they actually receive our message well and are willing to receive our message well. So that's the challenges that if a hotel plays ball and works well with us. Then it works very very well. If a hotel doesn't play ball and work well with us, then it doesn't work because the hotel might not be interested in working hard and then we'll have all the issues which we need to go and correct.

Is there anything like shared decision making between HC and the franchisees in relation to how they run their hotel.	They do that from what they experience and present from their business study or case and most of the time it's the case that they don't want to spend money and we just move forward and they have to do what we require them to do.
But when you find out it's a real case, not really because they don’t want to spend money, do you like allow them or consider the situation?	Yes we do.
Are there any issues that has made you and the franchisees to look beyond the provisions of the contract for whatever reason.	Yes, from time to time, like in Nigeria they do not accept American Express Card which is one of our minimum standards here. So from time to time you can say, yes we do adjust contracts to suit the local market.
Please do you have more examples.	Yes, things like the internet, we require very very high internet speed in the hotels but in Nigeria that's not always available to have because of infrastructure. So in situations like that, we can move forward and kind of understand that there's nothing much more that they can do. So that can help but it's the case that we've got to be careful of what we do so it does suit the best need of the guest staying in the hotel.
Are there ways you think formal and informal control have changed since the beginning of the relationship with some of your franchisees. And what are the factors that have led to such changes?	For example one hotel they had a ‘great’ bathroom and now there's a change of bathrooms over time and their bathrooms obviously are deteriorated and they haven't invested in their bathrooms. So relationships can change when we're saying to them, look you need to spend money and improve and if you don't you'll no longer be an HC hotel.
And did they respond positively?	Ninety nine percent respond positively, only one percent don't and when they don't we say good bye.
Have there been any changes in the methods you use with franchisees in terms of the methods you use to maintain control?	Yes, like me for example I'm moving now to Africa by the end of March to leave in Nairobi to travel all around Africa for one year to help improve our hotel standards. So that's something new that we are doing. The purpose is to have somebody on ground within the continent of Africa to have a closer touch. We don't change too much.

Has there been any need to adapt your business format to suit local market conditions?	Of course you will always have your business format with regard to how you advertise or the room types that you have. Like in the Middle East we have hotels who do not serve alcohol. We always make adjustments in different environments either based on the law of the country or because of power problems. You always have to move forward in that direction and you have to change your business format slightly for a location. If you don't do that you are in trouble. If you look at McDonalds in London and McDonalds in Spain, there is some difference in the food they serve. And it's the same in HC, the rooms would be slightly different and the need of the guest would be slightly different in every hotel.
Do you have any control challenges that affect things like quality control, sales and marketing?	With marketing and sales we have no challenges. The problem is sometimes the hotels might not give us the information we need. But then they lose revenue if they do not. For example if you are a sales person in a hotel and I say to you - give me all your contacts to the hotel. In Nigeria particularly local people and local businesses will discover hotels and walk in. But international people would not just get on a flight and turn up into a hotel; they have to book in for their visa. So if I find that Shell is staying in your hotel or Total or McDonalds, I can then approach their world-wide sales representative and get their international business to stay in your hotel by signing a contract internationally. And sometimes sales people who are not very clever do not share that information. And when they don't share information the hotel loses because the international client will not see that the his organisation is on their booking engine because they have not negotiated the contract with the international team.
Are there any control challenges that you face in Nigeria with regard to may be lack of proper legislation or corruption, regulatory uncertainty, lack of supporting industries or availability of supplies and things like that.	Here is the issue with Nigeria in a simple format. It's very hard to transfer money out of Nigeria to pay international bills. The restriction at the banks is not helping the bank. In my own personal opinion, it's restricting the growth of the Nigerian economy. I know that because of politicians and corruption, we don't have any corruption in our hotels; if we ever find out we ensure the person is fired or we kick the hotel out of the brand. All the problem with Nigeria is that they are not investing in infra-structure and updating their WIFI and FAX machines as well. Sometimes it's actually local government problems. I travel from Asaba to Awka and I went on the federal high way and it was a clear road. So it's in things like that of which infrastructure is the biggest challenge that we have. Infrastructure and the banks not letting them to transfer money out of the country to pay their bills to an international brand.
So how does the lack of infra-structure affect the business in Nigeria?	For example, its very hard to get to a hotel that's on a clear road if you need to drive twenty miles. People might say okay it's too hard to get there, what I'll do is that I'll rent a helicopter and fly in for the day and fly out so they are not staying in the hotel and so they are not spending in the local economy. So it's a big mix on that, like the traffic in Lagos and Abuja. So it's all these sort of things which affect business and people would then like instead of staying in Ikeja by the airport, Let's say if I have a meeting in London I can stay anywhere in London and get there pretty quickly. But if I have a meeting in Victoria Island, I have to stay in Victoria Island because I can't get there, if I leave at six in the morning, it might take three hours to get there. These problems affect the volume of clients that patronise the hotels.

Coming to the issue of the difficulty franchisees experience with regard to getting money to pay their bills through international transfers, how have you coped with this?	The hoteliers have paid in different ways by using accounts outside of the country etc, etc, We don't have to do anything with it, the hotels have to pay us. If the hotel doesn't pay us then eventually they get terminated from the brand. It's unfortunately that simple. So what would continue to happen with time is that international hotels discontinues or continues to pull out of Nigeria. I hope they'll have to be creative. I don't wonna say it, what way they do it, but sometimes they are creative 'cause they get the money through the bank somehow.
Early days of the relationship and later on when a franchisee has been with you for many years, what do you think the communication is comparing early days of the relationship and later on?	It's the same, again it depends on the owner and the general manager and the staff. It doesn't matter how long you've been here or how short you've been here. It's dependent on their buying into the brand and if they still want to communicate everything that they've done. So it's the case of, they need to move forward and communicate with us or if they don't communicate with us, again I feel that the hotel will suffer based on the knowledge that we have here that can assist them. Because sometimes I feel sure you are aware where a senator or a business man who's involved in business for agricultural business will decide he wants to become a hotelier and he has no idea how to run that hotel.
Who in particular do you interact with mostly?	It can vary, I interact with, from owners and all the way down to receptionists. I do everything.
But who do you interact with mostly among all these people?	Again every hotel is different, like for example my hotel in Kenya, I interact with the owner a lot and the general manager, but for my hotels in Nigeria it will probably be the general manager and the front office manager.
So usually what's the purpose of the communication?	Everything to do with the hotel, from revenue to internet to quality assurance to branding to staff training, to how the day is going, to local issues that might affect business, absolutely everything.
Are there any ad hoc face-to-face meeting that occurs, voluntary or unsolicited information exchange between you and the franchisees?	Yes all the time, again what I consider ad hoc meetings is I'm coming to your hotel tomorrow because we need to see some problems with your front desk because they are not signing people up to HC's reward. So it's more kind of any ad hoc sources like when the hotel contact me to say oh! we have problems with guest, we cannot figure out the payment for the guest or the guest was meant to check in tomorrow but they checked in today. That sort of stuff.
Are there forums for networking with the franchisees or their staff, like informal meetings during conventions, anything like that?	Yes we have international conference every year and international sales meeting every year and global meetings. So there are lots of opportunities to interact with the hoteliers.
What's your opinion about your organisation's communication practise with your franchisees?	Very good because we communicate regularly and ensure that we're on top of every situation.

How would you describe your relationship with your franchisees.	In summary I am there best friend, their worst enemy, their god and their devil and their mother and their father.
So how do they take it, you being all these together.	They take it like a real man or woman and quite happy so.
How has your relationship with any of the franchisees changed over the course of the agreement?	Of course, again it depends on how the business is going or if the hotel is doing well in their quality assurance, if they're listening to me, if a new general manager comes in. It changes sometimes on a daily, weekly, monthly basis and it's an ever adaptive relationship. It's like a boy and a girl when they're going out. It changes all the time.
But with the change, does it come to a time when it stabilises?	Oh yea, it's a stable relationship with ups and downs.
When do you think the stability happens?	Actually it's a quite stable relationship from the start to be honest.
Do you sometimes know or have any informal relationship with individual franchisees before a relationship or contract is established between you and a hotelier in Nigeria?	Sometimes yes, sometimes they would be previous hotel owners or there will be a contact through a friend of a friend. Normally it's quite formal but sometimes it's informal.