



**FRANCHISINGS INFLUENCE ON THE ENTREPRENEURIAL
PARADIGM WITHIN THE SA RETAIL TYRE FRANCHISE INDUSTRY**

BY

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DECLARATION

I, Denver John De Mink, Student Number: 2143 19334, hereby declare that the entirety of the work contained herein is my own, original work, that I am the owner of the copyright thereof (unless to the extent explicitly stated otherwise) and that I have not submitted it previously in its entirety or in part for obtaining another qualification.



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04.12.2020

Date

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ABSTRACT

This paper proposes a franchise framework to ensure improved alignment between the franchisee and the franchisor in the South African retail tyre franchise industry. Countless studies have established that worldwide franchises offer more sustainable business development for entrepreneurs and a higher success rate for start-up businesses. This is, however, not an exclusive formula for success as the relationship between the franchisee and franchisor is dynamic with the economic landscape always changing. Entrepreneurs often display traits that do not always coincide with the franchisor's framework. By developing a framework, the study aimed to supply possible solutions for improved alignment between the franchisee and the franchisor resulting in a prosperous relationship enabling economic growth and impacting positively on the unemployment crises in South Africa.

A literature study was followed up with a case study research approach. The context was singular, namely a branded fitment centre franchise within the tyre fitment industry in South Africa. A schedule of interview protocols was undertaken with embedded multiple units of analyses based on feedback from franchise industry expert, franchisor representatives and franchisees who own various fitment centres. The case study research explored the factors that contributed to the successful alignment of the entrepreneurial paradigm to the franchise network requirements within a national franchise retail tyre fitment brand. Factors that ensure improved alignment between the franchisee and the franchisor requirements were explored in this research. Franchising provides comparable risks and benefits associated with other entrepreneurial ventures. However, entrepreneurs have a stronger chance of survival when aligning themselves with a franchise network. Franchising is critical for economic development. The study indicates that franchising influences the entrepreneurial paradigm. The entrepreneurial spirit needs to be curtailed to ensure compliance at times.

Keywords Entrepreneur, Entrepreneurship, Franchisee, Franchising, Franchisor, Paradigm Shift, Spirit, Governance, Trust, Support, Relationship,

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LIST OF ACRONYMS AND ABBREVIATIONS

BRICS	Brazil, Russia, India, China, South Africa
CPA	Consumer Protection Act
EDB	Ease of Doing Business
FASA	Franchise Association of South Africa
FDI	Foreign Direct Investments
GDP	Gross Domestic Product
GEM	Global Entrepreneurship Monitor
IFA	International Franchise Association
TEPA	Tyre, Equipment, Parts Association
SETA	Service Education and Training Authority
RQ	Research Questions
RO	Research Objectives
USA	United States of America
WEF	World Economic Forum
WFA	World Franchise Association
WFC	World Franchise Council

CHAPTER ONE: GENERAL INTRODUCTION AND AIM OF STUDY

1.1. INTRODUCTION

An upsurge of confidence continues to manifest across South Africa as the country benefits from renewed political stability and improved global economic conditions. Since the end of the commodity super-cycle and the severe drought between 2005 and 2006, inflation has remained low. Due to the recent changes in government leadership, investor confidence has improved along with the South African rand. Additionally, the South African economy is already globally positioned, sophisticated, diversified and the case for optimism is sound. (World Bank, 2018). However, South Africa tends to be the outlier in the BRICS (Brazil, Russian, India, China and South Africa) collective and is also the smallest country (in terms of Gross Domestic Product) among its partners in the initiative (World Bank, 2018). However, when it comes to the spread of wealth (GDP per capita) and its anchor as one of the biggest economies in Africa, it's understandable why it has a role to play among the emerging market leaders (Businesstech, 2018).

Despite having a larger population, India and China have managed to maintain lower unemployment rates. This exacerbates the high unemployment rate of 26.7% in South Africa with its closest BRICS counterpart at 11.8% while India showcases the lowest unemployment at 3.4%. This shows that there is a need for employment through entrepreneurship.

TABLE 1.1:

BRICS COUNTRY ECONOMIC INDICATORS SUMMARY AND COMPARISON

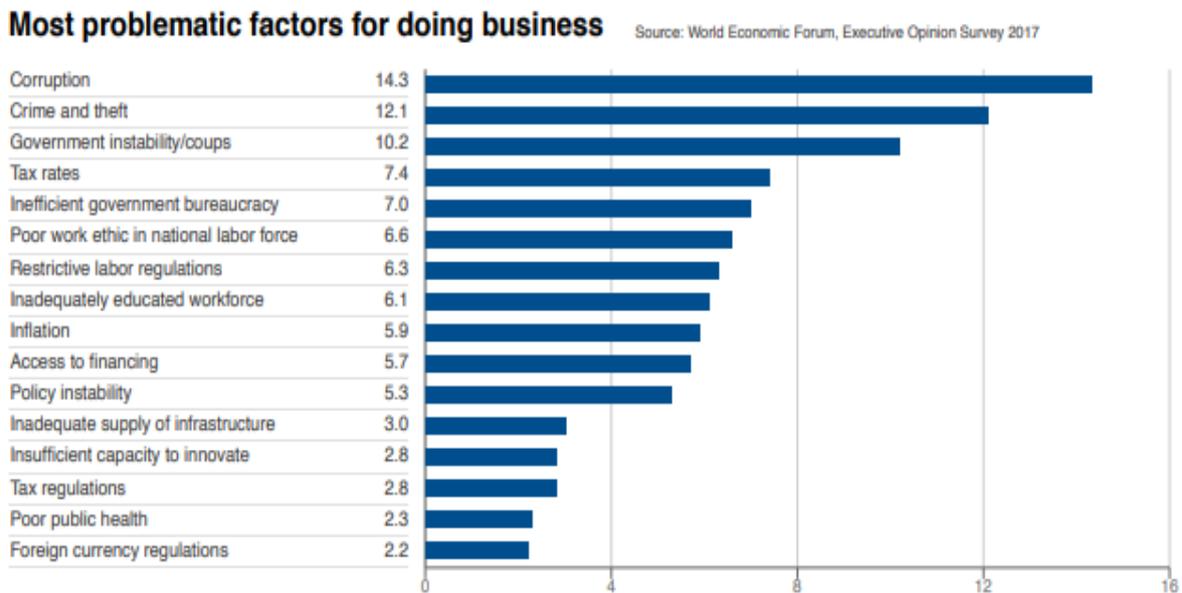
Country	Current Population	Unemployment	Minimum Wage	GDP \$	GDP Growth	GDP Per Capita
South Africa	57.7 Million	26.7%	\$18 030	14.09 Billion	6.6%	\$11 950
Brazil	209.2 Million	11.8%	\$13 530	2.85 Trillion	7.4%	\$10 220
Russia	156.9 Million	4.7%	\$9 252	2.14 Trillion	2.3%	\$10 090
China	1.39 Billion	3.9%	\$6 974	1.72 Trillion	1.7%	\$6 460
India	1.33 Billion	3.4%	\$1 434	370.9 Billion	1.5%	\$2 130

(Source: Researcher's own construction)

South Africa’s performance in the 2018 World Bank’s Ease of Doing Business Index (EDB) places the country placing 82nd out of 190 economies (World Bank, 2018). The World Bank notes two areas of improvement in the EDB 2018. These include the reduction of the time for online business registration when starting a business and the country’s improvement in managing and monitoring of electricity outages through recording data to monitor outages better (BusinessReport, 2018).

The responsibility of reviving the economy and improving conditions in South Africa is a mammoth undertaking which cannot solely be undertaken by government alone. Through employment creation, entrepreneurs and small businesses can aid in this function. In 2016 the World Economic Forum commissioned a study on factors that affect doing business with the country as perceived by the business executives as shown in Figure 1.1 below.

FIGURE 1.1:
WORLD ECONOMIC SURVEY OF FACTORS FOR DOING BUSINESS IN SOUTH AFRICA



Note: From the list of factors, respondents to the World Economic Forum’s Executive Opinion Survey were asked to select the five most problematic factors for doing business in their country and to rank them between 1 (most problematic) and 5. The score corresponds to the responses weighted according to their rankings.

Source: (World Economic Forum, 2016:42)

This study identified factors that were the most challenging for doing business in South Africa and ranked them from 1 (most problematic) to 5 from a list of 16. Factors that ranked high, included corruption (14.3%), crime and theft (12.1%) and government instability/coups (10.2%), all of which are critical factors for the advancement of economic development in SA and for the potential role the franchising can play in alleviating entrepreneurial endeavours towards economic growth. (WEF, 2016)

In addressing challenges identified in the abovementioned study and a subsequent slow economic growth rate, entrepreneurship can play a decisive role in producing employment. In contrast to other developing markets South Africa's entrepreneurship levels are lower than the rest (UN, 2020). In addition, the government regulatory framework and bureaucratic procedures have been identified as the lowest-performing factors in an assessment of South Africa's entrepreneurship environment. These have a negative impact on the establishment and performance of small and medium-size enterprises (World Bank, 2018). Talented entrepreneurs are now needed more than ever before in today's world of constant change and uncertainty. These individuals must start new businesses and also drive the agenda of change in established corporations and the public sector (Thompson , 2004)

1.1.1. Entrepreneurial Activity and Franchising

Entrepreneurs are generally defined as initiators, innovators and the risk-bearers in terms of new business opportunities (Mohr, 2015).

At the centre of the entrepreneurial process is the author: the pursuer, creator and initiator behind the start-up. Drive, vitality and the greatest ideas will never come to fruition without this human energy. The entrepreneurial value traits comprise of risk taking, vision, energy, passion, agility and resilience, to mention but a few (Spinelli & Adams, 2012). Clearly, a majority of entrepreneurs still pursue commercial prospects long after they have achieved an economic position where they could retire and lead a so-called life of luxury (Hunter, 2012). They merely cannot contain themselves. Seeking opportunity for them comes naturally and instinctively. The recent Global Entrepreneurship Monitor (GEM) states that the South African entrepreneurial activity is at its highest in five years since 2013 (GEM, 2018). However, youth

entrepreneurship with reference to access to funding and markets, remains a key challenge (Rachelson, 2017). It is argued by (Mohr, 2015) that entrepreneurship is the fourth factor of production as it is the driving force behind production. The franchising sector in South Africa has exhibited resilience, consistently growing its role in contribution to the country's GDP from 9.7% in 2014 to its present contribution of 13.3%. According to the latest Franchise Association of South Africa (FASA) report this upward trend is most likely to continue despite the lacklustre economy (FASA, 2017). The report also found that the fast foods and restaurant category accounted for 25% of this 13.3% growth in the sector (FASA, 2017).

Notably, franchising has gained much attention in academic fields of studies such as marketing, economics, management, law, finance and entrepreneurship as it is one of the fastest emerging forms of business formats in the world (Grewal, Iyer, Javalgi, & Radulovich, 2011).

1.1.2. Coronavirus Impact on the Global and South African Economy

Substantial economic, political, and social dismay has been a result of the international outbreak of Covid-19 which is caused by the Sars-Cov-2 disease.

Economic activity has been brought to a near-standstill as countries imposed tight restrictions to avoid the further spread of the pandemic which has infected millions of people at an disturbing speed (WorldBank, 2020). Deeply affected by the virus is the franchise sector, comprising mostly of retail and service businesses. Governments around the world are simultaneously trying to save lives whilst lessening the economic impact (Anderson, Heersterbek, Klinkenberg, & Hollingsworth, 2020). Speculation and uncertainty still revolve around the disease, namely duration of infection, symptomatology along with asymptomatic transmission. Vaccine development is still a long-term project (Anderson, Heersterbek, Klinkenberg, & Hollingsworth, 2020).

Most countries will be plunged into a recession in 2020 with per capita income contracting in the largest number of countries globally since 1870 as a result of the pandemic. Advanced economies forecast a 7% retraction. Emerging markets and developing economies, who are forecast to contract by 2.5% will not go unscathed

and the outlook will be negatively impacted. This would represent the weakest showing by this group of economies in at least sixty years. (WorldBank, 2020)

The BRICS nations account for the largest percentage of the global GDP and population. The impact of Covid-19 on these nations are of considerable concern. (Anderson et al., 2020)

The novel coronavirus, which gives rise to the Covid-19 disease is confronting South Africa. South Africa is faced with tough policy choices with the current stage of the Covid-19 pandemic's evolution. The principal tool available to help lessen the demographic effects of Covid-19 is a lockdown of households and non-essential producers to reduce the contagion through breaking existing social and economic forms of contact. Measures of such a nature imposes a severe and undesirable blow to an already lacklustre economy, with instantaneous loss of economic activity followed by medium-term and long-term undesirable economic aftereffect. Policymakers must strike a balance between positive health effects of a lockdown versus the economic opportunity costs (Arndt, Davies, Gabriel, Harris, & Makrelov, 2020).

TABLE 1.2:
COMBINED DIRECT LOCKDOWN IMPLICATIONS BY SECTOR

	Mild decline (0 to -10%)	Moderate decline (-10% to -30%)	Large decline (-30% to -60%)	Severe decline (Larger than -60%)
	Agriculture, forestry, fishing			
			Mining and quarrying	
MANUFACTURING		Food and non-alcoholic beverages		Alcoholic beverages and tobacco
			Textiles, clothing, leather and footwear	
			Paper, paper products	Wood, wood products
	Pharmaceuticals, hygiene and cleaning	Petroleum	Basic chemicals, fertiliser, paint, other	
		Plastic, glass		Tyres, rubber products
				Non-metallic minerals and products (cement, concrete, etc
				Iron, steel, metal products
				Machinery and equipment
	Electricity, gas, water			
				Construction
			Wholesale, retail trade	Accommodation, catering
	Communication		Transport and storage	
	Finance and insurance, computing services	Real estate, legal and accounting, other support services		
	Health services		Education services	Recreation, other community services

(Source: Arndt et al., 2020:37)

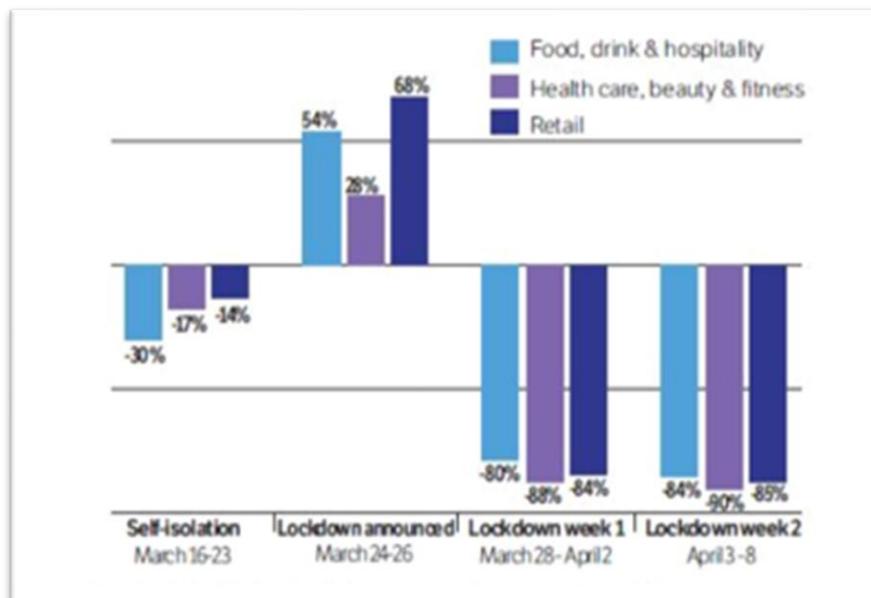
Tyre and rubber product along with alcohol and tobacco beverages were impacted the hardest with declines exceeding 60% while sectors such as communication and health services have only declined by 0-10%. The forced reduction of demand has impacted directly on the employment rate percentage of the country.

1.1.3. Coronavirus Impact on Franchising and the Way Forward

Covid-19 pandemic has resulted in the vast obliteration of small businesses. The spirit of entrepreneurship is at the heart of franchising, but the question remains whether the entrepreneurial spark can be re-ignited for future growth (FASA, 2020). Franchisors, now more than ever, must support their franchisees by pivoting their business models to better suit the shifting marketplace. There is a substantial convergence to online business formats. Many individuals have received or opted for retrenchment packages and will be searching for possible new prospects as entrepreneurs (Businessstech, 2020). Health and safety protocols were increased whereas trading hours and services offerings limited to adapt to the new trading landscape. Very little is the same now as it was just a few months ago (Bisio, 2020).

FIGURE 1.2:

IMPACT OF COVID-19 ON SMALL BUSINESS



(Source: Gavaza, 2020)

When people began to self-isolate and companies first implemented work-from-home measures in the second half of March 2020, commercial activity had already decreased. Food, drink and hospitality operators took an instantaneous 30% knock

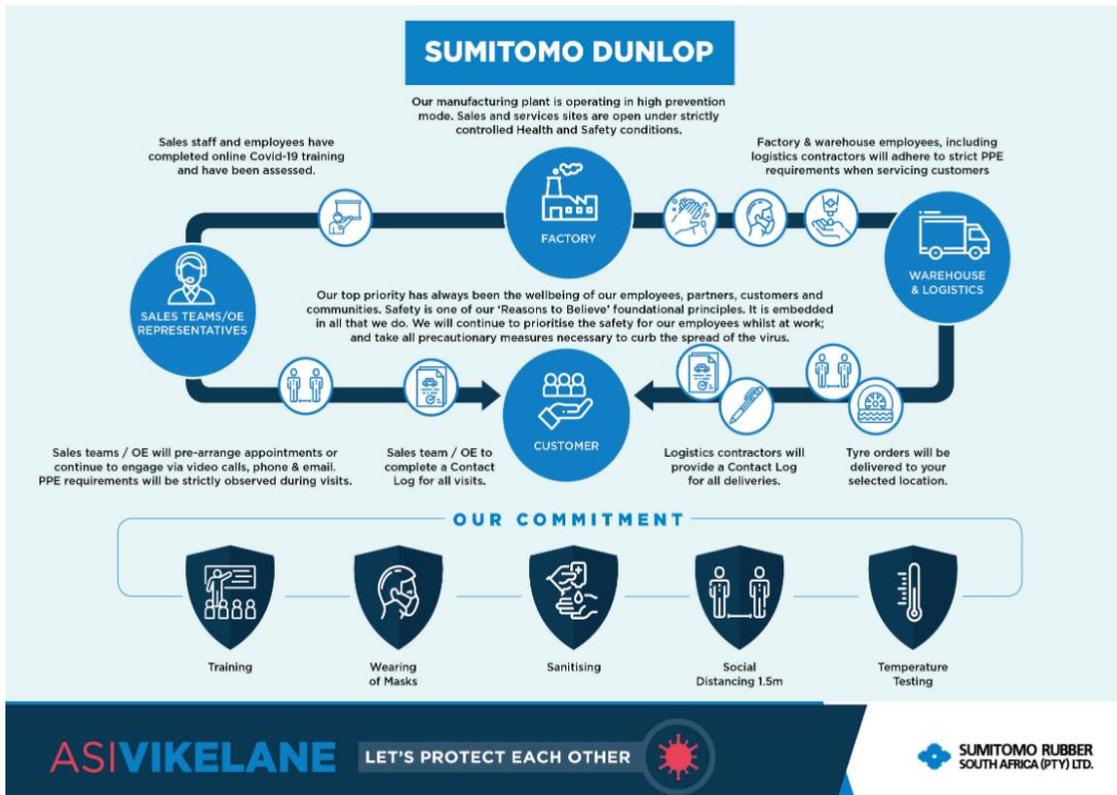
(Gavaza, 2020). Pandemic buying could have resulted in retailers in part being very buoyant though this lockdown period.

The restaurant and grocery sectors have been forced to adapt, or die, as a result of the coronavirus outbreak. In many parts of the world, pubs, cafés and restaurants closed in line with government lockdowns and delivery instantly became the go-to essential way in which operators could maintain an income stream. As a result, 'dark kitchens' enabled restaurant brands to fulfil orders without operating from traditional restaurant premises, with no front-end or retail presence required. This is a prime example of how business was forced to evolve overnight. (Van Tilburg, 2019)

1.1.4. Coronavirus Impact on the Tyre Retail Trade

The tyre trade is considered as an essential service to the economy. The population not travelling as extensively as before has result in a downward shift in demand to around the wheel products. "The flow of traffic into stores is very low and trading is now more difficult than ever before" says Hedley Judd Director of Tyre, Equipment, Parts Association (TEPA) (Sun, 2020) . Small business owners now have additional costs to ensure legal compliance with Covid-19 regulations. Workshops often stood the risk of closing due to Covid-19 cases in the workplace, this impacting on the bottom line negatively. Entrepreneurs are now forced to relook at their business model and focus on diversification in their offering, namely, online tyre purchase and timeslot booking as in the European model. Some are also adding mechanical services as an additional service offering.

FIGURE 1.3:
SUMITOMO DUNLOP COMMITMENT



(Source: Dunlop, 2020)

Suppliers have been also been impacted upon and are taking measure to ensure business continuity. Sumitomo Dunlop trains staff regularly while masks and sanitising are a daily occurrence along with social distancing on the production line. Personal body temperatures are having to be in line with regulations.

1.2. PROBLEM STATEMENT

There are usually unsatisfactory guidelines and procedures for entrepreneurs wanting to join a formal franchise network structure. Alignment of the entrepreneurial values with those values of the franchise are often overlooked. Instead the entrepreneur is inundated with marketing prospects elaborating on the key features and benefits of participating in the formal franchise structure.

The success of the franchise programme hinges on the performance of inter-organisational behaviours in the franchisor-franchisee relationship over a period of

time (Grayson, 2007; Heide & Wathne, 2006). In order for a franchise programme to realise success there needs to be an acceptable affiliation amongst the franchisor and franchisees. This has been acknowledged as dominant theme (Watson & Johnson, 2010)

Most studies in the marriage context suggest a U-shaped pattern, with high marital happiness in the early years of marriage, a deterioration in marital happiness during the middle years, and an increase in matrimonial contentment in the later years (Van Laningham, Johnson, & Amato, 2001). Blut, (2011) propose that relationships in franchise networks pursue comparable reasoning to the U-shaped curve of marriage contexts.

The franchisee can no longer take uncalculated risks and make speedy decisions as brand and operational standards need to be taken into consideration. Franchisees often bear the greatest risk in losing their investment when they have made poor franchise choices did not have sufficient managerial experience and have been misled or defrauded by unethical franchisors.

Some of the contractual services to be provided to the franchisee by the franchisor involve training, research and development, advertising and marketing support, management assistance, supply chain and logistics (Watson & Johnson, 2010), which are pertinent for franchise growth and consistency (Monroy & Alzola, 2005). Many franchisors will tell one that with a franchise opportunity, one is far more likely to accomplish success in the business whereas going alone would be considered more difficult and riskier. Success in business, is fundamentally reliant on the franchisee (operator), market conditions and several external factors. Novel business owners significantly lessen their risk of failure, and this is particularly true in franchising by executing proper due diligence and thorough research (Hall, 2019).

Evaluation of these services, either positively or negatively over time affects both the satisfaction and dissatisfaction of the franchisee. This ultimately leads to greater trust or subsequent conflict in the relationship and this affects the perception of the franchisee's relationship quality (Chiou, Hsieh, & Yang, 2004). Lawrence & Kaufmann, (2011) state that the interdependence between the franchisor and the franchisee make the management of the franchise network difficult.

Franchisees having too much autonomy can be a source of an agency cost problem that could have negative effects on the brand equity and reputation of the franchisor (Cochet, Dormann, & Ehrmann, 2008). The franchisor has the desire to ensure control, maintain franchise network consistency and uniformity. Conversely franchisees have the yearning for more autonomy and opportunities to innovate (Altinay & Wang, 2006). Franchisors and franchisees may have different goals for the business and, inevitably, this brings about tension and strain on the relationship (Brooks & Altinay, 2011).

Against this background, the main research problem was formulated as follows:

Entrepreneurs are pivotal to the success of the economy and franchising allows for swift transition but, however, comes with challenges. Full alignment between the entrepreneur and the franchisor requirement needs to be reached and thus the franchise influencing the entrepreneurial paradigm within the SA retail tyre franchise industry.

1.3. RESEARCH QUESTIONS

Two levels of research question are prevalent in the research study.

1.3.1. Primary Research Question

Against the background of the gaps in the insight into the problem of entrepreneurial paradigm shifts when joining a franchise, the following primary research question was formulated to address the research problem of this study.

RQM: DOES FRANCHISING'S INFLUENCE THE ENTREPRENEURIAL PARADIGM WITHIN THE SOUTH AFRICAN TYRE RETAIL FRANCHISE NETWORK?

1.3.2. Secondary Research Questions

The secondary questions in the Table 1.3 below reinforce the main research questions.

TABLE 1.3:
SUMMARY OF SECONDARY RESEARCH QUESTIONS

RQ₁	Does the franchise strategy support the entrepreneurial paradigm?
RQ₂	Does the entrepreneur need to align with a franchise?
RQ₃	How is the relationship governed between the franchisor and the entrepreneur?
RQ₄	How does marketing management ensure alignment between franchisee and franchisor?
RQ₅	How does brand management ensure alignment between franchisee and franchisor?
RQ₆	How does research and development ensure alignment between franchisee and franchisor?
RQ₇	What support is required from the franchisor?
RQ₈	How can the propositions be validated by empirical findings?
RQ₉	What recommendations can be put forward to franchisors to ensure alignment?

(Source: Researcher's own construction)

1.4. RESEARCH OBJECTIVES

Having established the main problem statement, the research objectives follow below.

1.4.1. Primary Research Objectives

The primary research objective of the study was:

RO_M: DETERMINE FRANCHISINGS INFLUENCE ON THE ENTREPRENEURIAL PARADIGM WITHIN THE SOUTH AFRICA TYRE RETAIL NETWORK.

1.4.2. Secondary Research Objectives

To achieve the above-mentioned primary objective, the following secondary objectives were formulated:

TABLE 1. 4:
SECONDARY RESEARCH OBJECTIVES

RO₁	Undertake a detailed analysis on franchise support on the entrepreneurial paradigm.
RO₂	Conduct an extensive literature review on franchisee and franchisor alignment within franchising.
RO₃	Investigate governance within the franchise network
RO₄	Undertake a detailed analysis on marketing management's role in franchisee and franchisor alignment.
RO₅	Undertake a detailed analysis on brand management's role in franchisee and franchisor alignment.
RO₆	Investigate research and development within franchising.
RO₇	Develop an interview guide to conduct the data collection relevant to participants in the target franchise sector.
RO₈	Draw a critical sample of relevant participants in the franchise sector.
RO₉	Conduct in-depth semi-structured interviews with franchisees and franchisor within the tyre retail trade along with a franchise industry expert.
RO₁₀	Analyse the primary data collected and link the data to the propositions of participants in the franchise sector to determine support required.
RO₁₁	Record and interpret the empirical results.
RO₁₂	Draw conclusions, providing managerial recommendations and indicate research gaps for future research.

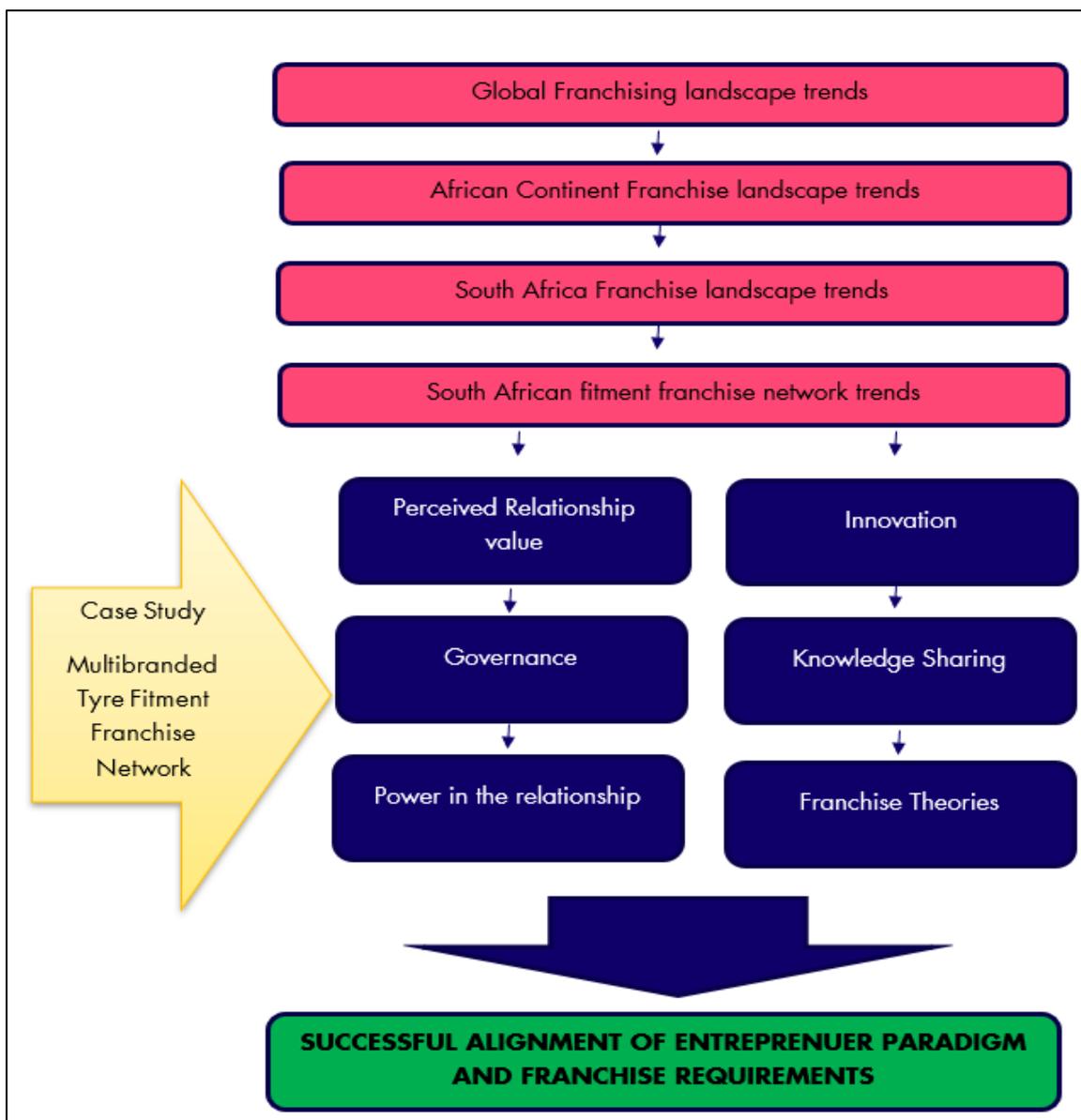
(Source: Researcher's own construction)

1.4.3. Conceptual Research Framework

A conceptual framework entails the visual representation of substantive theory supporting a solid rationale that is being investigated by analysing the relationship between independent variables and dependent variables in pursuit of understanding how the object or process works (Kitchel & Ball, 2014:190).

FIGURE 1.4:

CONCEPTUAL RESEARCH FRAMEWORK



(Source: Researcher's own construction)

1.5. METHODOLOGY OF THE STUDY

The research effort used an explanatory case study method. This selected method was the best approach to use to achieve the research objectives, to answer the research question, and to test the listed propositions in order to ensure alignment between franchise and entrepreneur.

1.5.1. Interpretivist Research Paradigm

The interpretivist research paradigm was chosen for this study because the researcher planned to investigate experiences, processes and perceptions within a regular setting. This paradigm was also the best way to address the proposed study objectives and questions.

The ontological assumption of interpretivism is that social reality is subjective and socially constructed, therefore, there are multiple realities (Yin, 2014). The epistemological assumption is based on the researcher interacting with the phenomenon under study and therefore knowledge is resultant from subjective evidence from participants. Thus, qualitative research about the phenomenon emphasises quality through the depth of primary data collected. (Collins & Hussey, 2009; Yin, 2014).

1.5.2. Positivist Research Paradigm

Positivist research methodology utilises a deductive approach to research whereby theory is analysed to develop and test hypotheses using empirical data. This involves data collection through a structured questionnaire with an output of numeric scores to statements that are then analysed using quantitative techniques such as multiple regression, correlation analysis and descriptive statistics and generalisation of findings (Bhattacharjee, 2012).

1.5.3. Data Collection

A methodical literature study was undertaken to expose all information and gaps relating to franchising and entrepreneurship for the researcher to be provided with a

greater understanding of and knowledge in developing a framework for franchisee and franchisor alignment. A schedule of interview protocols was used to collect data for the research from four franchisees/entrepreneurs with an outlet base of more than seven and also from two franchisor representatives in the retail tyre fitment industry. A neutral franchise expert was also interviewed. The 3-target sample group would give a good representation of the franchisor/franchisee landscape. The interviews were undertaken from 28 September 2020 until 2 October 2020, depending on availability of each participant.

A technique of gathering data in which respondents are asked questions to find out what they comprehend or feel in order to share experiences is called an interview (Collis & Hussey, 2009). The use of a schedule of interview protocols as a research instrument allows for in-depth thought to be given to responses as well as for further probing. The responses were captured on a digital recorder and the recordings was analysed for patterns, theories and critical issues which arose out of the interviews.

1.5.4. Data Analysis

The following strategies were employed:

- The data were illustrated in detail so that the researcher could draw conclusions.
- The viewpoint of subject experts with years of experience was sought to determine whether or not they agreed with conclusions reached.

Collis & Hussey (2009) and Yin (2009) suggest that data interpretation in an interpretivist research paradigm that seeks to identify relationships among variables. Data interpretation allows for the description of the problem as it exists and recommendations can be deduced from the analysis. The data analysis consists of noticing, collecting and thinking about interesting issues. The researcher had to break the data down to look for themes, sequences, processes and patterns. The researcher grounded the research findings in the literature review and compared the findings from both.

1.6. PRELIMINARY LITERATURE REVIEW AND KEY CONCEPTS

Having established the methodology of the study, the preliminary literature review and key concepts are explored below.

1.6.1. Entrepreneur

Bolton & Thompson, (2000:67) have defined an entrepreneur as “as a person who habitually creates and innovates to build something of value around apparent economic opportunities”. They acknowledge the “person” may in fact be an entrepreneurial team, but one with an entrepreneurial champion at its heart. The use of the word “habitually” implies serial behaviour, the pursuit of more than one opportunity sequentially.

1.6.2. Entrepreneurial Spirit

‘Entrepreneurial spirit’ is a mentality. It’s a paradigm that constantly seeks out to bring about change as opposed to waiting to adapt to change. Critical questioning, innovation, service and continuous improvement attitude are embraced (Smith, 2013).

The entrepreneurial spirit is a gift that inspires others to become the best they can be. With top traits being passion, positivity, adaptability, leadership and ambition (Pierce, 2008).

A very specific mindset is essential for franchise ownership to be successful. There needs to be a strong entrepreneurial spirit combined with a willingness to follow a proven system. This can be combined by most successful franchise owners. Failure to meet customer expectations and alienation from the franchisor will be the consequence if the franchisee lacks the discipline and desire to follow the franchise system (Bisio, 2015).

In work and life there are some characteristics which can’t be imparted. They become part of who we are, and they form from within over time. The entrepreneurial spirit is one of those traits. It manifests in the persons who showcase a hunger for constructing something great from almost nothing and they are prepared to push themselves to their boundaries to accomplish big goals (Ehrlichman, 2015).

1.6.3. Business Format Franchising

The primary focus is on the business format method of franchising which licenses the franchisee to utilise products and services offering, trade name, trademark and, most notably, the agreed business format of the franchisor. The business format model offers the franchisee with deep seeded knowledge and information regarding a host of business activities including; brand and marketing, promotion, site selection and procurement, price proposals, management, operational matters, training and development, financing, accounting systems and legal information and support (Massetti, 2018).

1.6.4. Product and Trade Name Franchising

The franchisee acquires the trade name, trademark, and/or product from the supplier or manufacturer. Identification with the supplier occurs through the product line. This franchise model consists mainly of distribution by a single supplier or manufactured products to dealers who resells the product to the end consumer. The product and trade name franchising model are used widely in the auto and truck industry, the soft drink bottling industry and the tyre and fuel service station industries (Massetti, 2018).

It is also known as a 'product distribution' franchise which involves a sales transaction whereby a franchisee sells the franchisor's products only (Franchise.Org, 2019).

1.6.5. Franchising

Franchising can be defined as a system of interpersonal exchange confined and restricted to a contractual agreement (Grunhagen & Dorsch, 2003).

Franchising is defined by the World Franchise Association as a contractual agreement between the franchisor and franchisee, whereby the franchisees trade under a common trade name and branding with their own principal investment and the franchisor provides training, systems and procedures on how to operate the business (IFA, 2019a)

1.6.6. Franchisee

A franchisee is a person (entrepreneur) or business entity that is permitted by licence to do business using the banner of the franchisor's trademark, trade name, and business model, for a monthly nominal fee by the franchisor (Daszkowski, 2018).

1.6.7. Franchisor

The person or business entity who grants the franchisee the right to do business under their trademark or trade name (IFA, 2019b).

1.6.8. Trust and Governance

Critical for the success of both parties is a good relationship between the franchisor and franchisee. A clear understanding of the franchise programme needs to be observed by the franchisee to ensure a long-term mutually beneficial business relationship. A discouraging obstacle to the franchisee can be the lack of understanding of the legal language of franchising (Bashel, 2001). There is an expectation by the franchisee that all pertinent information for their operational success be provided by the franchisor before as well as after they have entered the exchange (Lapiedra, Palau, & Reig, 2012).

1.6.9. Innovation

Innovation has long been regarded as a determinant for economic growth and business success (Rogers, 2004). Agents of change such as globalisation, the distorting of commerce restrictions, the rapid increase in the accessibility and accessibility of information, the increasing dispersion of knowledge, and the growing use of alliances and partnerships have dramatically shifted the landscape of innovation (Loewe & Chen, 2007).

Szulanski & Jensen, (2008) argues that a franchise program is an organisation that duplicates a business model, but this organisation needs to reinvent itself through innovation to adapt to the local environment. To remain competitive and to develop the franchise programme innovation needs to be undertaken. Organisational controls

are utilised by the franchisor to safeguard the brand name and assure convergence of franchisees' objectives and franchise network strategy by overseeing the franchisees. This gets undertaken even though franchisees have legal autonomy.

The dependency amongst the franchisor and franchisees makes the running of the franchise network difficult and challenging at times (Lawrence & Kaufmann, 2011).

1.6.10. Fitment Centre Industry

The South African fitment centre industry consists of various brands with 80% of the market being franchised. This industry falls under the automotive sector. Most offer premium service, tied to reliable expertise in tyres, batteries, shocks and exhausts.

1.7. CASE STUDY RESEARCH PROPOSITION

The following research hypotheses were tested:

H1: A positive relationship exists between Marketing and Perceived Success of franchising influence on the entrepreneurial paradigm within the South African tyre retail franchise network

H2: A positive relationship exists between Brand Management and Perceived Success of franchising influence on the entrepreneurial paradigm within South African tyre retail franchise network

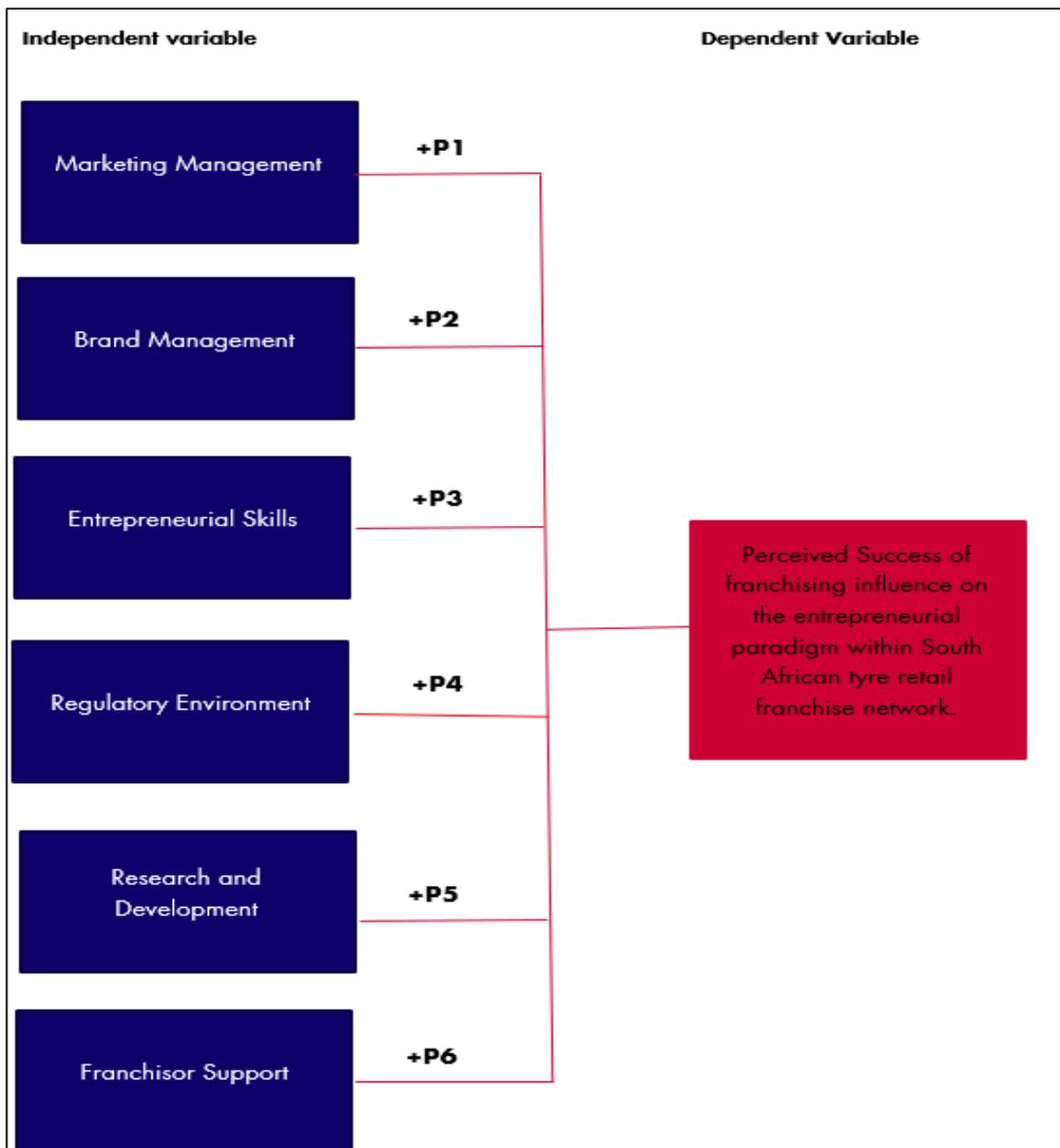
H3: A positive relationship exists between Entrepreneurial Skills Development and Perceived success of franchising influence on the entrepreneurial paradigm within South African tyre retail franchise network

H4: A positive relationship exists between Regulatory Environment and Perceived Success of franchising influence on the entrepreneurial paradigm within South African tyre retail franchise network

H5: A positive relationship exists between Research and Development and Perceived Success of franchising influence on the entrepreneurial paradigm within South African tyre retail franchise network

H6: A positive relationship exists between the extent of Franchisor Support and Perceived Success of franchising influence on the entrepreneurial paradigm within South African tyre retail franchise network

FIGURE 1.5:
RESEARCH PROPOSITIONS



(Source: Researcher's own construction)

1.8. OUTLINE OF THE RESEARCH TREATISE

The following research hypotheses will be tested:

Chapter 1 Introduction :

The chapter provides a general introduction to the entire study and includes an introduction, background to the study, an explanation of the research problem, research questions, research objectives, the conceptual framework, significance and delimitations of the study. An outline of the chapters and the definitions of concepts are also part of Chapter one.

Chapter 2 Literature Review: The literature survey focused on South African franchise enterprises and entrepreneurial paradigms that support the development of an aligned values framework.

Chapter 3 Methodology: Case study methodology is discussed with a description of the population studied; also, the method of data collection and the design of the semi structured interviews are introduced.

Chapter 4 Interpretation of Data: The empirical results of the qualitative data are integrated with the literature survey, propositions, research questions and the primary and secondary objectives of the study.

Chapter 5 Summary, Conclusions and Recommendations: This chapter summarises the main findings of the study with specific managerial recommendations.

1.9. CONCLUSION

Chapter One stated the research problem, research objectives and defined initial key concepts related to entrepreneurship and franchising. An introduction to the research methodology and design was followed up with research propositions and concluded with the outline of the chapters. Chapter Two expands on the background of franchising trends internationally and within South African. Franchising and entrepreneurship will be analysed through a literature review.

CHAPTER TWO: LITERATURE REVIEW

2.1. INTRODUCTION

Chapter One introduced this study's primary objective within a framework that was developed to explore successful alignment of the entrepreneur's paradigm and franchise requirements. Furthermore, the illustration of a conceptual research framework in the previous chapter was intended to provide a better understanding of the franchising industry globally, in Africa and particularly of the South African franchise fitment centres. In addition, the studies on the franchise industry, as well as the theoretical foundation of franchising is discussed in the literature review in this chapter. The purpose of the literature review was to ultimately establish how a successful alignment from entrepreneur to franchise requirements can be achieved. Both entrepreneurs (to become franchisees) and franchisors benefit from the work to ensure successful alignment. Firstly, a global perspective on franchising is explored and then followed by a view of the global and the South African franchise fitment industry to provide a background to the case study area. Thus, Chapter Two consists of a survey of the literature in the areas that are relevant to the Research Questions One to Four and Research Objective One. Chapter Two attempts to answer the following research questions (RQ): 1, 2, 3, 4, 5, 6 and 7. These research questions were investigated in conjunction with common theories applied to franchise literature. The research objectives set out below were explored.

RO₁	Undertake a detailed analysis on franchise support on the entrepreneurial paradigm.
RO₂	Conduct an extensive literature review on franchisee and franchisor alignment within franchising.
RO₃	Investigate governance within the franchise network
RO₄	Undertake a detailed analysis on marketing management's role in franchisee and franchisor alignment.
RO₅	Undertake a detailed analysis on brand management's role in franchisee and franchisor alignment.
RO₆	Investigate research and development within franchising

2.2 FRANCHISING OVERVIEW

Having established the research introduction, an overview of franchising is explored below to provide a comprehensive understanding.

2.2.1 Definition of Franchising Concept

Franchising can be defined as a relationship exchange that is governed by a contractual arrangement (Grunhagen & Dorsch, 2003). Franchising can be defined as prescribed arrangement that is characterised in a form of relational exchange. Healeas, Purdy, Watson & Stanworth, (2005) state that the franchisor provides the franchisee with the knowledge and in turn the franchisees are an imperative source of local information to progress the business.

2.2.2 Franchising History and Advancement

The first notion of a franchising systems dates back to the Middle Ages. High church officials were granted a licence to uphold order, assess taxes and operate their own businesses. The local government was paid royalties which are akin to franchise fees and other business-related fees of today (Detailxpertsfranchise, 2019).

In America during the post-war 1950s and 1960s franchising really began to bloom. (Pipes, 2018). There was a boom in convenience goods and services franchises. America was being flooded by McDonald's, Kentucky Fried Chicken, laundry services, dry cleaners, hotels and rental car franchises. McDonald's, one of the early pioneering franchises opened 1000 locations in a matter of 10 years. Midas Muffler reached 400 locations, Holiday Inn grew to 1,000 locations and Budget Rental Car topped 500, all during the same period of time. (Pipes, 2018).

Throughout its long history, three factors have charged the advancement of franchising: (Seid, 2019)

- The desire to scale and yet still regulate the franchise programme.
- Restrictions on human and financial capital
- Overcoming geographical constraints

Elgin, (2007) states that there are number of primary reasons for joining a franchise network;

- A proven successful business model
- A strong brand equity and awareness
- Marketing support by the franchisor
- Operational support from the franchisor
- Avoidance of risk associated with a start-up

The aforementioned reasons make the franchise proposition inviting to those wanting to enter the arena of 'self-employment'. The prospect of having support in the form an established business partner lessens risks.

2.2.3 Types of Franchising

Franchising models are comprised of many of many different format types, however, the two franchise formats listed below are most apparent regardless of the industry that they feature in. Both have varying degrees of engagement levels.

2.2.3.1. Business Format Franchising

Business format franchising as defined by FASA, is the granting of a licence for a monthly predefined premium by a franchising company (franchisor) to its franchisee, permitting them to make use of complete business package, by means of trademarks and products, therefore permitting them to operate their own business to the same standards and format as the other units in the franchise programme (FASA, 2019a). Initial and ongoing services and support are provided by the franchisor (FASA, 2019b).

2.2.3.2. Product and Trade-name Franchise

In this franchise format the franchisee compensates the franchisor for the use of their trademark of the brand along with distribution of the product. Both the trade name and distribution of the product are equally of importance and carry the same significance. The distribution of the product is exclusively dependent on the franchise programme as the franchisor does not have the means to reach all required areas (Bhasin, 2019).

2.3 GLOBAL FRANCHISING LANDSCAPE TRENDS

Expanding into a new territory has numerous financial risks which can be alleviated by means of franchising. The franchisor can also gain from the franchisee's local knowledge and networks required to make a success of the business (Maritz, 2017).

Madanoglue, Alon, & Shoham (2017) state that the host market partner, either as a direct franchise or a master franchisee assumes start-up costs and initial investments. When a franchisee has mastered the tried and tested formula of a franchise system it makes sense to leverage that knowledge by opening another in a new location (Whichfranchise, 2020). This has allowed American franchise offerings to internationalise with limited risk.

In order for growth and to compete in today's climate, a requirement is internationalisation (Czinkota & Ronkainen, 2013). The franchising business model has been flaunted as the most rapidly growing form of retailing in the world (Baena, 2013). Increased market liberalisation has created unprecedented market opportunities for trade, foreign direct investment, intellectual property transfers and capital flow. Opportunities are further expanded by the embracement of democratic political systems and a rise in market capitalism in previously communist or socialist states. Technology and advancement in global long-distance travel has resulted in the world becoming smaller and more interconnected. Multinationals in various industries have capitalised on these advancements to help successfully propel and enable reach for their operations and management across the world (Hoffman & Preble, 2007). Interest and advancement in the industry has been signified by the increase of registered national franchise associations to 45 members by the World Franchise Council in 2014 (WFC, 2020)

TABLE 2.1:

COUNTRY MEMBERS OF THE WORLD FRANCHISE COUNCIL – BY
CONTINENT

Continent	(Country) Members of the WFC
Europe	19
Asia	13
South America	4
North America	4
Africa	3
Oceania/Australia	2
Grand total	45

(Source: World Franchise Council Guide, 2020:5)

2.4 AFRICAN CONTINENT FRANCHISE LANDSCAPE

The African continent is considered by many investors as a potential investment destination as the curiosity in Africa continues to develop. PwC, (2019) state that there are substantial challenges in gaining admission to imperative information on the investment, tax and regulatory environments in several countries in Africa. Currently, six of the world's ten fastest growing economies are in Africa and the ease of doing business in Africa is improving to the extent that a good number of countries (including South Africa, Ghana, Mauritius and Tunisia) now outperform China, India, Brazil and Russia (PwC, 2019). In addition, Foreign Direct Investment (FDI) inflows into Africa have demonstrated year-on-year growth since 2010 and now amount to USD 50 billion. (GrowthAfrica, 2019). Similar to South Africa, the rest of the African continent has significant challenges according to The World Bank and has had centuries of historical strife that manifested itself in its development over the years (Chuhan-Pole & Manka, 2011). Despite these challenges, Africa's private/business sector has been flourishing, with ongoing economic investment and a diminishing poverty rate (Chuhan-Pole & Manka, 2011). Franchising leads, rather than trails, economic growth. This was discovered while investigating the role of franchising in the macroeconomy of emerging nations (Michael, 2014). Hoffman & Preble, (2007) found that 40 nations,

representing six continents, appeared to have a considerable and lively franchising industry, complete with a trade association of their own

While franchising has established and cemented itself in developed economies, it also works favourably in transitional economies. Traditionally, these countries are deprived of a history of entrepreneurship and franchising offers the much-needed structure and support that otherwise would be absent. Franchising may also deliver a basis of competitive advantage for entrepreneurial endeavours by using a proven and tested recipe for commercial success (Hoffman & Preble, 2007). Amos, (2001) also sees franchising as a translatable concept allowing any business to acclimatise to different cultures and business principles around the globe, nevertheless it takes a different set of competencies to be commercially successful abroad.

Entrepreneurship is gradually being seen as a key to unlocking economic growth and development with a majority of the African nations diversifying from more traditional sources of income (Obonyo, 2016).

Franchising can be an operative route for establishments from the East to expand their businesses operations into numerous African nations. Franchising alleviates many of the economic pitfalls of growing within new territories thereby allowing the franchisor to benefit from the franchisee's local knowledge and networks required to make the business triumph (Maritz, 2007).

It is projected by specialists that seven of the ten economies with the most rapid growth in the world will reside in Africa over the next five years. According to some reports, about 200 to 300 international brands are active in Africa, in addition to being well-experienced in the market for local franchise systems, from fast food, retail and hotel brands to micro-franchises, all of which use single-person franchise units with seed capital to support key infrastructural needs, such as mobile phone sales, farming, as well as doctors or nurses on bikes (Franchises in Africa, 2019).

Challenges that impact negatively on the progress of entrepreneurs and thus strongly impacting upon the African economies include; lack of funds, relevant mentorship and poor government policies. Local governments need to play a leading role in addressing these inhibitors (Obonyo, 2016). Until recently, Africa has been

disregarded by the United States as a partner for noteworthy investment opportunities in favour of larger economic partners such as Europe. (Obonyo, 2016). Poverty, corruption and lack of infrastructure has plagued Africa. The continent, however, has started to shed those negative perceptions as governments across the globe have amplified their direct investment in the continent (Obonyo, 2016).

Franchisors who harbour concerns over protection of their intellectual property, franchisee access to capital and legal reforms should take note that local governments in Africa are making significant strides toward legislative and economic reforms. Franchising has been documented as a significant contributor to economic well-being and progression of African countries (Obonyo, 2016).

Each African country has economic, cultural, religious, business, language and legal landscapes which are vastly different. It is critical that franchisors evaluate each African country's laws and regulations, acquire well-informed legal, financial and other professional advice and select suitable franchisees in the earmarked countries (Tyre & Vilmenay, 2013).

2.5 SOUTH AFRICAN FRANCHISE LANDSCAPE

The concept of franchising has been established in South Africa, though contemporary franchising has its origins in the United States of America (USA). Steers and a number of other brands was established by a local pioneer in the 1960s by George Halamandaris (Whichfranchise, 2019). The entrance of other sectors in 1970s diversified the landscape further to automotive products and services, food, entertainment and leisure activities, home maintenances and repairs, business services and retailing (Whichfranchise, 2019).

According to (Whichfranchise, 2020), When one examines the South African franchise sector, two things stand out:

- The fact that around 90% of South Africa's franchise opportunities are conceived and developed on local concepts. South African firms had time to develop and cultivate their franchise programmes as trade sanctions prompted

many of the multinational brands to adopt a wait-and-see attitude. Foreign brands from the USA tend to dominate the marketplace outside of the USA.

- FASA and its affiliated members kept abreast of international developments and introduced them to local franchisors. This results in high levels of professionalism displayed by franchisors.

Franchisees are more familiar with the local market environment and the potential it holds than the franchisor. The risk of introducing the franchisor's concept to a new and untried market sits with the franchisee as it is their investment at risk. The risk faced by the franchisee is reduced by the familiarity of the franchise brand.

2.5.1 Performance Overview

Performance of local franchise brands have seen steady growth year-on-year despite a challenging economic landscape riddled with challenges.

FIGURE 2.1:

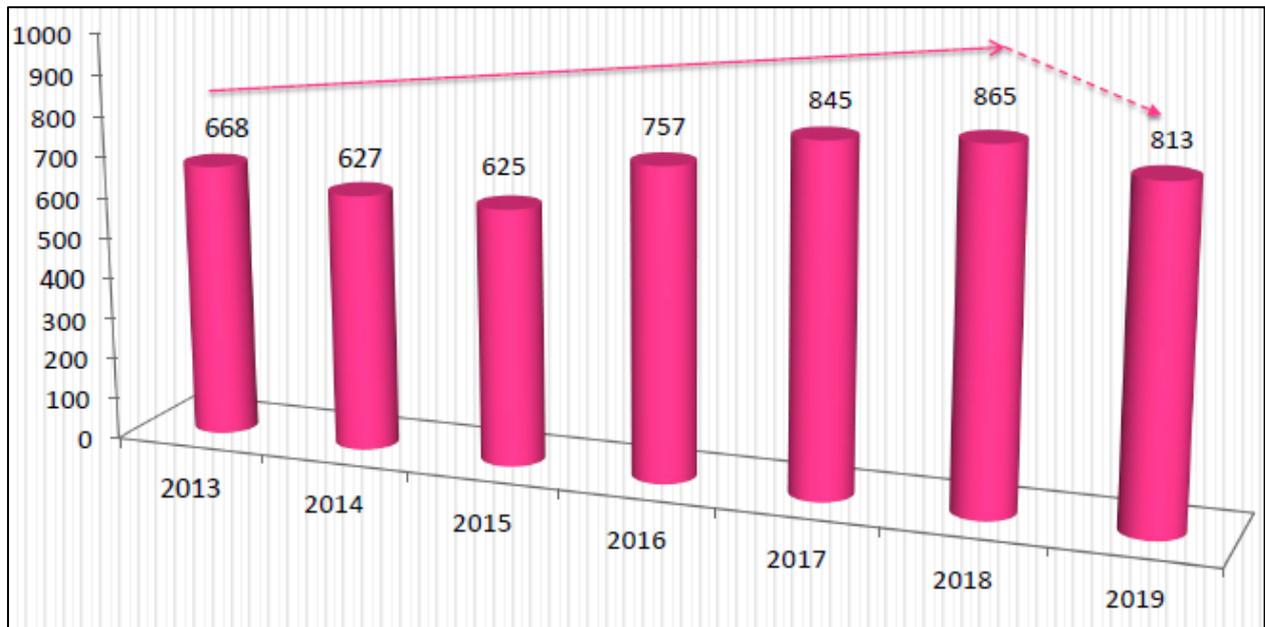
ESTIMATED TURNOVER GENERATED FOR THE PREVIOUS FINANCIAL YEAR



(Source: FASA 2019b:46)

As stated by the FASA, Annual Report, (2019b) a turnover of R734 billion was actualised. This is an increase of 1,8% on the previous year. The Annual Report cites a tough economic trading environment as being prevalent. Erratic electricity shortages were a primary concern. Optimism by franchisors continues to strengthen and they expect new franchisees to break even within 12 months of operations.

FIGURE 2.2:
NUMBER OF FRANCHISE SYSTEMS



(Source: FASA 2019b:35)

The year 2019 saw a drop in the number of franchise brands from 865 to 813 within South Africa. Subsequent to 2015 there has been a steady increase in franchise systems. In January 2016, Grand Parade Investment acquired the South African master franchise licences for Dunkin' Donuts and Baskin-Robbins, from the Dunkin' Brands group (Businessstec, 2019). This was short lived as in 2019 both brands were closed down in South Africa due to poor performance. Kohler, (2019) argues that failure to adapt the product to the South African palate, failure to leverage the brand, rigid pricing structures and a sluggish South African economy were the primary reasons for their demise.

2.5.2 Key Challenges Facing the Franchisor

Finding the right calibre of franchisees (an increasing need), sourcing staff with the necessary skills sets, finance approval for franchisees, location sourcing for outlets, finding franchisees with sufficient capital and high rentals costs were the main challenges facing franchisors. The minor matters are franchisee operational standard

not being met, staff training, lack of business/industry experience and the marketing of both the business and its products and services (FASA, 2020).

2.5.2.1 Employment Contribution

The total number of people employed in the franchise systems in South Africa is estimated at 370 000 (FASA, 2019a). The average number of employees per system is 427. Employment includes franchisor management and staff, franchisees and their staff and branch management and staff. The nett number of outlets signed up in 2018 was 2 602, which is the sum of stores opened less that of stores closed. The number of international brands in South Africa has more than doubled in the 2018 – from 12% to 27% (FASA, 2019a).

2.5.2.2 Key Challenges on the Franchisor/franchisee Relationship.

The leading opposition that franchisees face are specifically; poor economic conditions, cultivating good customer relationships, delivering consistent exceptional service, finding the right talent and groin the customer base. Franchisors wish to expand their portfolio of franchise networks and to achieve uniformity while franchisees desire to be independent of the franchisor and to run a profitable business. One of the biggest challenges for the franchisor will be managing the relationship and the perceived imbalance of power between the parties (Weaven, Grace, Dant, & Brown, 2014).

2.6 SOUTH AFRICAN FITMENT FRANCHISE NETWORK TRENDS

Not much research is freely available with a focus on the retail tyre franchise trade in South Africa. The franchisors, likewise, don't freely share any insights that they have acquired. Their prospectus, however, only sells the benefits of aligning with their respective brands. Although not much information is available on the tyre retail franchise industry in South Africa, they subscribe to franchise principals and methodologies.

2.6.1 Industry Overview.

South African has four major tyre franchisors namely Hi-Q (Goodyear), Supa Quick (Bridgestone), Dunlop (Sumitomo) and Best Drive (Continental). These brands all stem from the major international tyre brands with production facilities in Port Elizabeth and Durban. All the franchisors are heavily funded by the various brands and receive rebates for purchases conducted by franchisees within the franchise network. Competition is rife with all brands selling similar products at various price points depending on their economies of scale. It's an oligopoly market structure which has remained very static over the years.

Goodyear, Bridgestone, Continental and Sumitomo (Dunlop) makes up South Africa's four major tyre manufacturers. All are owned by multinational tyre companies with extensive global footprints. These four manufacturers supply tyres to automakers and the tyre replacement market and they send consignments to other parts of Africa. An average of 11 million tyres are sold in South Africa each year (Globenewswire, 2019). All the franchisors are funded to an extent by their parent companies by receiving rebates on purchases conducted by franchisees within the franchise network

Tyres are regarded an essential purchase. That being said, consumers are buying inexpensive imported tyres, and the major manufacturers compete against an estimated 200 importers of tyres of various brands, with most coming from China and Japan (Globenewswire, 2019). Manufacturers in South Africa are under pressure to reduce costs and grow their market share. The growing volume of imports impacts negatively on this endeavour (Businesswire.com, 2020).

The threat of illicit trade, with dubious business owners attempting to cut corners and avoid paying the required import duties and levies on tyre consignments is of paramount concern to the tyre trade industry. Disturbingly, this practice is on the increase, presenting a serious risk to legitimate businesses that are operating ethically, whilst concurrently determined to compete in a highly competitive market (Southern Africa Treads , 2020).

2.6.2 Franchise Conversions in the Tyre Franchise Network

Entrepreneurs will easily change franchise networks if alignment to the franchisor requirements are not achieved. This will have underlying consequence for both parties. Changing of franchise brands is very prevalent in the South African tyre fitment industry. When a franchisee has mastered the tried and tested formula of a franchise system it makes sense to leverage that knowledge by opening another in a new location (Whichfranchise, 2020). Expansion is quite prevalent in the tyre retail franchise arena. However, due to poor historic disciplines multibranded franchisee ownership is prevalent, resulting in a loss of various competitive advantages.

Hoffman & Preble, (2004) state that conversion franchising is the process of acquiring prospects for the franchise programme from independent business, chains and/or other franchises. This is a process which enables the franchisor to overcome hurdles of poor recruitment, inexperience and market saturation.

Write and Clarke, (2009) argue that conversion of franchisees will enable the franchisor to quickly scale and provide a “competitive advantage”.

2.7 MARKETING MANAGEMENT

It's paramount for the franchise system that franchisees use the “approved trademark” in stringent agreement with the franchisor's recognised framework. Franchisor's go to great lengths and expense to advance the name for their product or service, to create an identity or “brand personality” for the name and to ensure that it is legally protected.

Ensuring marketing and brand uniformity becomes an issue with geographically dispersed and differentiated markets (Cox & Mason, 2007). Not all franchisees will benefit equally from marketing and brand activation due to this issue thus forcing franchisees to take matters into their own hands and thus impacts on alignment and franchise requirements.

2.7.1 Digital Marketing

Digitalisation has become engrained in our daily routines. It's often seen as an extension of the end user. Consumers are spending most of their time online and using social media (Nielsen, 2012). Browsing, E-commerce, cloud storing, music streaming, email, access to Facebook, Twitter with various connected devices such as smart phones, connected televisions, tablets, laptops is transforming the way the internet gets used today (Ericson Mobile, 2012).

Historically, many franchisors have used a large percentage of their franchise advertising fund budgets to purchase traditional media placements, including advertisements on television, radio, print advertisements and billboards in order to market the brand and business to potential customers. These are not effective in getting feet into outlets (IFA, 2019b).

Kotler & Armstrong, (2009) state that organisations are converting to digital marketing to improve consumer numbers. Not only utilising interactive strategies to connect with consumers, it offers accurate targeting of potential consumers (Pandey & Gudipundi, 2019). Technological advancement in digital marketing have fundamentally changed how brands spend their advertisement fund budget. An effective digital marketing strategy is key if brands are to remain visible and competitive in the modern marketplace

Digital marketing allows for the dynamic content development that suits the prospective customer's viewing habits or purchasing patterns. Krishna & Singh, (2018) state that informational flow and trust among customers are enhanced in the business-to-business (B2B) space due to digital marketing. A proper understanding of B2B digital marketing businesses are limited thus impacting on their return on investment (Wertime & Fenwick, 2011). Digital marketing requires continued research and it is evolving at a rapid pace due to technological advances (Shaltoni, 2017). Allowing the franchisor to manage the digital marketing strategy is of paramount importance as it allows the franchisee to focus on the daily running of the business franchise. Franchisors need to create and strong overarching marketing strategy that will help every branch maximise its marketing potential while ensuring brand consistency.

2.8 BRAND MANAGEMENT

Brand value is the most significant aspect for the survival and protection of a organisations standing in the marketplace (Villarejo-Ramos & Sanchez-Franco, 2005). A strong brand can contribute significantly to the revenue streams for the product and services sold under that brand name (Kapferer, 2004) thus making it imperative that the brand gets protected contractually and with regular franchisee engagement and check-ins.

Chaudhuri, (2002) argues that advertising enhances a brand's standing in the marketplace. Traditionally, advertising is the primary option for growing system-wide organisational profits and augmenting brand value (Gupta & Lehmann, 2003).

Advertising by the franchisor, franchisor-owned properties or other franchisee may spill over and have a positive impact on sales, which benefits the franchise network. This might also have the adverse effect with poor product or service offerings. The sharing of information, communication with new and existing customers in the hope of creating brand awareness and building brand image will boost sales through social media brand page engagement (Choi, Fowler, Goh, & Yuan, 2016; Yadav & Rahman, 2016). Deviation from the brand operating procedures by the franchisee will have detrimental consequence on the franchise network.

2.9 ENTREPRENEURIAL SKILLS

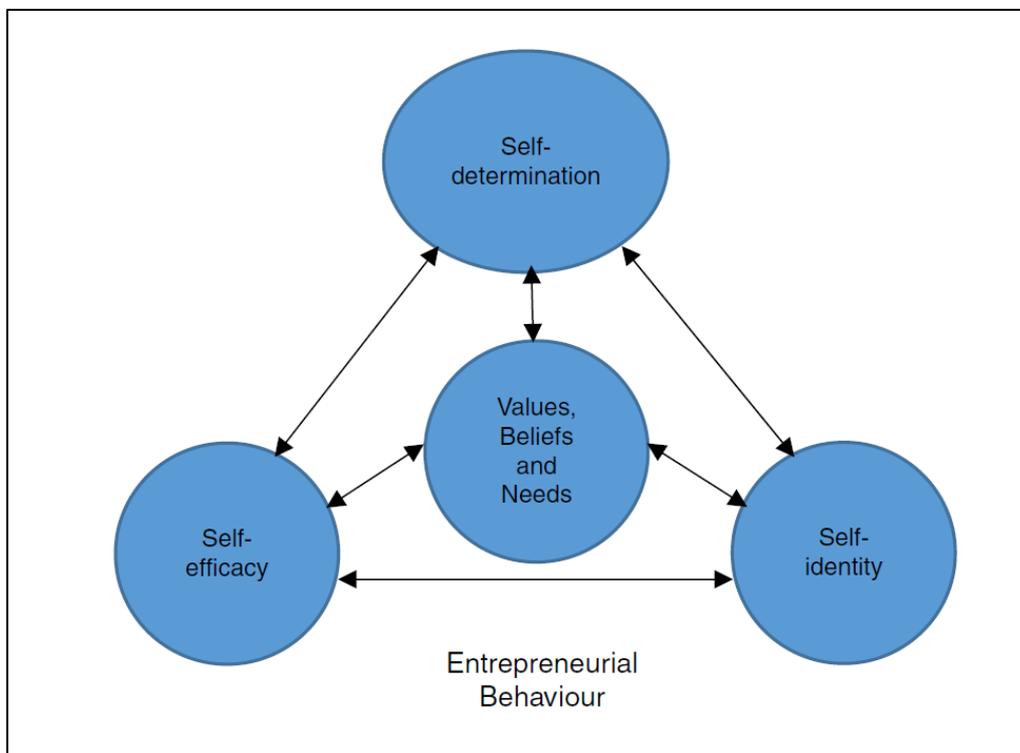
Bolton & Thompson, (2003: 213) define entrepreneurship "as a person who habitually creates and innovates to build something of value around perceived opportunities". Entrepreneurship is interlinked with the adaptation and transformation of fiscal structures, often contributing to national economic development (Bygrave, Reynolds, & Autio, 2003). As a result of globalisation, it has become imperative to grow business and generate and grow wealth in the starkly competitive era in which that society finds itself. According to Sadri, (2010) the cause of, as well as the consequences of, entrepreneurship are economic growth, technological advancement and conceptual innovation. These are all interconnected with one another.

Entrepreneurs and franchisees are frequently considered dissimilar in relation to dicey start-up undertakings (Alon, 2006).

The contemporary image of an entrepreneur signifies an individual willing to take large risks on uncertain ventures on the chance that something ground-breaking and sustainable will be generated. Franchisees have a somewhat different image of themselves since they become partners in a by now recognised business model and attempt to advance it to sustainability through the institutional insight of the franchisor.

FIGURE 2.3:

A MODEL OF ENTREPRENEURIAL BEHAVIOUR INTERACTION



(Source: Walton, 2016:290)

Walton, (2016) states that entrepreneurial behaviour is founded on a set of values, beliefs and needs which provide the individual with the inherent incentive and self-determination to engage in entrepreneurial behaviours. Once identified, these values propel the individuals towards the acquisition of knowledge, skills and experience (self-efficacy and confidence) to effectively engage in the entrepreneurship process. Entrepreneurial behaviour will be the by-product of self-determination, self-efficacy and the entrepreneurial value-set combined. The bi-directional arrows in Figure 2.3

highlight what the change in one component of the model will have on the other elements.

There is heavy debate if entrepreneurship can be taught or if it is an inherent trait. To define and specify entrepreneurial skills is both complex and a controversial matter. (Swedberg, 2000). According to Rae, (2006) entrepreneurial skills and knowledge are impacted upon positively by enterprise education. A positive connection between entrepreneurial skills, entrepreneurial attitudes and intentions exists.

TABLE 2.2:
EXAMPLE OF ENTREPRENEURIAL SKILLS FOR BUSINESS

Personal Skills	<ul style="list-style-type: none"> • Innovation • Resourcefulness • Risk-taking • Ability to deal with the unknown • Accepting challenges • Taking responsibility • Seeking opportunities in change
Interpersonal skills	<ul style="list-style-type: none"> • Interacting with others effectively • Communicate effectively • Exchanging • Swaying • Demonstrating leadership
Process Skills	<ul style="list-style-type: none"> • Planning and organise • Ability to analyse synthesise and evaluate • Ability to execute the plan

(Source: Pyysiainen, Anderson, McElwee, & Vesala, 2006:21)

The concept of franchising vs entrepreneurship was unpacked with factions often disagreeing on the definition of each. There is still discussion around whether entrepreneurship can be taught or if it is a result of inherent qualities.

2.10 REGULATORY ENVIRONMENT

Franchising can be regarded as one of the most widespread and favoured ways of reaching consumer (Pappu & Strutton, 2001). Swift network expansion at the minimum level of capital investment, reduced risk, the establishment of the economies of scale and the operation of the franchise outlets by aligned franchisees all result in benefits for the partnership of franchisor and franchisee.

One of the most critical challenges is the handling of the tension between franchisors and franchisees that stems from the objective of attaining consistency across the franchise programme by the franchisor and the franchisee's desire for independence and customised ways of doing business (Dada & Watson, 2013).

There is an expectation by franchisee's to be treated with poise and respect by the representatives of the franchisor (Weaven, Grace, Frazer, & Giddings, 2014). However, the inter-organisational exchange relationship between the franchisor and the franchisee is uneven, with the franchisor typically considered the more authoritative exchange partner as compared to the franchisee (Dant, Grunhagen, & Windsperger, 2011; Harmon & Griffiths, 2008). Consequently, the success of a franchise programme is likely to depend on the franchisee's perception of fairness in the franchisor's use of authority and control (Shaikh, Biswas, Yadav, & Mishra, 2017)

The relationship between the franchisor and franchisee includes a signed contract making the affiliation unlike the standard channel relationship. The contract is designed in such a way that it favours the interest of the franchisor with the addition of extensive disclaimers (Bunchan, 2013).

Compared to a channel partner in a standard distribution system, the franchisee is more reliant on the franchisor for commercial sustainability (Kashyap, Manolis, & Brashear, 2008). The franchisor derives power over the franchisee through its size and in, addition, the franchisee needs to have access to the franchisor's products and services.

2.10.1 Trust in the relationship

Alvarez, Barney, & Bosse, (2003) state that trust may serve as an alternative to contracts in an inter-organisational relationship. Harmon & Griffiths, (2008) maintain that vulnerable situations often arise when supposed benefits are not actualised, with trust identified as indispensable feature adding to the reduction of vulnerability and contributing to internal transparency and mutual responsibility. It is essential that franchisor and franchisee are committed to building a relationship that will foster a cooperative environment and which will withstand opposing goals (Altinay & Wang, 2006).

2.10.2 South African franchise legislation landscape

Currently South Africa does not have specific franchise legislation. The Consumer Protection Act (CPA) created severe prerequisites for franchising agreements, including prescribed terms and provisions for franchise disclosure documents, franchise renewal terms, marketing and franchise fees (or royalties) and exclusive franchise territories. Whereas franchisees are concerned with unfair franchise agreements, improper training, redundancy of the franchise brand and restraints of trade, on the other hand, seeking to protect intellectual property and the franchise business system is paramount to the franchisor (MacRobert Attorneys, 2020).

TABLE 2.3:

SOUTH AFRICAN LEGISLATION APPLICABLE FOR FRANCHISES

Primary legislation pieces that has bearing upon franchising in South Africa
Laws governing intellectual property: The Trademarks Act, No. 194 of 1993
The Competition Act, No. 89 of 1989 and the Rules for Conduct of Proceedings in Terms of the Act. The Competition Commission published a paper entitled “The application of certain provisions of the Competition Act 89 of 1998”, as amended, to franchise agreements, which aims to clarify the Commission’s stance on franchising.
<ul style="list-style-type: none"> • Since 1 April 2011, franchise agreements in South Africa are also subject to the statutory provisions of the Consumer Protection Act, which states that a franchise agreement must: <ul style="list-style-type: none"> • (a) be in writing and signed by or on behalf of the franchisee; • (b) include any prescribed information, or address any prescribed categories of information; and • (c) comply with the general requirement to be in plain and understandable language. <p>All franchise agreements are subject to a statutory cooling-off period in terms of which a franchisee may cancel a franchise agreement with written notice to the franchisor, without costs or penalty within 10 business days after signing of the agreement. The Regulations of the Consumer Protection Act impose specific contractual and disclosure obligations on a franchisor.</p>

(Source: Smit & Van Wyk)

2.10.3 Franchise association of South Africa (FASA)

The Franchise Association of South Africa is a voluntary body. Registered members of FASA in the designation of franchisors accept to observe and comply with the FASA’s Code of Ethics and Business Practices which may ultimately augment the

credibility of the franchisor and the franchise group. The FASA endorses ethical franchising and registered members may obtain value-added services and other associated benefits from FASA (FASA, 2019c). Registered members of FASA should comply with FASA's Code of Ethics and Business Practices. The Code provides a framework and requirements concerning ethical business practices particularly where the franchisor-franchisee relationship is concerned and thereby ensuring that successful alignment takes place between the entrepreneurial paradigm and the franchise requirements.

2.11 RESEARCH AND DEVELOPMENT

Since the 1990s radical changes in the competitive landscape brought about by technology have shorted product lifecycles and fierce competition has highlighted research and development contributions to the overall competitive advantage (Ortt & Smits , 2006).

A primary objective of the franchisor should be constantly to seek and to innovate, refining the business of the franchise network and the operational system by introducing fresh concepts and approaches (Nadler, 2020).

Research and development facilities should be in place by the franchisor in relation to the products, services or system and the market image projected. Investigating fresh product lines and/or the introduction of fresh or improved services should be of paramount importance. Once thoroughly market tested the product should be adopted and should be compatible with the existing business.

2.11.1 Innovation

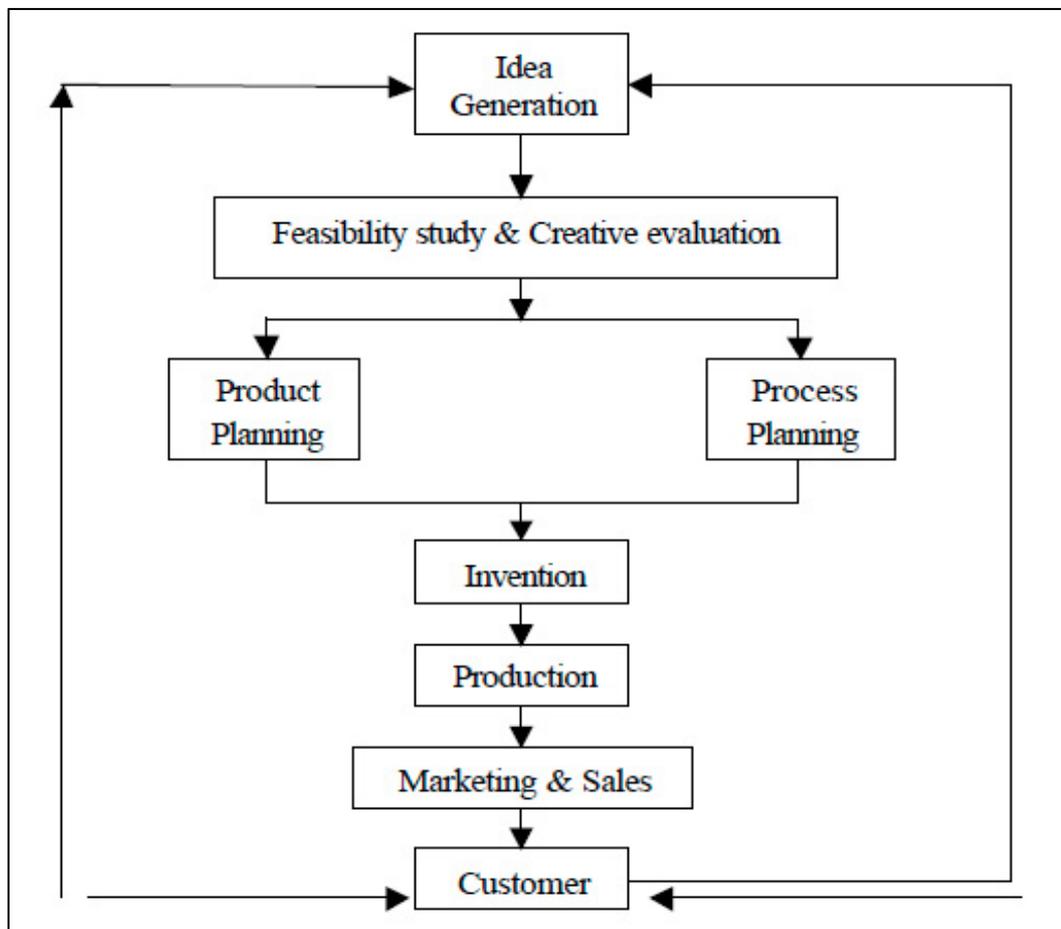
Kuratko & Hodgetts, (2004) state that entrepreneurship is a cohesive idea that spreads throughout an individual's business in an innovative way. Entrepreneurs are persons who identify and exploit opportunities in the marketplace and bring about change. Thompson, (2003) defines entrepreneurship as a person who customarily generates and transforms to develop something of value around an apparent economic benefit.

Incorporating creativity, innovation and a strategic business intent requires focus to be successful as an entrepreneur (Lsu, 2017).

Innovation is a roadmap ensuring that the franchisor remain competitive, relevant and develop the interest of the franchise network. Franchisors require their franchisees to follow a very specific set of policies and procedures detailing exactly what they will sell, how they will make or deliver it, and even what their store or restaurants will look like. This, by its very nature, discourages innovation. Consumers prefer a consistent and relaxed experience as it generates trust. In addition, it also improves the chances of franchisee success, permitting them to leverage a tested and proven business model (Myers, 2020). The franchisor does not only have the sole responsibility to innovate. Innovation at the franchisee level has occurred successfully. McDonald's Big Mac and Filet-O-Fish would not be without the input from their franchisees. These are now international top-selling products generating tremendous success. More recently, Dominos Pizza's American Legends pizza line and bread bowl pastas were industrialised and tested by a Los Angeles franchisee (Wilson, 2020).

In companies where franchisees have a high level of input in product development, a franchisor/franchisee association is a partnership with a certain amount of hierarchy. Franchisee's must be able to make concessions and accept that even if their idea is employed, it may go through a battery of modification to make sure it is aligned with the franchise's overall goals. Regionally, adapted products might also not excel in a national or global arena according to Jeff Elgin, CEO of FranChoice Inc (Elgin, 2007).

FIGURE 2.4:
TECHNOLOGICAL INNOVATION PROCESS



(Source: The Triz Journal, 2020)

The Triz Journal, (2020) argues that the process starts off with an idea generation which needs to be feasible before proceeding. Ideas are born through market research or proposals from the franchise network. Once developed, the idea needs to be 'sold' to the franchise network via the franchise counsel in order for it to be received effectively. Once identified as feasible then product planning and the process needs to be identified. Invention and production is followed by marketing and sales to the customer. Product trials and testing could also be undertaken in company-owned outlets to mitigate risk and to ensure proper controls and disciplines are in place.

2.11.2 Control and innovation paradox

Reaching an equilibrium of control and innovation remains unclear (Henri & Wouters, 2017). A handicap to innovation is control states (Kücher, 2013). A franchise system is all about control and uniformity. Lawrence & Kaufmann, (2011) state that the interdependence between the franchisor and the franchisee makes the management of the franchise network difficult.

Franchisees having too much autonomy can be a source of agency cost problems that could have negative effects on the brand equity and reputation of the franchisor (Cochet, et al 2008). The franchisor has the desire to ensure control, maintain franchise network consistency and uniformity. On the other hand, franchisees have the yearning for more freedom and the prospects to innovate (Altinay & Wang, 2006).

2.12 FRANCHISOR SUPPORT

Barthelemy, (2008) argues that the franchisee can lower the start-up risk and operational hazard by capitalising on comprehensive direction from the franchisor, namely through; marketing strategy construction, resource distribution, promotion and advertising activities. Franchise networks always find it challenging in managing the increased numbers of franchisees and ensuring quality while further expansion get driven.

Noorteboom, (2002) maintains that the actions of one party either intentional or not will likely have an impact on the other, hence making trust critical in the relationship. Davies, Lassar, Manopolis, Prince , & Winsor, (2009) explain that trust underpins the achievement of attaining franchisee compliance, goal congruence and satisfaction within the franchise relationship. Trust, therefore, can be said to be the foundation of the relationship facilitating cooperation and overall commitment.

A co-dependent relationship exists between the franchisor and the franchisee. There is an expectancy of training, processes, technical know-how and expertise on a plethora of subjects. Franchisee's expect some level of involvement in the decision-making process as they are not employees. They consider themselves entrepreneurs.

TABLE 2.4:

ESSENTIAL SUPPORT FUNDAMENTALS IN SOUTH AFRICA

Training	Comprehensive training should be provided on all facets of the business encompassing financial and business systems, human resources management, as well leadership on marketing techniques to attract and retain customers.
Site Selection	Selecting the best possible site to position the business, ideally using scientific tools based on Geographic Information Systems (GIS). This should also include guidance with lease negotiations. These sites are to deliver the best returns.
Marketing and advertising	Franchisors should provide a comprehensive marketing plan that extends past the grand opening and that includes brand building and promotional campaigns. In addition, franchisors need to guide new franchisees in local and regional marketing initiatives. To ensure brand consistency access to customised, professional marketing materials such as posters, brochures, banners, and many more need to be provided.
Ongoing Assistance	A comprehensive operation manual needs to be provided outlining all facets of the running of the franchise business in detail.
Head Office Support	Professional personnel within the Head Office, such as field service consultants, will make planned contact with franchisees with regard to marketing, technology and any training that is required. Meetings should have a monthly frequency.

General	Franchisors also hold annual meetings or conferences with their franchisees. During these meetings the growth and earnings of the franchise is evaluated. Quarterly regional meetings are encouraged. It is also an excellent platform to share any concerns, and to scrutinise new ideas and do strategic planning for the business.
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(Source: Whichfranchise, 2020)

Although support manifests in various elements there are still the contractual relationships that manifests themselves in the franchise agreement.

Challenges in the franchisor-franchisee relationship exist. Although there are contractual obligations challenges still manifests. The most used franchise theories are described below.

2.12.1 Agency Theory

Agency is the fiduciary association which results from the display of permission by one person (principal) to another (agent) and that the other shall act on behalf of, and subject to, the principals his control and consent by the other so to act (Sashikala, 2015). Agency problems arise when proprietorship splits from operational control. The ideology of franchising is equally beneficial to the parties in the franchise relationship. The franchisor generates profits from corporately owned sites as well as from royalties without all the accompanying challenges that come from running a day-to-day business operation. The dynamics of a franchisor-franchisee relationship is dependent on two major factors; ownership and risk sharing. Both factors are mutually inclusive. They coexist, regardless of whether the business is 'company owned-company operated', 'franchisee owned-company operated', 'company owned-franchisee operated' or 'franchisee owned-franchisee operated'.

2.12.2 Resource Scarcity Theory

Alon, (2006) states that resource scarcity theory suggests that firms primarily franchise since the resources required for expansion is deficient, e.g. financial (capital scarcity), managerial (knowledge- based) and organisational. Franchising then becomes an

avenue for expansion. Castrogiovanni, Combs, & Justis, (2006) argue that studies imply that a rapid increase in franchising will take place until resource level permits internal growth at which point the proportion of franchised units should diminish.

2.12.3 Signalling Theory

Vincent & Kaufmann, (1996) and Dant & Kaufmann, (1999) state that Signalling Theory which has its foundation in Economic Contract Theory, has also been used by some researchers to examine franchise use and strategy. This theory is focused on the externalities of market limitations and knowledge irregularities to clarify organisational choice. Entrepreneurs who are eager on attaining the incentive advantages of franchising face an uneven information problem of signalling the quality of their concept to prospective franchisees, more so when immoral franchisors have the motivation to misrepresent their quality in an attempt to make their own franchise more marketable (Dant & Kaufmann, 1999).

The theories are summarised in Table 2.5 further help illustrate the various franchise theories with their respective variables.

TABLE 2.5:
THEORIES AND CORRESPONDING VARIABLES

Theory	Variables
Agency	Number of franchised units, number of company owned units, size of corporate staff, average equity investment, average total investment, royalty fees, average franchise fees, state of earnings claims, advertising fee, number of regions and total units.
Resource scarcity	Typical equity outlay, quantity of franchised units, royalty fees, number of companies owned units, average franchise fee, total unit's growth rate, franchise experience, size of corporate staff, % of projected units over total, average total investment, number of regions, and total units.
Signalling	State of earnings claims, advertising fee, total unit growth rate, and franchise experience

(Source: Adapted from Alon, 2006:60)

2.12.4 Perceived Relationship Value

Weaven, Grace, & Manning, (2009) state that the temperament of involved parties would impact the quality, efficiency and effectiveness of the franchisor/franchisee relationship landscape. Personality has been shown by Odekerken-Schroder, De Wulf and Shumacher, (2003) to influences the success of relationship in buyer-seller interactions. Strong relationships ensure alignment and trust between franchisor and franchisee. A 'social contract' plays a pivotal role in adherence to stipulations governed by the franchising contract to ensure a desired outcome (Heide, et al, 2007). Researchers such as Palmatier, Dant, & Grewal, (2007) have identified that in order to succeed the strong relationship needs to be built with the firms' stakeholders. The relationship between franchisor and franchisee is not only contractual, but commands a social system thus making it a complex and long-term proposition.

Franchisees who serve on franchisee committees and who agree to test products or marketing promotions and provide mentoring to fellow franchisees can often be rewarded for their service and stewardship (Paswan & Wittmann, 2009).

2.12.5 Knowledge Sharing

Knowledge plays a central role in order to attain high performance and to sustain long-term competitiveness in an ever-changing environment (Lee, 2016). Furthermore, a positive outcome, such as innovation-improved service delivery, brand value and competitiveness can be the result of effective knowledge sharing (Weaven, et al ,2014)

Madanoglu, et al, (2017) state that a key factor is knowledge management in the transfer of information between franchisor to franchisee within a business format franchise. The value is crucial. Furthermore, innovation capabilities, efficient service delivery, brand value and competitiveness can be a result of effective knowledge sharing and transfer (Paswan & Wittmann, 2009) In order for the firm to recognise opportunities and to answer to variations in the business environment, knowledge is a dominant role player. Knowledge transfer and management have arisen as two core areas of interest to practitioners and academics, as a result. Organisations that are 'interconnected, are of the view that the ability to share information and transfer knowledge from one group to another is fundamental (Argote & Ingram, 2000).

Franchise chains who meet the criteria for interconnected organisations have the likelihood of gathering better rewards because they offer an expanded base of experience when compared to a single business enterprise (Argote & Ingram, 2000).

a) Knowledge Sharing mechanisms

A close alignment between the characteristics of knowledge and the transfer mechanisms needs to happen to safeguard effective knowledge exchange (Gorovaia & Windsperger, 2010). Explicit, tacit and system-related knowledge types are conceptualised by the codifiability, teachability and complexity of the knowledge. (Gorovaia & Windsperger, 2010) The long-term success of the franchise network depends on the nature of the knowledge transferred whether tacit or explicit (Brooks, 2014)

Transferring knowledge within organisations can manifest itself in more well-known means such as job training, published standards and procedures, online portals, and other websites that provide reference materials. Verbal communication, demonstrations, shared exchanges between colleagues, strategic alliance partners and suppliers are the less apparent though critical knowledge transfer means. All these widely used methods for transferring knowledge and utilised by corporations are employed in a franchise environment (Cumberland & Githens, 2012).

b) Challenges with Knowledge Sharing

In a study by Szulanski, (2000) it is argued that knowledge transfer is laborious, a thief of time and complex to oversee in organisations. An additional level of complexity exists within franchise system as knowledge transfer occurs beyond the corporate entity, cascading down the hierarchy to many different partners. These interrelated organisations, or franchisees, are typically separated by geographical locations and vary in size, scope and degree of business knowledge. In most cases, they have cultures of their own, distinct from the franchisor and other franchisees.

Barriers to knowledge transfer in a franchise system include the following:

- Conviction
- Development

- Communication
- Rivalry
- Culture

(Cumberland & Githens, 2012)

Factors including trust, nature of knowledge, distance, absorptive capacity, transfer mechanism, partners ,compatibility and cultural difference often hinder knowledge sharing (Gorovaia & Windsperger, 2016). However, Wong, Wei, Yang, & Tjosvold, (2017) and Krammer, (2018) suggest that the transference of knowledge in strategic alliance may diminish when partners lack compatibility. Partners in strategic alliance must assess each other in terms of absorptive capacity and business experience in the selection process to assist in mitigating the challenge of incompatibility (Antia, Mani, & Wathne, 2017).

2.12.6 Case Study Supa Quick

Information was not freely available on the case study franchise network. All information was limited to online research. All financial performance results could not be obtained.

Supa Quick is South Africa's largest network of independently owned fitment and service centres with 250 fitment centres in South Africa. Although a fully South African company, Supa Quick is perfectly aligned with the tyre giant Bridgestone through its wholly-owned subsidiary, Bridgestone South Africa Retail (Pty) Ltd (Supaquick, 2020). Located throughout South Africa, a superlative customer experience with a multi-branded tyre offering is provided with a large range of ancillary services such as balancing, alignment, brakes, batteries, shock absorbers, exhausts and tow bars (Supaquick, 2020). The franchise is a cohesive association comprising of the franchisor, franchisees and strategically selected supply partners. The company's strategy focus is value creation, maximising skills and service delivery to meet market demands and satisfying stakeholders (Supaquick, 2020). The distinctive Supa Quick outlet employs up to 20 staff members, including sales, technical and administration staff.

A) Franchisee Selection

New franchisee hopefuls are sent for psychometric screening to ensure alignment with franchise values. This is one of many requirements that have to be met to ensure alignment with the franchise model. (Supaquick, 2020)

B) Franchise Site Selection

Franchisee are selected in both greenfield (new development locations) and current fitment centre businesses. Analyses of sites are concluded to ensure business sustainability. Once concluded the appropriate franchisee is obtained that meets the values of the franchise brand which is identified through the psychometric test outcome (Supaquick, 2020).

C) Marketing and Brand Management

Supa Quick was founded in 1986; an initiative of what was then Firestone South Africa. An innovator from inception, Supa Quick was the first collective of small tyre retailers. In 1989 Supa Quick was registered as a separate company and promptly continued its innovative streak by expanding its product offering. This was the start of the 'one-stop shop' concept, which is still one of Supa Quick's strengths today. In 1998 Supa Quick was drawn into the Bridgestone stable and continues to benefit from the global Bridgestone association (BusinessOwl, 2019). Brand and marketing get managed centrally and via the operations manual (Supaquick, 2020).

D) Regulatory Environment

Supa Quick stores are franchised in accordance with a business format franchise model. The operations manual in franchising deals with all procedural requirements that are standard across all franchisee outlets and which may include systems of operating, marketing, handling of stock, opening and closing procedures, etc (Lockett, 2011). Deviation is very rarely allowed.

E) Franchise Support

Supa Quick franchisees are required to complete a Franchisee Induction Programme at the company's Service Education and Training Authority (SETA) accredited training

centre. All Supa Quick staff are required to attend the 'The Supa Quick Way' course where they undertake customer relations, sales, marketing, product knowledge and technical training. On-going technical training is provided on-site by a team of Technical Managers. Supa Quick suppliers also provide product specific training annually. (Supaquick, 2020). Free ongoing training gets provided online.

F) Case Study Conclusion

Supa Quick subscribes to the full format franchise model. Franchisees pay a monthly franchise and marketing fee in order to participate in the brand. Each franchisee plays a pivotal role in ensuring the brand remains relevant and strong. The franchisor does monthly audits to ensure compliance with the franchise agreement and operational standards. Learning and development is driven from the franchisor level down to the various franchise outlets. The brand advertises professionally trained staff, and this is achieved through rigorous training. National marketing gets executed however franchisee are encouraged to execute their own local dealer marketing within a predefined framework.

(Elgin, 2007) states that there are the definite reasons for joining a franchise network.

- A proven successful business model
- A strong brand equity and awareness
- Marketing support by the franchisor
- Operational support from the franchisor
- Avoidance of risk associated with a start-up

Supa Quick meets the requirements set out by Elgin, 2007 as to why franchises are joined. The franchise endeavours to ensure improved alignment by both parties to ensure success. Researchers such as Palmatier, et al (2007) have identified that in order to succeed a strong relationship needs to be built with the firms' stakeholders which Supa Quick strives to achieve with its various support endeavours and the driving of the innovation agenda along with being pioneers in their field.

2.13 SUMMARY

The chapter illustrates various independent variables that contribute to the perceived success of franchising's influence on the entrepreneurial paradigm within the South African tyre fitment franchise network.

Chapter Three focuses on the case study research design and the methodology relevant for the research problem. Chapter Three will, furthermore, describe the methods of data collection and analysis and illustrate the development of the design of the semi-structured interviews.

CHAPTER THREE: RESEARCH METHODOLOGY

3.1. INTRODUCTION

In Chapter Three, the researcher presents the research methodology used to determine the proposed factors that influence *The Perceived Success of franchising's influence on the entrepreneurial paradigm with South African tyre retail franchise network*. Collis & Hussey (2009) defines a "methodology" as an approach to research studies which incorporates various ways of analysing and compiling data. Cooper and Schindler, (2011) argue that research methodology can be seen as a framework for achieving research objectives and responding to research questions.

In the literature review discussed in the preceding chapter, the researcher examined entrepreneurship and franchising from an international perspective and an African perspective and concluded with a localised, South African perspective. In this chapter, the researcher motivates the research paradigm chosen to answer the research questions raised in Chapter One by using a case study methodology. The selected method is regarded to be the best approach to use in order to achieve the research objectives as well as to answer the research questions and, in addition, to finally test the listed propositions in relation to franchising's influence on the entrepreneurial paradigm within the South African tyre fitment franchise network.

Chapter Three focuses on achieving the following research objectives:

RO₇	Develop an interview guide to conduct the data collection relevant to participants in the target franchise sector.
RO₈	Draw a critical sample of relevant participants in the franchise sector.

3.2. CASE STUDY RESEARCH APPROACH

Cooper & Schindler, (2011) state that a case study approach to social research unearths multifaceted problems and offers experiences of what is already known about the phenomenon. The importance's of details obtained from numerous sources of

information is accentuated. These offer a valuable understanding of the problem resolution and make it possible to authenticate evidence while evading data losses. Cooper & Schindler, (2011) further continues that in research, case studies are used to contribute towards the understanding of “organisational, social, individual, group, and related phenomena”, allowing a researcher to give prominence to a case while preserving a “universal and real-world perspective”. According to Yin, (2014), to better comprehend real-life cases, case study research is undertaken and has the following methodological features:

- Case study investigation deals with a technically distinctive situation in which there will be several more variables of interest than data points.
- Case studies benefit from the prior development of theoretical suggestions to guide data gathering and examination.

A case study research approach may be used for all three purposes, namely “exploratory”, “descriptive” as well as “explanatory studies” as shown in Table 3.1. below (Yin, 2014).

TABLE 3.1:
RELEVANT CONDITIONS FOR VARIOUS RESEARCH METHODS

Method	Form of Research Question	Requires Control of Behavioural Events?	Focuses on Modern event?
Experiment	how, why?	yes	yes
Survey	who, what, where, how many, how much?	no	yes
Archival analysis	who, what, where, how many, how much?	no	yes/no
History	how, why?	no	no
Case Study	how, why?	no	yes

(Source: Yin, 2014:282)

Table 3.2 shows the different types of case studies according to Collis & Hussey (2009) and indicates when a researcher would utilise each method.

TABLE 3.2:
TYPES OF CASES STUDIES

Type of Case Study	When to use
Descriptive	Where the objective is limited to describing current practice.
Exploratory	Undertaken where there are limited theories or a lacking body of knowledge
Opportunist	When the opportunity presents itself to observe a phenomenon because the researcher has ingress to a particular business, person or other case.
Comparative / Multiple	When there is an abundance of case studies.
Illustrative	Where research attempts to illustrate new and possibly innovative practices adopted by particular companies.
Experimental	When the research inspects the complications in applying new procedures and approaches in an organisation and assessing the benefits
Explanatory	When prevailing theory is used to comprehend and clarify what is emerging.

(Source: Researcher's own construction adapted from Collis & Hussey, 2009)

Consequently, it is possible to use exploratory case studies, descriptive case studies, or explanatory case studies (Yin, 2014). An explanatory case study method was chosen for this research effort as being the most appropriate to achieve the research objectives. Collis and Hussey, (2009) as well as Cooper & Schindler, (2011) define an explanatory study as one that goes beyond the borders of description and endeavours to simply clarify and explain the reasons for a phenomenon, that a descriptive study

only observes, by using current theories to comprehend and describe and explain what is occurring.

Table 3.3 below showcases the value of the case study, based on information listed in Gerring, (2004). It strengthens the case study method as the most suitable method for this research paper.

TABLE 3.3:
USEFULNESS OF CASE STUDY RESEARCH

Descriptive instead of causal inferences.
Propositional depth is more important than breadth and boundedness.
Internal case comparability is given precedence over external case representativeness.
Insight into causal mechanisms is more important than insight into causal effects.
Causal proposition at issue is invariant rather than being probable.
Strategy of research is exploratory, rather than confirmatory.
Useful variances are available for only a single unit or a small number of units.

(Source: George, 2017 as adapted form Gerring, 2004:25)

3.3. CASE STUDY RESEARCH DESIGN

Yin, (2011) describes research design as a function that provides a rational outline for researchers to address the initial research problem while they are compiling, evaluating and interpreting findings to circumvent and avoid the research findings failing. To help reinforce the validity and accurateness of the study, the design methodology comprises; research questions, the data to be compiled and the strategies for analysing the data in order for the findings to address the intended research question. Yin, (2014) states that the case study research design will allow the researcher to draw inferences regarding causativeness between the variables under investigation. Wahyuni, (2012) argues that it is often thought that case study research should use a multiple case study design comprising of multisites to be

studied as the basis for comparison between the observed practices of the subjects studied, in order to obtain a more comprehensive understanding of these practices.

In a single case with embedded units, it is argued it is influential to be able to consider data that can be analysed within the subunits separately (Baxter & Jack, 2008). The authors elaborate that distinctive subunits provide an in-depth analysis of the data which helps to improve clarification of the case (Baxter & Jack, 2008).

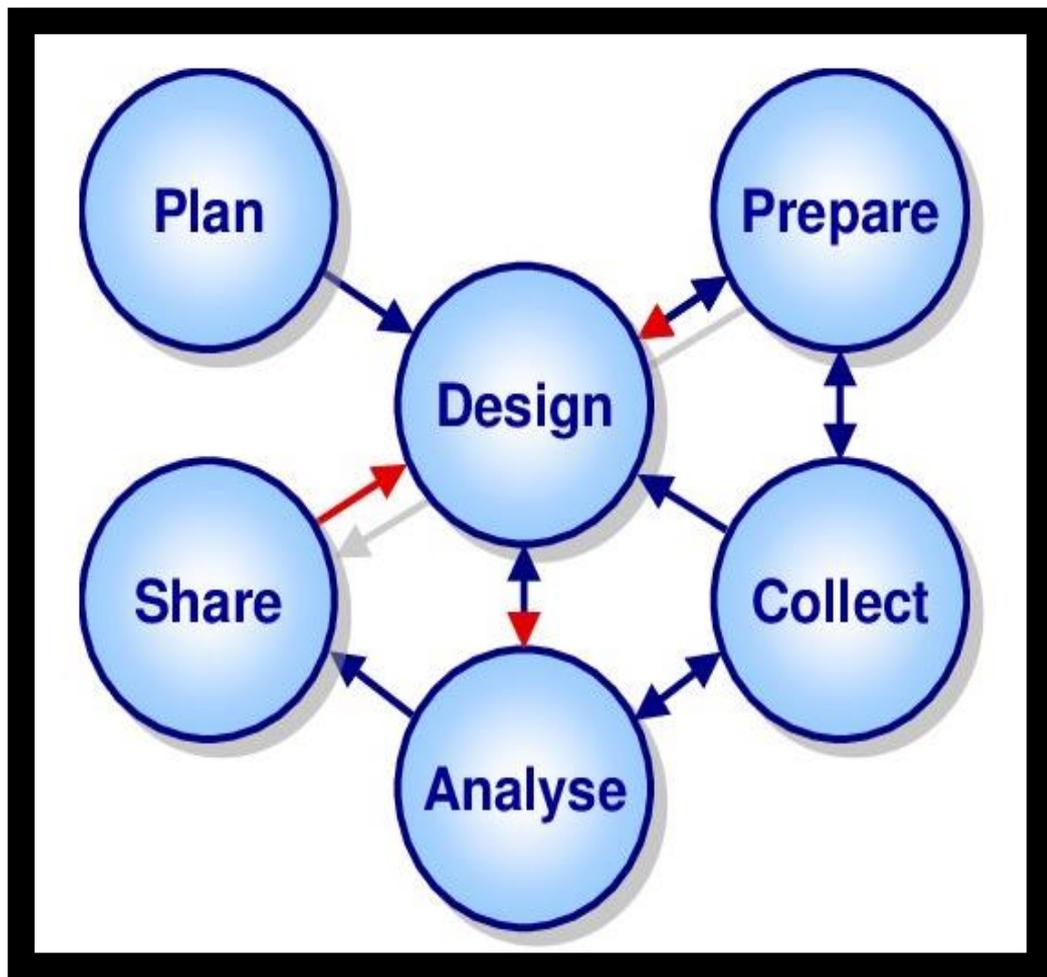
The objective of the chosen case study method in the research was to ensure alignment between the franchisee and the franchisor focusing on the retail tyre franchise in South Africa. Thus, the design methodology of a single case with embedded units recommended by Yin, (2014) was followed in directing this study and espousing the following five components:

- Case study questions
- Propositions, if any
- Unit(s) of analysis
- The logic linking the data to the proposition
- The criteria for interpreting the findings

Yin, (2014) states that the case study design comprises the following interlinked components; planning, designing, preparing, sharing and collecting data and information and finally making analytical generalisations.

FIGURE 3.1:

A CASE STUDY RESEARCH PROCESS



(Source: Adapted from Yin, 2014:321)

3.4. CASE STUDY QUESTIONS

Yin, (2014) States that the explanatory case study research is most suitable for addressing “How” and “Why” questions. Yin, (2014) also explains that case studies can either follow a holistic or an embedded design. In this research an embedded unit design approach was utilised whereby the focus was placed on the six interviews conducted. The case was constructed using multiple, embedded units to improve external validity and to guard against observer bias, thus building confidence in the findings and reinforcing the quality and reliability of the research. This was attained by

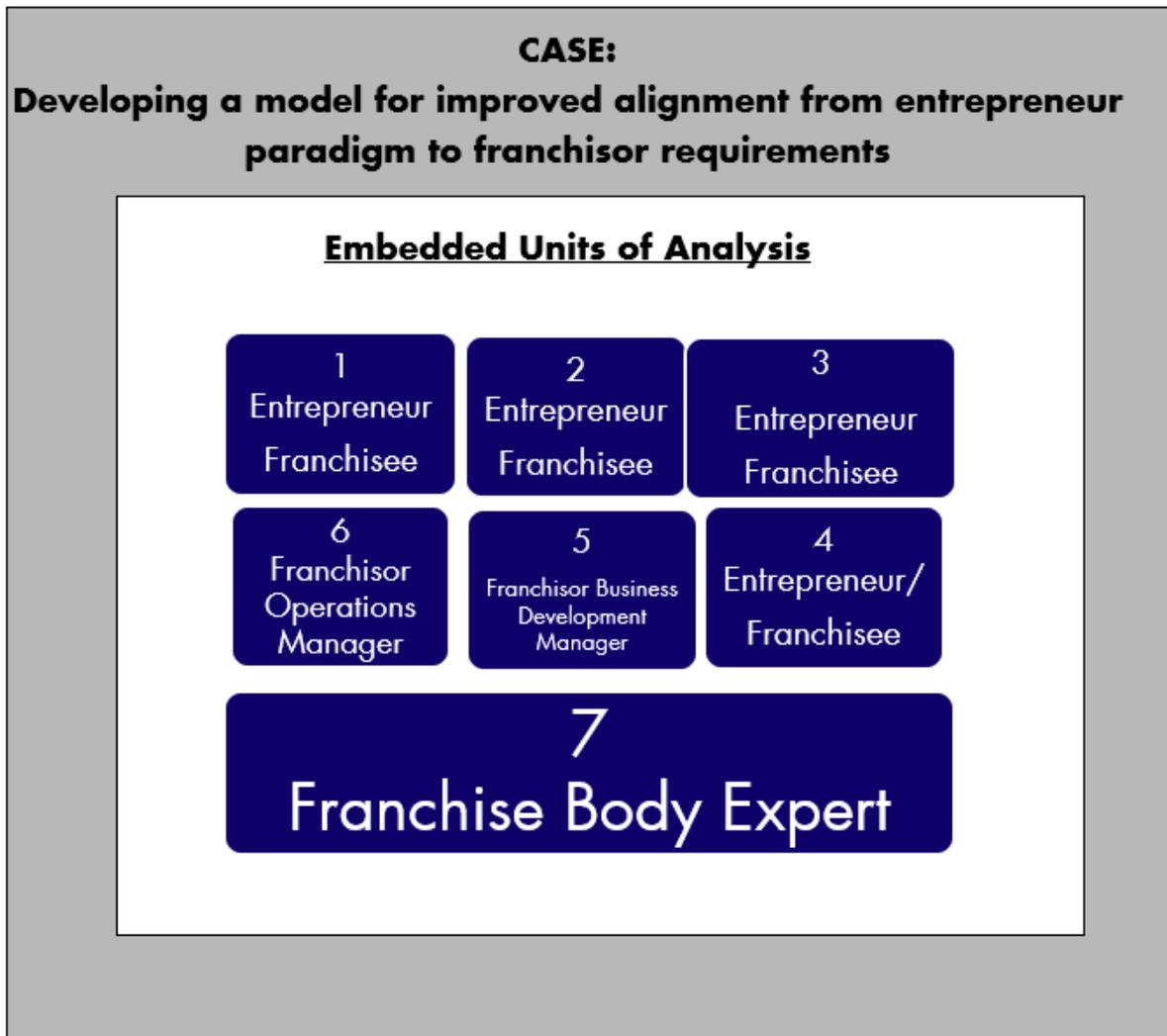
reproducing the cases in the analysis per interviewee when matching the pattern as shown in the Figure 3.2. below

FIGURE 3.2:

EMBEDDED MULTIPLE UNITS OF ANALYSIS DESIGN

CONTEXT:

Entrepreneurs in the tyre retail franchise network



(Source: Researcher's own construction)

In this case study a model for successful alignment of entrepreneur paradigm and franchise requirements has been developed. The subsequent exploratory research questions were used in the relevant embedded units of analysis in order to address the proposed research questions and objectives:

Franchise/Entrepreneurs were questioned on their personal business experience and experience with that of their franchisor.

○ What franchise brands do you represent and what position do you hold?
○ Describe your franchise size; outlet establishment; previous experience?
○ Does your franchise have membership with FASA?
○ What length of experience do you have as a franchisee?
○ How do you find business at the moment?
○ What is your future forecast for your business?
Marketing and Brand Management
○ Does brand and marketing management enable business growth?
○ What marketing is provided by the franchisor?
○ Do you believe it is effective?
○ How are marketing efforts facilitated within the franchise?
○ Do you believe enough marketing is executed by the franchisor?
○ How is the brand equity protected? (consumer and franchisee)
○ Do you see the brand as a competitive advantage?
Entrepreneurial Skills
○ Do you have entrepreneurial freedom? Why?
○ Which entrepreneurial skills are utilised daily?
○ Do you feel like an entrepreneur within the franchise network?
○ Do entrepreneurial skills promote alignment with the franchisor?
○ Does franchising influence your entrepreneurial paradigm?
Regulatory Environment
○ How do you describe your relationship with your franchisor?
○ How is the relationship governed?
○ Do you subscribe and align to the franchisor requirements?
○ How does the governance influence your paradigm?

<ul style="list-style-type: none"> ○ Do you find alignment between franchise values and your personal values? ○ Which factors influence your relationship with the franchisor?
<p>Research and Development</p> <ul style="list-style-type: none"> ○ Do you find that your franchise group innovates with regard to products/systems/services? ○ What role do you think innovation plays within the franchise network? ○ Does the franchisor welcome innovation by the franchisee?
<p>Franchisor Support</p> <ul style="list-style-type: none"> ○ What support do you receive from your franchisor? ○ Is the support beneficial or an inhibitor to other imperative day-to-day activities? ○ Do you find the support welcome? ○ How does knowledge sharing take place?
<p>General</p> <ul style="list-style-type: none"> ○ Is there anything else that you wish to contribute that I have not covered in the questions?

Embedded Units 5 and 6: Interview with Franchisor Operations Manager and Business Development Manager

Franchisor representatives were questioned on their personal business experience and experience with that of their franchisor/franchisee relations and interactions.

○ What franchise brands do you represent and what position do you hold?
○ Describe your franchise size; outlet establishment; previous experience?
○ Does your franchise have membership with FASA?
○ What length of experience do you have as a franchisor?
○ How do you find business at the moment?
○ What is your future forecast for your business?
<p>Marketing and Brand Management</p> <ul style="list-style-type: none"> ○ Does brand and marketing management enable business growth? ○ What marketing is provided by the franchisees?

- Do you believe it is effective?
- How are marketing efforts facilitated within the franchise?
- Do you believe enough marketing is executed by the franchise?
- How is the brand equity protected?
- Do you see the brand as a competitive advantage?

Entrepreneurial Skills

- Do you allow for entrepreneurial freedom within the network?
- Which entrepreneurial skills are utilised daily?
- Do entrepreneurial skills promote alignment?
- Does franchising influence the entrepreneurial paradigm?

Regulatory Environment

- How do you describe your relationship with your franchise network?
- How is the relationship governed?
- Which factors influence your relationship with the franchise network?
- Do you believe that franchisees subscribe and align to the franchise requirements?
- What measures are put in place to ensure this?
- Are values aligned between the franchise and the franchisee?
- Which factors influence your relationship with the franchisee?

Research and Development

- How do you innovate within the franchise network with regard to products/systems/services?
- What role do you think innovation plays within the franchise network?
- Do you welcome and encourage innovation by the franchisee?

Franchisor Support

- What support do you provide to the franchise network?
- Is the support helpful or an inhibitor to other imperative day-to-day activities?
- Do you find that the support is welcomed?
- Does your franchise network support you?
- How does knowledge sharing take place?

General

- Is there anything else that you wish to contribute that I have not covered in the questions?

Embedded Unit 7: Interview with Franchise Body Expert

An external franchise body expert was questioned on personal business experience and experience with that of their franchisor/franchisee relations and interactions.

○ What franchise brands do you represent and what position do you hold?
○ Describe your franchise size; outlet establishment; previous experience?
○ Does your franchise have membership with FASA?
○ What length of experience do you have in the franchise industry?
Marketing and Brand Management
○ Does brand and marketing management enable business growth?
○ What marketing is provided by the franchisees?
○ Do you believe it is effective?
○ How are marketing efforts facilitated within the franchise?
○ Do you believe enough marketing is executed by the franchise?
○ How is the brand equity protected?
○ Do you see the brand as a competitive advantage?
Entrepreneurial Skills
○ Do you believe entrepreneurial freedom is allowed within a franchise network?
○ Which entrepreneurial skills are utilised daily?
○ Do entrepreneurial skills promote alignment?
○ Does franchising influence the entrepreneurial paradigm?
Regulatory Environment
○ How do you describe your relationship between a franchisor and franchisee?
○ How is the relationship governed?
○ Which factors influence your relationship with the franchise network?
○ Do you believe that franchisees subscribe and align to the franchise requirements?

<ul style="list-style-type: none"> ○ What measures are put in place to ensure this? ○ Are values aligned between the franchise and the franchisee?
<p>Research and Development</p> <ul style="list-style-type: none"> ○ What role do you think innovation plays within the franchise network? ○ Do you welcome and encourage innovation by the franchise networks?
<p>Franchisor Support</p> <ul style="list-style-type: none"> ○ What support do you provide to the franchise network? ○ What support do you provide to the franchisor? ○ Do you find that the support is welcomed? ○ How does knowledge-sharing take place?
<p>General</p> <ul style="list-style-type: none"> ○ Is there anything else that you wish to contribute that I have not covered in the questions?

Information was sourced from a holistic viewpoint with adequate coverage from both the franchisee and the franchisor perspective. An external view was also sought from a neutral interviewee who has exposure to all franchise industries.

3.5. CASE STUDY PROPOSITIONS

Yin, (2014) states that a case study proposition guides awareness to something that must be observed within the scope of the study. Baxter & Jack, (2008) are of the opinion that when a case study contains precise propositions, it increases the likelihood that the researcher will be able to impose limitations on the scope of the study and increase the feasibility of realising the completion of the project

A case study could be defined “as a thorough study of a single unit with an objective of generalising across a larger set of units” according to (Gerring, 2004:341). Zivkovic, (2012) argues that case study research is predominantly effective in the analysis of business research problems. When applied to a business context, case study methodology will acclimatise to the type of sources and procedures that are available, just as the methodology has been modified to diverse social science research.

The primary proposition of this case study was how to develop a model to ensure full alignment between the entrepreneur's paradigm and the franchisors requirements. The secondary proposition of this study was to investigate the perceived success of franchising's influence on the entrepreneurial paradigm within the South African tyre retail franchise network by examining the following independent variables; Marketing Management, Brand Management, Entrepreneurial Skills, Regulatory Environment, Research and Development and Franchisor Support.

3.6. UNIT OF ANALYSIS

In case study research, the unit of analysis is related to the process of how the initially proposed research question is defined (Yin, 2014). Although the concept might appear simple, determining the unit of analysis might be challenging for both novice and seasoned researchers alike (Baxter & Jack, 2008).

Yin, (2014) recommends four conditions or tests for design quality:

- construct validity
- internal validity
- external validity
- reliability

These conditions are further discussed below.

3.6.1 Validity

Venkatesh, Brown, & Bala, (2013:45) define validity in the context of a qualitative study "as the extent to which data are plausible, credible and trustworthy". This is attainable through methods of suitable research design, data collection, and data analysis.

The three conditions of validity are as follows:

Construct validity: is focused with the confirmation of what is measured. Confirmation can be realised by using multiple sources of evidence in a manner that encourages convergent lines of inquiry, recognised chains of evidence and by having the draft case study report reviewed by key informants (Yin, 2014).

Internal validity: is focused on establishing credibility in explanatory case studies by means of causal relationships in underlying patterns of similarities and differences between units of analysis in case study research. This is attained by establishing mechanisms that are significant to the inspected patterns and what tools are used to produce them (Yin, 2014).

External validity: is concerned with the transferability of data across individuals, settings and times while defining whether a research study's findings can be generalised beyond the immediate case to other cases (Cooper & Schindler, 2011; Yin, 2014).

3.6.2 Reliability

Tavakol & Dennick, (2011) argue that a researcher is able to objectively measure the reliability of an instrument by calculating the Cronbach-alpha coefficient, which provides a measure of internal consistency. Reliability is the degree to which the measure of a construct is consistent or dependable (Bhattacharjee, 2012). Cronbach's alpha coefficient is an unbiased approximation of the generalisability whereby an estimation of how well the sum score on particular items apprehends the expected score in the entire realm, even if that realm is heterogeneous in nature.

Reliability refers to the validation of the procedures and activities of the research study because they can be replicated by other researchers to attain comparable outcomes and produce consistent results (Cooper & Schindler, 2011; Yin, 2014).

Yin, (2014) states that diminishing errors and biases is the primary objective in a research study. To ensure reliability in this research study, a case study protocol was used to deal with any documentation problems in detail and a case study database was developed.

3.7. THE LOGIC LINKING THE DATA TO THE PROPOSITION

Baskarada, (2014) argues that logic linking the data to the propositions should ensure that the correct type and amount of applicable information is gathered. Case study data involves five analytic techniques which include; pattern matching, explanation building, time series analysis, logic models and cross-case synthesis (Yin, 2014).

In case study research, pattern matching techniques are designed to enhance the rigour of the study. If the empirically found patterns match the predicted ones, the findings can contribute to and reinforce the internal validity of the study and result in the confirmation of the hypotheses/propositions (Almutairi, Gardner, & McCarthy, 2014; Yin, 2014).

If the predicted and experienced patterns do not match, the researcher must examine alternative explanations for the findings (Almutairi, et al, 2014)

In the present research effort, pattern matching was used to match the primary data from the interviews with the literature, thereby determining whether a variable was present in the case study of focus. In order to determine the presence of each variable in each case study, the pattern matching framework for condition propositions and variables adapted from Hak & Dul, (2009) was utilised, where the necessary condition propositions for independent variable design were implemented, because the primary data indicated that the dependent variable was present in all the case studies and so, the expected pattern consisted of checking whether the independent variables were present. Further material on the pattern matching framework will be discussed in Chapter Four.

3.8. CONCLUSION

This chapter provided a full overview of the research methodology used in this study. An explanatory case study research approach was selected as the most suitable way to meet the research objectives defined in Chapter One. The design took the form of a single case with multiple embedded units of analysis in the form of schedule of interview protocols with various industry related individuals.

The case study's interview questions, and primary and secondary propositions were defined as well as the validity and reliability of the research. Lastly, pattern matching, and logic models were chosen as the logic to link the data to the proposition as well as the stated criteria for interpreting the case study findings. The following chapter contains the detailed feedback and analysis of the gathered data.

CHAPTER FOUR: DATA ANALYSIS AND FINDINGS

4.1. INTRODUCTION

In the literature review in Chapter Two, the propositions that were considered to influence the dependent variable were discussed extensively. In Chapter Three, the research methodology and design were explained and how the data collected from the interviews was linked to the propositions. In this chapter, the researcher reports the results from the empirical findings with specific focus on research question RQ5 and the research objective RQ5. In Chapter One, the primary research problem was stated as follows:

Entrepreneurs are pivotal to the success of the economy and franchising allows for swift transition but, however, comes with challenges. Full alignment between the entrepreneur and the franchisor requirement needs to be reached and thus the franchise influencing the entrepreneurial paradigm.

The dependent variable was identified as *the perceived success of franchising's influence on the entrepreneurial paradigm within the South African tyre retail franchise network* by examining the following independent variables: *Marketing Management, Brand Management, Entrepreneurial Skills, Regulatorily Environment Franchise Support, Research and Development*. Critical to the research effort was the method used to link the data to the propositions (see Section 3.7 above). Specifically, in this case study, pattern matching was adopted. In this chapter, the researcher reports the empirical findings and provides the answers to the propositions from the franchisor and multibranded franchisees/entrepreneurs consulted.

4.2. DESCRIPTIVE ANALYSIS OF EMBEDDED UNITS

As explained in Chapter Three, this research effort's case study made use of an embedded unit design approach where the focus was on the seven interviews conducted. The semi-structured interviews took place face-to-face or online during September 2020 were captured on a video/dicta-phone and finally transcribed. The embedded units were defined as follows:

4.2.1 Embedded Unit 1

Embedded unit 1 was Interviewee 1, Entrepreneur and Managing Member. 8 multibranded franchise outlet group. The semi-structured interview was conducted during the month of September in Cape Town.

4.2.2 Embedded Unit 2

Embedded unit 2 was Interviewee 2, Entrepreneur and Managing Member. 10 multibranded franchise outlet group. The semi-structured interview was conducted during the month of September in Cape Town.

4.2.3 Embedded Unit 3

Embedded unit 3 was Interviewee 3, Entrepreneur and Managing Member. 10 multibranded franchise outlet group. The semi-structured interview was conducted during the month of September in Cape Town.

4.2.4 Embedded Unit 4

Embedded unit 4 was Interviewee 4, Entrepreneur and Managing Member. 6 multibranded franchise outlet group and regional franchise council member. The semi-structured interview was conducted during the month of September in Cape Town.

4.2.5 Embedded Unit 5

Embedded unit 5 was Interviewee 5, Franchisor representative. The semi-structured interview was conducted during the month of September in Cape Town.

4.2.6 Embedded Unit 6

Embedded unit 6 was Interviewee 6, Franchisor Regional Head The semi-structured online interview was conducted during the month of September in Cape Town.

4.2.7 Embedded Unit 7

Embedded unit 7 was Interviewee 7, franchise body professional. The semi-structured online interview was conducted during the month of September in Cape Town.

4.3 PRESENTING QUALITATIVE FINDINGS

Chapter One stated the main research question (RQM) of the case study research, which was: *DOES FRANCHISING INFLUENCE THE ENTREPRENEURIAL PARADIGM WITHIN SOUTH AFRICAN TYRE RETAIL FRANCHISE NETWORK?*

The interview responses are now linked through the pattern-matching techniques described in Chapter Three, the main research question and the research questions stated in Table 1.2 of Chapter One.

4.3.1 Interview responses

The various interview responses are categorised into the sections below.

Research Question (RQ1)

“Does the franchise strategy support the entrepreneurial paradigm?”

Embedded unit 1:

We have a lot of freedom; you know doing mechanical work and doing suspension were considered. Not just sticking to the tires. We do shocks and exhausts. We diversified. We can think outside of the box and we do. We do what is best to survive.

Embedded unit 2:

Because you are bound by the rules and regulations, so you can't really expand your own ideas in certain things, you always must run it by them. I also sell online and wheel and deal, and then later sell. I like thinking outside the box. Sometimes the rules hamper me, because it's not the core view of the franchise or what you should be doing. When there is place/opportunity to do other fields of services as well. I have other business interest going on and I enjoy that, especially today I was looking at looking at containers. Yes, either to buy them for myself and immediately when I started talking to the guys, my brain went sideways with ideas. Just letting your mind go and getting creative.

You want to try something new, but you can't also with new ideas, innovation and marketing. It sometimes when you talk to your area managers or to the guys your new ideas fall on deaf ears. They don't listen to ideas. Your ideas are not followed through on. That is frustrating as you give ideas, but nothing happens.

Embedded unit 3:

No, I push the envelope. That's why we no longer going to have 'Super Saturdays' and rather having a 'Super week'. They welcome innovation but it needs to be proved first

Embedded Unit 4

I have freedom within boundaries, especially with local marketing.

Embedded unit 5:

I believe so. Yes, up to a certain extent because you can't give them freedom. Like mentioned, some would like to do, for example, engines. Some would like to do gearboxes. I must say some of the entrepreneurial things we are taking very seriously. We've been investigating that thinking of them to see maybe it's an opportunity in the market because we must look at things like that, especially now, especially now that businesses are very, very slow. So, it's definitely something that we explore. If this, maybe one or two or three guys that's putting up their hands and said, "Look, I want to do mechanical work", or "I would like to install tracking systems", things like that. So, we explore that.

Embedded unit 6:

Yes, it supports the entrepreneur by providing them with a tried and tested formula for success. It's harder fending for yourself as opposed to being part of a brand. The franchise allows the operator to focus on the day-to-day running of a business. The strategic intent and direction will come from the franchisor. Conforming to the franchise requirements will ensure movement in the right direction.

Embedded unit 7:

One hundred percent it should. That is the way to get South Africa back on its feet again. Government should be there helping these guys going. They have the backing of the franchise and the chances of failing is far, far less that it would be if they start on their own. The median length that a franchise has been in business I 10 years. That is a successful business.

They need to do their research before they join a franchise and the franchisor before they commit. Don't just go to the one that you think is the biggest. Ask then for the franchise agreement.

Research Question (RQ2)

“Does the entrepreneur need to align with a franchise?”

Embedded unit 1:

I'd say probably seventy percent of the rules I follow.

Embedded unit 2:

The relationship is good. At times it is a bit rocky when you're not seeing eye to eye on everything. I don't just say “yes” to everything. If something isn't right, I will take it up with them. I think some people get away with things and others not. This leads to double standards. At the end of the day the franchisor will always see where their bottom line is and where they can improve. If your franchise fails, they will still have other franchisee branches that they can rely on. For us it's all very personal. If you don't make it, I don't survive. If I don't make it, he will find the next franchisee and give him the business.

The franchisor needs to see all the stores and not just focus on some stores. Take time to call all the franchisees. Don't just focus on the top performances. Those that don't perform will always have reasons as to why they don't perform. They want to be part of the business and help you grow your business. And, take some time and see where they can help improve. So that will go a long way. But currently, it's like you are

on the franchise, it so that they've franchisor got more footprints all over. And they just keep an eye on you. You're still paying, we're just going for the numbers

Embedded unit 3:

Yes, as a group we stand stronger. There are benefits in being part of a franchise such as economies of scale and footprint. Costs are kept low and resources are shared.

Embedded unit 4:

Yes, it's better being with a franchise than being alone especially now with Covid-19. You get help and support from the franchisor and you don't feel alone.

Embedded unit 5:

Yes, I would say so. I believe we've got people from all different sectors and not everyone's focused on the same things, the same goals in life. Some is in the business just to get an image and to say they own their own business. Some is in the game for money. Some stay in the game to create a future for the kids. So, I believe along the way you will have people with different ways of thinking and ways of operating and the ideas. That determines, eventually the values. Psychometric tests are now part of our requirements for joining the franchise. Normally that is when the frustration starts to build. If they are not aligned with the vision and the franchise, he is pulling that way and you pulling the other way. You stuck in the middle needing to ensure that that guy comes back on track.

Embedded unit 6:

For improved chances of business survival it's best for alignment to take place with a franchise. As mentioned, the franchisor will focus on the strategic direction and the operator on the daily running of his or her outlet. They can do that. Entrepreneurs do, however, need to subscribe to the franchise guidelines.

Embedded unit 7:

Yes, they need to align as the chances of survival is stronger. They have the backing of the franchise and the chances of failing is far, far less that it would be if they start

on their own. The median length that a franchise has been in business is 10 years. That is a successful business. Most of the non-essential businesses have been suffering and many franchisees have closed. Internationally, psychometric tests are concluded to ensure alignment with values with the franchise. This is important. The small franchises are dead set on growing their business and they will sign up anybody who has the cash to invest and grow with them. They overlook alignment in hope of footprint growth.

Research Question (RQ3)

“How is the relationship governed between the franchisor and the entrepreneur?”

Embedded unit 1:

Look, there's a franchise agreement lying around somewhere. No standard operating methods are adhered to. I am quite content and happy. I don't know, maybe I don't worry too much about the rules. I do what I want to do. At the end of the day, this is my business and it's my responsibility to look after the people. Maybe I'll lose a little bit of business, but I think if I was not part of the franchise, the business would still carry on.

Embedded unit 2:

We stick to the rules that they prescribe. So, we don't have any problems at all. The franchise agreement and standard operating procedures are guidelines often utilised. They will have rules that you don't agree with, but because you're part of the franchise, unfortunately it's their way or no way. That's not always nice. I also understand their point of view that one contract is for everyone. If everybody wants to make their own stuff, then why have a franchise. Then rather go on your own and then you won't have any outside influence

Embedded unit 3:

They do come around to check up on everything. We go according to their specs. You do go according to their specs, but you do find a time that it doesn't work. We subscribe and align to their requirements however, they don't align to ours. I won't

do something that will negatively impact our company. I am not going to lose out. I will not be doing anything stupid.

Embedded unit 4:

The franchise agreement is used and the operations manual. It is not always referred to as we know what to do and we also run our own businesses. I don't use it at all. We have always been doing things in a certain way.

Embedded unit 5:

We've got an operations manual and obviously we've got the franchise agreement in place that we use as the guideline. And look, we are not one of those guys that pulls out the franchise agreement every time there is a dispute between the franchisee as well, but should it not be resolved we always had the franchisee's franchise agreement as a guideline to go from there. So, definitely, a franchise agreement would be something that's a huge guideline for us in the background.

So, it's a relationship of give and take. So, when it comes to sometimes, he needs my assistance with something and which I normally try and give it to him as soon as possible and sort this issue out. For example, you've got some who might have fleet queries. Guys are sitting with a huge outstanding amount of Fleet, So you start digging in there and see where you can help solve the issue, is try and use our contacts that we have and our support to solve the issues. For example, all you have things where your business is not doing well so you just trying to give the guy advice on what we've seen with other stores that are working well in other stores. You tell them "look, maybe you should try this and try that".

Embedded unit 6:

Its governance in two forms. A) Franchise agreement B) standard operating procedures manual or operating manual. The franchise agreement provides the framework and sets the scene. Potential franchisees have access to this before they join the franchise network.

Embedded unit 7:

Many franchisors advertise “run your own business. Be your own boss.” In fact, if you think about it, there is a franchise agreement in place on the franchisees to represent the image of the franchisor. If a guy purchases a Spur franchise and does what he wants in a negative way, it will be bad to the franchise brand. If the guy or woman obeys the franchisor and is a good little franchisee, he/she will be grown by the franchisor. They might be offered another store.

There are two things. There is the formal relationship and the informal relationship. Formal being the franchise agreement and standard operating procedures. The informal stuff is paced on personality and information exchanged. If your personalities don't match, it's going to be an arm's length relationship. Personality plays a big part. In McDonalds not one franchisee will ask for autonomy as it is not allowed. This works in their system

Research Question (RQ4)

“How does marketing management ensure alignment between franchisee and franchisor?”

Embedded unit 1:

Yes and no. I'm going to be quite honest. I didn't really trust the franchise as much, because it seems to me like the franchise is more about the franchise than about the franchisees. It's like the government looking after themselves first, and if it's possible we will help you guys the franchisees.

Embedded unit 2:

If you have the greatest product and the people don't know about it, the product won't make it off the ground then, also depending what origin, and in what market group, you, you want to go for age appropriate or differently. Yes, you must have the right brand and it must be more marketed correctly. Not all of us are always in the loop of how they want to do something. We have got something going on in the marketing sector and it was jumped onto us without any knowledge. Not a bad idea that the guys are doing, I must say, but I think, I think that, because they would be a lot of, not

backlash, but everyone would want to through in their 10cents. That can prolong a process.

Embedded unit 3:

I feel that if you market on your own page you get more people reaching out. If I get a picture with a piece of hose pipe with nails in it and I posted it online. It was used in crime. I get more response as I am in the community and area. I got evidence of it, posted it and 1800 people automatically started to respond. It was being reposted. I prefer now to handle my won marketing. They have this 'Super Friday' or 'Super Saturday'. How many people can use this service on a Saturday? Last year, I ran it the whole week and I got all the different brands to come on board. I went live. I had lucky draws for anything that you bought.

If you belong to the community and you help the community, they help you. We even got free advertising in the local newspaper. Customer prefer having a one-on-one with people that they know. I don't think Head office marketing is effective. There are probably 8 people that like posts on Facebook.

Embedded unit 4:

It does but we must sign all marketing off with the franchisor to ensure compliance with the brand, etc. They also want us to use preferred suppliers, but we don't get special pricing.

Embedded unit 5:

Well, the marketing is normally like we used to do marketing via television, billboards and things like that. We're moving towards social media recently. We use WhatsApp marketing these days We found that differently, something that helps a lot. Franchisees must ensure local marketing is in alignment with the framework.

Embedded unit 6:

The franchise pays a monthly marketing fee thus feeling that they should have more input in the franchise's marketing. This often leads to conflict as the franchisor should keep the collective in mind. We welcome and encourage local dealer marketing within the parameters of the franchise marketing guidelines. This is also accessible via the standard operating procedure. We all need to sing from the same hymnal. Marketing leads to healthy conversations and debate but ultimately the franchisor has the final say. We welcome input but we make the final decision.

Embedded unit 7:

There is a bit of resentment in this area as most franchisees pay the franchisor a marketing fee/loyalty, they then advertise the franchise as a collective. If the franchisee is allowed to do local marketing, such as Car Service City, it will bode well. It gives them some form of freedom.

Research Question (RQ5)

How does brand management ensure alignment between franchisee and franchisor?

Embedded unit 1:

The brand is exclusive to us but not the product. Yes, we do have a couple of tyres on the cheap brand, that's okay. It's supposed to be just for us. I know that I can get it at other franchises as well. Some guys, that he's not part of the franchise, is paying a better price and getting a better price than what you're getting on the franchise. That is from the word go. We can't dictate the sell-out, but I know their buy-in is better.

Embedded unit 2:

They are very strict. You don't want franchise members out there with different colours or fonts. Everything must be the same. When the customer walks into one outlet or the next, everything must look the same. The franchisor must facilitate and help ensure alignment as not all structures are the same. Alignment not always possible with a look and feel. Also, having all store looking alike brings harmony amongst franchisees. Strong brands help, however. In smaller towns people buy from people, not

necessarily brands. We changed franchises many times, but people still remember us and support us. It also helps with people from outside of the town as the customer know the franchise. They avoid the competitor.

Embedded unit 3:

Yes, we are still strong. We positive with more than 200 branches. Better with more numbers.

Embedded unit 4:

Yes, if you stick to the brand. If you deviate there is conflict. I understand this as it's their job to ensure that all stores look and feel the same. There must be rules and control in place.

Embedded unit 5:

Definitely. I believe the brand name nowadays is still strong. There's a lot of customers affected by it. I especially see that in the, in the urban areas like we in the CBD areas, we are very strong. Out in the rural areas. It's also strong but not as strong as it is in the urban areas.

Embedded unit 6:

The brand is very powerful and was built over time. We need to protect the competitive advantage. It represents what the end consumer and franchisor perceive the business. It brings about alignment as the franchisee believes that they can be an extension of the brand and thus also considering joining the franchise. They buy into the values.

Embedded unit 7:

There is a certain level at which they willing to give the franchisee autonomy and that is in their local area. The franchisee knows his/her area. When it comes to marketing and the colours the franchisor controls it

Research Question (RQ6)

How does research and development ensure alignment between franchisee and franchisor?

Embedded unit 1:

No, I've been in this franchise for 10 years and I've never heard of this guy that had this idea and let's all implement that. I proposed a toll-free number, which was not executed on. Similar to the police number. It diverts the call to the closest outlet. It might be my customer and I might not make money, but the money will stay in the group.

Embedded unit 2:

We need change with the times. If you don't you will be a dinosaur. We still have the same products that we had for the last 10 years. Product innovation not a lot.

Covid-19 has forced people to change a lot. Where you work smarter, not harder. I have seen a lot over the past four to five months. People have started changing. The way they look at business and the way they do business; it has changed.

Embedded unit 3:

I really don't care. I need to prove them wrong. I need to prove that if we do it this way, we will get a better return. We don't have to waste money on things that won't work. Yes, most of the time is the normal Easter campaigns and it doesn't make sense in December to have a campaign either. I prefer giving immediate discount. Our competitor no longer does such campaigns as it has proven to not work.

Embedded unit 4:

Innovation is welcomed but there is not much being done. They tyre has always been the same. We try and be innovative in our local marketing. We need to change all the time, or we will be left in the dust. We need to drive our own businesses.

Embedded unit 5:

We've got our own Training Department that, that is responsible for the training in our outlets. The primary manufacturer has also provided us with support. In my case, I visit them twice a month. So, if you are identifying a need for training, you just inform our department.

You will see downstairs that there is a TV installed. That's also been there for training purposes. So, while the business is open there is always information-sharing with customers. But then there's also function on the television that you can do in-store training to our store to sample. It has a double function. So, the guys get the right training on, fitment, brakes, shop training, the latest technology. Accommodation and travelling to the venue, we normally set up the central location but now with Covid-19 is a bit difficult. Now we try to do in-store training. So, the guy comes down for a week or two weeks and does store-to-store and training and then we identify another area. So, there's a lot of information being shared on that as well. And then also we've got our bulletin that is sent out from different suppliers. Normally our Head Office compiles information and forwarded to stores informing them of the newest technology in this sector.

Embedded unit 6:

We always looking for better ways to improves our current products, systems and processes. Innovation is essential for survival. We have seen businesses pivot with Covid-19 and often venture out of their comfort zone. Once the franchisee believes that you are constantly driving this agenda it will be easier for them to buy into what you are planning. Many are willing to try new ventures at their outlets.

Embedded unit 7:

If the franchisee knows his area and he approach to the franchisor and suggests an idea, if the franchisor is worth anything he will say, "Sure go with it". There needs to be open communication between the franchisee and franchisor. If the idea is good the franchisor might introduce to the other franchisees. Franchisors allow for innovation and some of them say, 'absolutely not'. It comes back to the relationship between them. That's when the informal relationship counts a lot. They prove that

satisfaction also breaks into two constructs; Economic and Non-economic. The non-economic construct is almost as important as the economic.

Research Question (RQ7)

“What support is required from the franchisor?”

Embedded unit 1:

I think it would be nice to have support. It might come as a shock, but it would be welcomed. We need support in business operations and product. We also require industry information. We require regular visits which contribute in value.

Embedded unit 2:

There can sometimes be a bit more support and help from them. Especially if they look at your business model and how you run your business, and definitely give more help and more input. That will also go a longer way. They need to assist you and ask, “How we can support you?” instead of saying “Sorry, your loss”.

Any support will be welcomed. Even if it’s a phone call to ask, “How are things going?”, is “there anything you need help with”? Just that phone call will help as they show they are worried about you and that they care. They don’t need to solve the problems at all. They just need to show interest and show empathy. We are part of the RMI (Retail Motor Industry) which is also very good. As a franchise member you are automatically part of the RMI. Before and during Covid-19, we were updated with everything. The franchisor kept us in the loop all the time.

Embedded unit 3:

The franchisor representative visits one day a week as per his schedule. He listens to us and not us listen to him. We will give him our ideas and he will say, “Yes” or “No”. He mostly deals with any complaints that was called in. Right now, they are supplying support in the form of a promotion campaign where the client gets R800 off a four-tyre purchase.

I suppose if we were a struggling store there would be more support. However, we are not. We introduced aircons and nitrogen machines. The franchisor now wants to shoot a video in our store to roll out to others. I will listen. I am not fighting them. We have been in business long enough to know what will work and what won't work. The reps have studied, and they have the papers, but they don't have the experience behind the counter.

Embedded unit 4:

Training. Better rebates from suppliers. Better pricing from suppliers. They need to listen and show us that we are on the right track. Also share what is happening in other areas. Also, don't open other outlets close to each other.

Embedded unit 5:

We have our own system that ensures the business is sustainable and assists the franchisee in keeping a certain standard level in the entire business. So, we look after things like fleet. We also looked at marketing. That was kind of thing. We also involved in training in our business. So, yeah, that's just some of the main areas that we focus on.

Embedded unit 6:

We support them in various ways

- a) Operational support and regular audits*
- b) Marketing and brand support*
- c) Online and offline training*
- d) Sourcing promotional deals with suppliers*
- e) Market research gets shared*
- f) First right of refusal on new and potential sites*

Generally, the level of support depends on the franchisee and how long they have participated in the franchise network. We expect the franchisee to remain loyal to the

brand and always represent the franchise's best interest. They should also not bring the franchise into disrepute.

Embedded unit 7:

With Covid-19 many franchisors have tried to see how they can assist their franchisees. Many of them can't. If they can't afford to then they can't afford to. The franchisor is there to collect the royalties. Very few of them are in the essential industries. Some franchisors sell more than others. Some just says, "Get on with your business." And hopefully you can pay the royalties every month.

A franchisee does want support. It doesn't matter how much they say they don't need it. They need the training provided by the franchisor, the operations manual and the information. That is all part of support that can be provided by the franchisor. It does depend on how the support is delivered. If you come in like a soldier? Or does he come in and chat to them in a friendly way?

The field managers travel around and try and sort out issues on both sides. Is the franchisee living up to the franchise agreement and also the other way. Some are good and some are bad. Franchising in SA falls under the consumer counsel. There is this whole big relationship before you even get to the consumer. If you look at Australia as an example, it's the way it should be. The USA as well. In SA it has not developed as much. It's here, but not quite.

Research Question (RQ8) is not for the researchers benefit thus being omitted.

Research Question (RQ9)

"What recommendations can be put forward to franchisors to ensure alignment?"

Embedded Unit 1

Ensure that you get the right franchisees on board. The wrong people might damage the brand and cause conflict.

Embedded Unit 2

Listen to us. It's simple. See us as a partnership. Don't just take royalties.

Embedded Unit 3

We need change with the times. If you don't you will be a dinosaur. Bring new changes constantly. Customer are looking for that.

Embedded Unit 4

Listen to the franchisees and better support them even if they say they don't want the support. Improve communication by using all channels available. Come and spend time in the stores by the top management.

Embedded Unit 5

Listen and support where you can. We are together in this thing. The one cannot function without the other.

Embedded Unit 6

Build trust by listening to the franchisee. Be empathetic. Keep channels of communication open. Spend a lot of time in the trenches in their business to get a feel.

Embedded Unit 7

Decent and initial upfront training. Allow the potential franchisee to spend time in another outlet to learn. The franchise system in SA is not well controlled. We have FASA. However, it has no teeth. FASA mediates. However, they cannot enforce. Only 15% belongs to FASA. It's also expensive.

Research Question Summary

The variables proposed in the study namely; Brand, Marketing, Value alignment, Support, Regulatory environment were researched to identify the perceived success of the franchisor's influence on the entrepreneurial paradigm. The entrepreneurial paradigm as touched on in Chapter One is a mindset. It's a paradigm that constantly

seeks out change as opposed to waiting to adapt to change. Critical questioning, innovation, service and continuous improvement attitude are embraced (Smith, 2013).

From this research it is evident that franchising is viewed as a positive contributor to entrepreneurial success, however, not without conflict. This is based on the feedback of most of the franchisee respondents who felt that not all of their needs were being subscribed too. This study supports the notion that franchisees often subscribes reluctantly to the franchise regulations, yet however, still maintain a healthy level of entrepreneurial thinking which often cannot be suppressed.

Recommendations from the results in the embedded units, which could be applied to other franchisors include:

- Consistency is key, regardless of franchise size.
- Building trust is paramount.
- A win-win situation needs to be the outcome of every interaction.
- Finding a healthy balance between corporate red tape and franchisee needs.
- Improve communication and listen to feedback provided by franchisee.

The alignment of the franchisor and franchisee is paramount to the success of the franchise model resulting in a win-win situation. The relationship cannot unilaterally survive without each other.

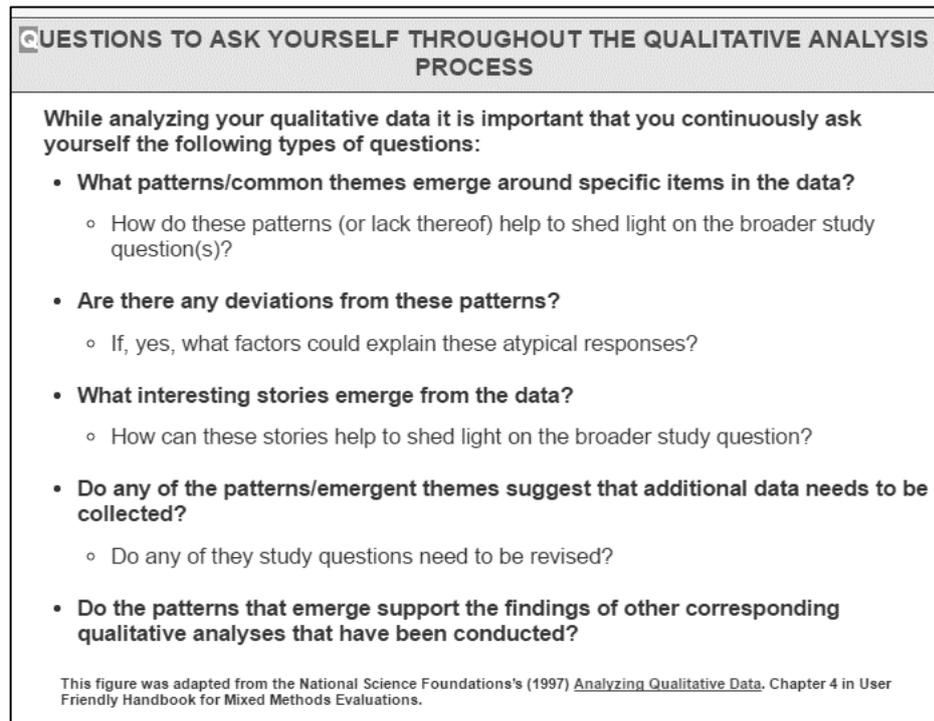
4.4. PATTERN MATCHING

“Qualitative data analysis involves the identification, examination, and interpretation of patterns and themes in textual data and determines how these patterns and themes help answer the research questions at hand” (Pell Institute, 2016). Certain identified themes and patterns as noted in the summary in Figure 4.2 will be matched in Table 4.1 below. Yin, (2014) notes that pattern matching may involve non-quantitative or statistical criteria and if the results do not show a predicted pattern, then the initial proposition could be questioned. Yin, (2014) cites Donald Campbell (1975) in support of how pattern matching relates to linking the data to the major propositions and how it assists in addressing internal validity in case study research. Chapter 5 will continue

to summarise findings from the questions highlighted in Figure 4.1 and indicate how the patterns support the findings in the propositions and the Research questions.

FIGURE 4.1:

ANALYSING QUALITATIVE DATA



(Source: Pell Institute, 2016)

4.4.1 Linking the data to the proposition

The table below applies the pattern matching technique in order to validate the primary data of the interview responses, as noted in the various embedded units, against the six propositions that were identified in Chapter 1, Figure 1.5. The interview questions were linked to the secondary research questions tabled in Chapter One, (Table 1.3) that indicated a relationship of the propositions with the specific numbered embedded units. The patterns which were recognised by Yin, (2011) above, are thus linked to the propositions and primary data from sources in the literature review, which attempts to establish data convergence.

TABLE 4.1:
LINKING THE DATA TO THE PROPOSITIONS

PROPOSITIONS	EMBEDDED UNIT	RESEARCH QUESTION	DEPENDENT VARIABLE
P1 MARKETING MANAGEMENT	1, 2, 3, 4, 5, 6, 7	How does marketing management ensure alignment between franchisee and franchisor?	PERCEIVED SUCCESS OF FRANCHISINGS INFLUENCE ON THE ENTREPRENURIAL PARADIGM WITHIN THE TYRE RETAIL FRANCHISE NETWORK
P2 BRANDING MANAGEMENT	1, 2, 3, 4, 5, 6, 7	How does brand management ensure alignment between franchisee and franchisor?	
P3 ENTREPRENUER SKILLS	1, 2, 3, 4, 5, 6, 7	Does the entrepreneur need to align with a franchise?	
P4 REGULATORY ENVIROMENT	1, 2, 3, 4, 5, 6, 7,	How is the relationship governed between the franchisor and the entrepreneur?	
P5 RESEARCH AND DEVELOPMENT	1, 2, 3, 4, 5, 6, 7	How does research and development ensure alignment between franchisee and franchisor?	
P6 FRANCHISE SUPPORT	1, 2, 3, 4, 5, 6, 7,	What support is required from the franchisor	

(Researcher's own construction)

4.5. CONCLUSION

In this chapter, the empirical findings were linked to patterns in the propositions noted in Chapter One. The following final chapter will conclude the research with a consolidation of the findings and recommendations. The conceptual framework will be revisited to recognise the impact of franchising on the entrepreneurial paradigm within the tyre franchise network.

CHAPTER FIVE: FINDINGS, CONCLUSIONS AND RECOMMENDATIONS

5.1. INTRODUCTION

In this chapter, Research Question (RQ) 9 and Research Objective (RO) 12 will be addressed below. The research findings in the context of the study are interpreted and evaluated on the basis of the empirical data and insights gained during the study. The first section of the chapter provides a summary of the study while the subsequent section focuses on the interpretation of the findings against the background of the original research problem and research objectives to reach a valid conclusion. In the final section of the chapter, the researcher discusses the implications of the research results, presents specific recommendations with regards to future research opportunities in the field of the study, and describes the limitations of the study.

5.2. OVERVIEW OF THE STUDY

In Chapter One, the primary research problem was recognised as follows: *Does franchising influence on the entrepreneurial paradigm within the South African tyre retail franchise network?* The primary research problem which formed the focus of the case study research method followed from the identified problem of how franchising impacts upon the entrepreneurial paradigm. The primary research problem sought to identify the influence that franchising has on the entrepreneurial paradigm. The primary objective investigated potential factors that could contribute to a more aligned relationship between the franchisor and franchisee to ensure mutual success.

Table 1.3, in Chapter 1 summarised the 9 secondary questions in order to reinforce the main research problem. The primary research objective was supported by a number of successfully achieved secondary objectives as described in Table 5.1 below.

TABLE 5.1:
RESULTS OF SECONDARY OBJECTIVES

RO1-RO6	Conducted an extensive literature review on franchisor franchisee support, alignment, governance, marketing management, brand management, research and development.
RO7	An interview guide to conduct the data collection was designed, with in – depth interviews of participants in the franchise sector, as well as an analysis of the data that was collected.
RO8	A judgmental sample of relevant participants in the franchise sector was drawn and which consisted of franchisees, franchisor management and franchise industry experts.
RO9	Conduct semi-structured interviews with franchisees and franchisor within the tyre retail trade along with a franchise industry expert.
RO10	The primary data was collected, analysed and linked to the propositions.
RO11	The empirical results of the study were recorded and analysed.
RO12	Conclusions, managerial recommendations and research gaps for future research were described and identified.

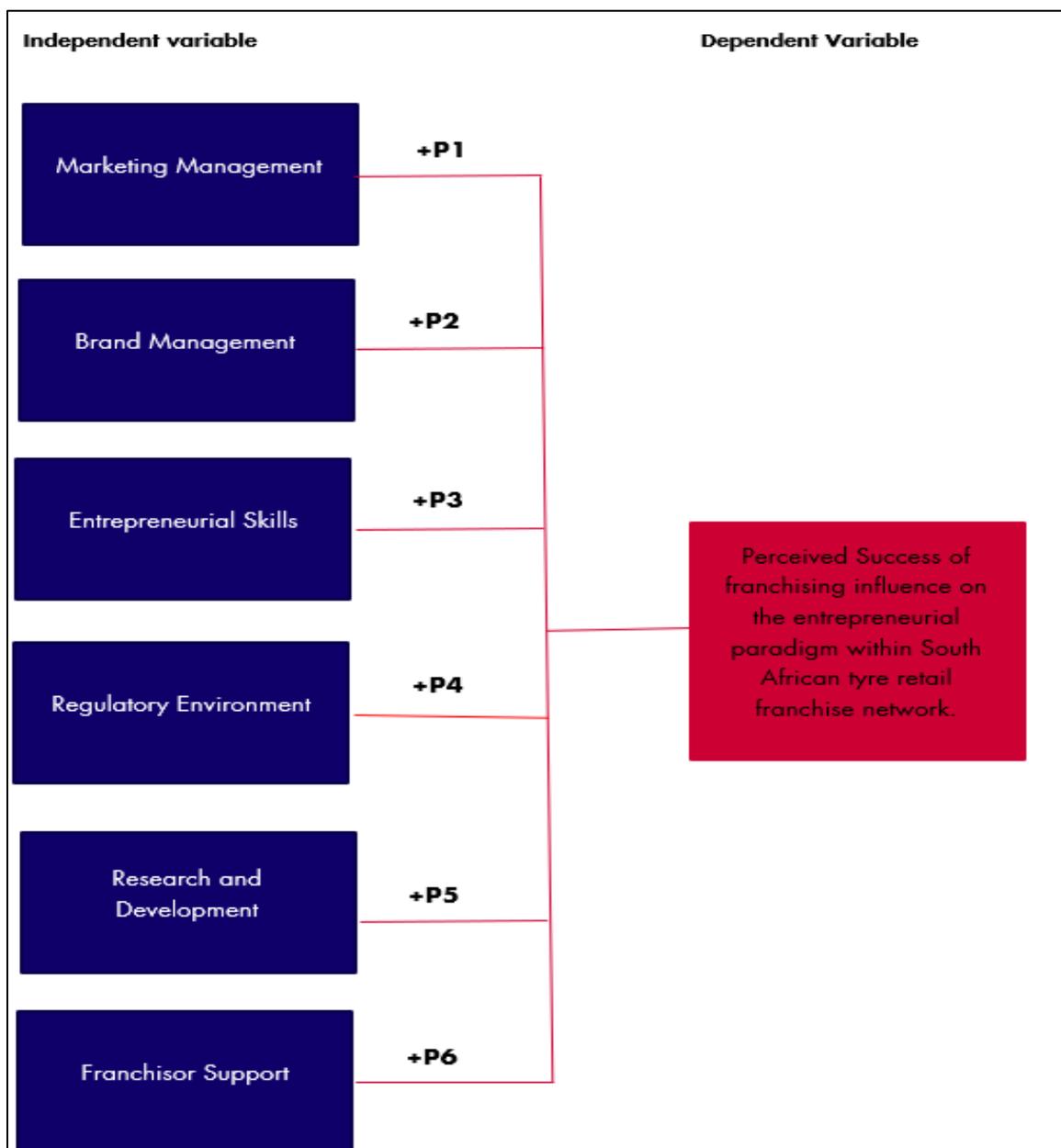
(Source: Researcher’s own construction)

Chapter Two comprised a comprehensive literature review which considered global, African continent and South African franchising, with a focus on the retail tyre fitment industry. This was illustrated in the conceptual research framework, Figure 1.4 in Chapter One.

The dependent variable which was identified was: *The perceived success of a franchising influence on the entrepreneurial paradigm within South African tyre retail franchise network*. The perceived success of a franchising influence was empirically assessed in Chapter Four and linked to the independent variables. The case study researched results indicated that the dependent variables values were all positively influenced by the independent variables, which was illustrated in Chapter Four in the

case study research propositions, which were as follows: *Marketing Management, Brand Management, Entrepreneurial Skills, Regulatory Environment, Research and Development and Franchisor Support*. The positive relationships between the independent and dependent variables are illustrated in Figure 5.1 below, which highlights the relationships of propositions to the perceived success of franchising influence on the entrepreneurial paradigm.

FIGURE 5.1:
RELATIONSHIP OF PROPOSITIONS INFLUENCING THE CASE STUDY
PROPOSITIONS



(Source: Researcher's own construction)

5.3. CONCLUSIONS FROM CHAPTER THREE

An interpretivist research paradigm was applied to the study to develop and test the theoretical model using a schedule of interview protocols to source the primary data. The interviews were conducted between 28 September and 2 October 2020. The primary data collected from the recorded, transcribed interviews were analysed as an embedded unit, using the pattern matching technique to logically link the propositions with the data.

To ensure the validity of the research study, rich data that fully covered the field were obtained through detailed and varied interviews. The respondents were then contacted after the interviews for feedback and to minimise any misinterpretation of their views.

Yin, (2003) identifies four aspects of quality control for the case study method, which includes: “construct validity”, “internal validity (for explanatory or causal case studies only)”, “external validity” and “reliability”. Construct validity for this exploratory case study method was applied through data triangulation and establishing a chain of evidence (Yin, 2003). External validity was established through the pattern matching technique of the embedded units, recorded interviews, semi-structured questionnaire design and detailed interview process (Yin, 2003).

5.4. DISCUSSIONS OF RESULTS

In Chapter Four, Figure 4.2 demonstrated the typical questions which should be asked throughout when analysing a qualitative study. The following sections continue to attempt to answer these questions which were also illustrated in the patterns linked to the propositions in Chapter Four.

5.4.1 Research Questions and Conclusion about the Research Problems

Identifying factors that could influence the relationship between the franchisor and franchisee was the rationale behind the main research problem. The main research problem determined the secondary questions, which were first introduced in Table 1.1.

Table 5.2 below summarises the observations that were identified as being related to the secondary research questions.

TABLE 5.2:
CONCLUSION TO SECONDARY RESEARCH QUESTIONS

Secondary research questions answered	
RQ1	<p><i>Franchise strategy</i> supports the entrepreneurial paradigm within a framework of parameters. Participating in a franchise provides economies of scale and access to resources. Certain franchise regulation might suppress the entrepreneurial paradigm as uniformity and consistency is of paramount importance with little to no deviation. Participation in a franchise increases chances of survival.</p> <p>Table 2.2: Entrepreneurial skills needed for business.</p> <p>Figure 2.3: Entrepreneurial behaviour interaction revolving around values, beliefs and needs of the entrepreneur.</p>
RQ2	<p>The <i>entrepreneur needs to align</i> with the franchisor to ensure a fruitful and healthy relationship. Alignment enables for future growth. Alignment with a franchise network is less risky than venturing out alone without support.</p> <p>Figure 2.1: Financial growth of franchise systems.</p> <p>Figure 2.2: Quantity of franchise systems within South Africa</p>
RQ3	<p><i>Governance</i> between the franchisor and franchisee gets facilitated by:</p> <ul style="list-style-type: none"> • Franchise Agreement • Standard Operating Procedures • Franchisee audits by the franchisor • Table 2.3: Main pieces of legislation that impact on franchising

	<p>This ensures uniformity and consistency amongst the franchise network.</p> <p>Table 2.5: Franchise theories (Agency, resource and signalling theories with the variables it has an impact on)</p>
RQ4	<p><i>Marketing management</i> in the franchise plays a role in alignment of the franchisor and franchisee by the following:</p> <ul style="list-style-type: none"> • In the study is it identified that advertising by the franchisor, franchisor-owned properties or other franchisees may spill over and have a positive impact on sales, which benefits the franchise network. • Marketing management is very delicate subject matter as marketing fees are paid to the franchisor to market on the behalf of the franchisee.
RQ5	<p><i>Brand management</i> of the franchise plays a role in alignment of the franchisor and franchisee by:</p> <ul style="list-style-type: none"> • Strong brand identity is strengthened through brand management which entails the brand image selection. Implementation and control is thought to be a vital part of brand management, leading to brand market performance.
RQ6	<ul style="list-style-type: none"> • <i>Innovation</i> is indicated as a key role in alignment of the franchisor and franchisee. The franchisor drives this directive. Input is welcomed by the franchisor from the franchisee. • <i>Figure 2.4</i> identifies a process for innovation • Radical changes in the competitive landscape brought about by technology, shortened product lifecycle and fierce competition have highlighted research and developments contribution to the overall competitive advantage.

RQ7	<p>In the study, it is showcased that <i>support</i> of any kind is welcomed even if not required. Support levels will vary by each franchisee.</p> <p>Barthelemy, (2008) argues that the franchisee can lower the start-up risk and operational risk by taking sound guidance from the franchisor, namely; marketing strategy formulation, resource allocation, promotion and advertising activities.</p> <p>Table 2.4: Essential support functions. These are included the below</p> <ul style="list-style-type: none"> • Training • Site Selection • Marketing and advertising • Ongoing assistance • Head office support • General
RQ8	<p>The primary data collected was linked successfully to the propositions as shown in Table 4.1</p>
RQ9	<p>The study identified key success factors for successful alignment between the franchisor and franchisee.</p> <p>Essential factors</p> <ul style="list-style-type: none"> • Empathy • Improved communication • Trust • Transparency • Aligned objectives

(Source: Researcher’s own construction)

Interpretations and conclusions addressing the propositions

The following section will discuss the findings, interpretations and conclusions addressing the propositions which were presented in Figure 5.1 in this Chapter. Pattern matching was used to determine a definitive relationship between the independent variables and the variable.

5.4.2 Marketing

For the purpose of this study, marketing is defined as the how both the franchisee and franchisor reaches their customers and promotes the franchise brand, through advertising, sales, direct mails, public relations and promotions and technology from which the both parties benefit economically. The results of the embedded units agreed that the franchisee must contribute towards marketing initiatives in support of marketing their own franchise. Notably, the embedded units' results are in agreement that the respective franchisees know the defined area and should be given autonomy to market in that space. There has also been a strong shift towards online platforms for marketing endeavours as mentioned by the embedded units, this corresponds with Nielsen's, (2012) view that consumers are spending most of their time online and using social media. Marketing attracts not only consumers but also new franchisees to the franchise network. Embedded Unit 1 stated that, *"that's a way that the world is going and it's with social media. Nobody ever picks up a newspaper anymore so it's useless advertising in newspapers"*

Embedded Unit 7 stated that *"There is a bit of resentment in this area as most franchisees pay the franchisor a marketing fee/loyalty, they then advertise the franchise as a whole"*. With the marketing fee contribution franchisees want more autonomy on the matter.

A positive relationship would thus appear to exist between Marketing and Perceived success of franchising influence on the entrepreneurial paradigm within South African tyre retail franchise network.

5.4.3 Branding

For the purpose of this study, branding is seen as marketing practice in which a company or franchise creates a name, symbol or design that is easily identifiable as belonging to the company or franchise. It helps distinguish a franchise or product from others. The literature survey in Chapter Two highlighted research by Villarejo-Ramos & Sanchez-Franco, (2005) that the brand value is the most significant aspects for the

survival and protection of a firm's position in the market Kapferer, (2004) argued that a strong brand contributes significantly to revenue streams.

The brand comes to life through product/service communication by the franchisee network. This attracts and retains franchisees. The franchisee buys in brand ethos and values that the franchise brand represents and will then trade under this common trade name and branding of the franchise. Embedded Unit 1's feedback indicated that the brand brings about exclusivity as no other person will have access to the brand in a defined geographical area. Embedded unit 5 stated that the brand attracts prospective consumers and its especially strong in urban areas. When those consumers find themselves in rural areas the brand value attracts the business.

A positive relationship would thus appear to exist between Brand Management and Perceived success of franchising influence on the entrepreneurial paradigm within South African tyre retail franchise network

5.4.4 Entrepreneurial Skills

For the purpose of this study, Entrepreneurial Skills are those set skills which are required to run a business within or outside of a franchise network. Bolton & Thompson, (2003:213) define entrepreneurship "as a person who habitually creates and innovates to build something of value around perceived opportunities". Although participating in the franchise system the franchisee continuously thrives on seeking commercial opportunity. The entrepreneurial skills encompass a vast array of skills such as personal skills, interpersonal skills and process skills. Successful franchise ownership requires a very specific mind-set. Most successful franchise owners can effectively combine a strong entrepreneurial spirit with a willingness to follow proven systems. Failure to meet customer expectations and alienation from the franchisor will be the consequence if the franchisee lacks the discipline and desire to follow the franchise system (Bisio, 2015).

Embedded Unit 7 suggested that if the franchisee is in good standing then the franchisee will be developed by the franchisor. Personality alignment is also pertinent to ensure mutually beneficial standing.

A positive relationship would thus appear to exist between Entrepreneurial Skills Development and Perceived success of franchising influence on the entrepreneurial paradigm within South African tyre retail franchise network.

5.4.5 Regulatory Environment

For the purpose of this study, the regulatory environment governs the relations between the franchise and the franchisee and sets the parameters for a mutually beneficial relationship. Franchisee are given some grounds of autonomy but, however, trade within the parameters as prescribed. There is agreement by all embedded units that the relationship is governed by the franchise agreement and the standard operations manual/procedures. The franchise needs to ensure that the rules are enforced to ensure the franchise remains sustainable and that the brand perception remains intact. The franchisee will occasionally try and be progressive. However, they are encouraged to engage the franchisor on any proposed ideas.

A positive relationship would thus appear to exist between Regulatory environment and Perceived success of franchising influence on the entrepreneurial paradigm within South African tyre retail franchise network.

5.4.6 Research and Development

For the purpose of this study, Research and Development is the process intended to create new or improved processes or services. This endeavour is driven by the franchisor with input from the franchisee on occasions. Continually seeking to innovate, present new ideas and procedures that will improve the business and current operational systems rest with the franchisor to ensure a competitive advantage. The new products or offering must be tested and compatible with the existing product offering.

Embedded Unit 5 stated that innovation is a topic at meetings and a topic driven by top management. Due to the changing trade landscape, the franchisee is willing to look at other avenues to generate income. Embedded Unit 7 stated that innovation is of paramount importance however the term is used loosely and not given the time and importance that it deserves.

The Chapter Two research study refers to reaching an equilibrium of control and innovation (Henri & Wouters, 2017). Restricting innovation through an overabundance of regulations hinders the progress of innovation (Kücher, 2013). The franchisor will have to encourage communication and room for innovation with parameters.

A positive relationship would thus appear to exist between Research and Development and the Perceived success of franchising influence on the entrepreneurial paradigm within South African tyre retail franchise network

5.4.7 Franchisor Support

For the purpose of this study, Franchisor Support is the offering provide by the franchisor to the franchisee to mitigate risk and increase survival prospects. This is showcased in many forms such as training, site selection, marketing and advertising, head office support and general operations.

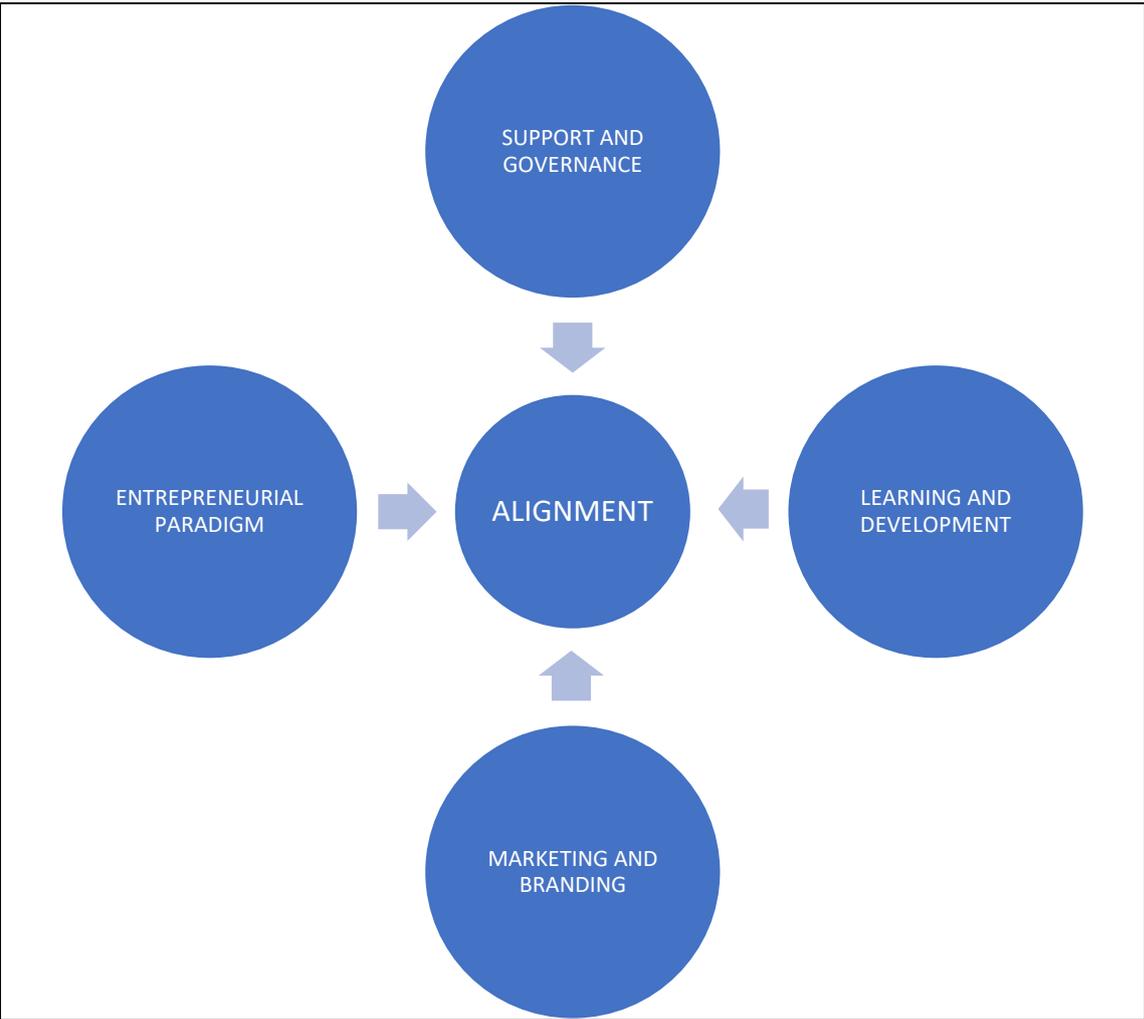
All interviewees noted that they welcomed support in any form from the franchisor. The support needed to be ongoing. This would ensure a mutually beneficial and sustainable relationship. The level of support provided would also attract and retain franchisees on the network. Each franchisee would have different levels of support that would be required. New franchisees would require more support than franchisees that had been on the franchise platform for a longer period. The support would have to be adapted to the franchisee's needs. The literature survey in Chapter Two highlighted research from Noorteboom, (2002) who maintains that the actions of one party either intentional or not will likely have an impact on the other, hence making trust critical in the relationship. The franchisee and the franchisor have an interdependent relationship. Table 2.4: Essential support fundamentals in South Africa was highlighted by the embedded units.

A positive relationship would thus appear to exist between the extent of Franchisor Support and Perceived success of franchising influence on the entrepreneurial paradigm within South African tyre retail franchise network.

5.5 THE DEPENDENT VARIABLE: SUCCESSFUL ALIGNMENT OF ENTREPRENEUR PARADIGM AND FRANCHISE REQUIREMENTS

Improved alignment will comprises of four segments ensuring improved alignment between the franchisee and the franchisor requirements.

FIGURE 5.1:
MODEL FOR IMPROVED ALIGNMENT



(Source: Researcher’s own construction)

The above model underpins the following four key focus areas required for improved alignment between the franchisor and franchisee to ensure improved alignment and congruence.

- Support and Governance
- Marketing and Brand Management
- Learning and Development
- Entrepreneurial Paradigm

5.5.1 Support and Governance

Franchisees need support in terms of business plans and daily operational endeavours. The franchisees cannot be left to their own devices. The relationship is transactional, and a franchise/marketing fee is paid and in return a service needs to be provided by the franchisor. Harmon & Griffiths, (2008) maintain that vulnerable situations often arise when supposed benefits are not actualised, with trust identified as indispensable feature. Trust is paramount and required to ensure a fruitful relationship. Currently South Africa does not have specific franchise legislation. A 'social contract' plays a pivotal role in adherence to stipulations governed by the franchising contract to ensure a desired outcome (Heide, et al, 2007). The franchisee needs to be governed by rules to ensure sustainability of the franchise network and to ensure that all parties are living up to their contractual obligations. This would ensure successful alignment.

5.5.2 Marketing and Brand Management

Marketing of the franchise would bode well for both the franchisor and franchisee resulting in a win-win situation. Marketing will have to be born from both parties within the framework of the brand elements. Failing this it will result in compromising the franchise network. Thus, the brand needs to be protected at all costs with regular operational audits and visits. Digital marketing is on the rise to ensure efficient investment. In Chapter Two, Kotler & Armstrong, (2009) state that organisations are converting to digital marketing to improve consumer numbers. Not only utilising interactive strategies to connect with consumers, it offers accurate targeting of potential consumers (Pandey & Gudipundi, 2019).

5.5.3 Entrepreneurial Paradigm

The entrepreneurial paradigm has a place within the franchise network. According to Sadri, (2010) the cause of, as well as the consequences of, entrepreneurship are economic growth, technological advancement and conceptual innovation. The franchise network collective nevertheless needs to ensure that the sustainability of the network is maintained and achieved. The entrepreneur thus takes on the form of a franchisee subscribing to the obligations of the title. According to Rae, (2006) entrepreneurial skills and knowledge are impacted upon positively by enterprise education. A positive connection between entrepreneurial skills, entrepreneurial attitudes and intentions exists. Kuratko & Hodgetts, (2004) state that entrepreneurship is a cohesive idea that spreads throughout an individual's business in an innovative way.

5.5.4 Learning and Development

Learning and developed is pivotal to successful alignment. The franchisor needs to drive this agenda along with a suitable platform for the learning to take place. It was identified in the research study that a primary objective of the franchisor should be constantly to seek and to innovate and to present new ideas and procedures that will improve the business and current operational systems (Nadler, 2020).

Market research and piloting of innovation will have to be driven by the franchisor to avoid competition getting a competitive advantage. The franchisee also needs to ensure a culture of learning is development at the outlet level. The embedded units mentioned that they don't have the freedom to innovate.

5.6 RECOMMENDATIONS AND SUGGESTIONS FOR FUTURE RESEARCH

It is suggested by the researcher that there is a great deal of future research potential in each of the positive independent variables identified in Figure 5.1 and which can be classified into the following research topics:

- New challenges in the franchisor and franchisee relationship.

- Continued research on business growth and expansion by franchising.
- Continued research on franchisor support in a changing landscape.
- Continued research on franchising role in job sustainability in the Fourth Industrial Revolution.
- Continued research on the impact of franchise legislation in South Africa.
- Continued research on the effects of standardisation and trust on franchising's performance and satisfaction.
- Understanding franchisee performance: The role of the franchisee's autonomy, affective commitment to the network and innovativeness.

5.7. LIMITATION OF THE STUDY

The IFA states that there are more than 120 diverse franchise industries including: Automotive; Business Services, Commercial and Residential Services, Education, Lodging, Personal Services, Quick Service Restaurants (fast food), Real Estate, Retail Food, Retail Products Services, Senior Care, Medical Services, and Table/Full Service Restaurants (IFA, 2019c). The delimitation of the research serves the purpose of making the research manageable. The research was limited to business format franchising in the retail tyre trade.

Franchisees were facing unprecedented trading challenges as a result of Covid-19 pandemic. Time and availability are a constant limitation. Technology however assists in overcoming the risk and time constraints.

5.8. CONCLUSION

The above chapter addressed research question RQ9 and research objective RO7 while the research findings in the context of the study were interpreted and evaluated

through the utilisation of both the empirical data as well as insights gained in the duration the study. Against the background of the original research problem and research objectives the study was then summarised and the findings were interpreted. The above final section of the chapter underscores the inferences of the research outcomes and presented definite recommendations with regards to future research opportunities in the field of the study

Franchising is critical for economic development. The study indicates that franchising influences the entrepreneurial paradigm. The entrepreneurial spirit needs to be controlled to ensure compliance at times. Franchising provides comparable risks and benefits associated with other entrepreneurial ventures. However, entrepreneurs have a stronger chance of survival when aligning themselves with a franchise network. The franchise network is governed by parameters ensuring a sustainable model.

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LIST OF ANNEXURES

ANNEXURE 1: NMU BUSINESS SCHOOL ETHICS CLEARANCE LETTER



PO Box 77000, Nelson Mandela University, Port Elizabeth, 6021, South Africa | mandela.ac.za

Chairperson: Research Ethics Committee (Human)
Tel: +27 (0)41 504 2347
sharlene.govender@mandela.ac.za

NHREC registration nr: REC-042508-025

Ref: [H20-BES-BUS-044] / Approval]

3 September 2020

Prof C Arnolds
Faculty: BES

Dear Prof Arnolds

THE INFLUENCE OF FRANCHISING ON THE ENTREPRENEURIAL PARADIGM WITHIN SOUTH AFRICAN TYRE RETAIL FRANCHISE NETWORK

PRP: Prof C Arnolds
PI: Mr D de Mink

Your above-entitled application served at the Research Ethics Committee (Human) (24 June 2020) for approval. The study is classified as a negligible/low risk study. The ethics clearance reference number is H20-BES-BUS-044 and approval is subject to the following conditions:

1. The immediate completion and return of the attached acknowledgement to Imtiaz.Khan@mandela.ac.za, the date of receipt of such returned acknowledgement determining the final date of approval for the study where after data collection may commence.
2. Approval for data collection is for 1 calendar year from date of receipt of above mentioned acknowledgement.
3. The submission of an annual progress report by the PRP on the data collection activities of the study (form RECH-004 to be made available shortly on Research Ethics Committee (Human) portal) by 15 November this year for studies approved/extended in the period October of the previous year up to and including September of this year, or 15 November next year for studies approved/extended after September this year.
4. In the event of a requirement to extend the period of data collection (i.e. for a period in excess of 1 calendar year from date of approval), completion of an extension request is required (form RECH-005 to be made available shortly on Research Ethics Committee (Human) portal)
5. In the event of any changes made to the study (excluding extension of the study), completion of an amendments form is required (form RECH-006 to be made available shortly on Research Ethics Committee (Human) portal).
6. Immediate submission (and possible discontinuation of the study in the case of serious events) of the relevant report to RECH (form RECH-007 to be made available shortly on Research Ethics Committee (Human) portal) in the event of any unanticipated problems, serious incidents or adverse events observed during the course of the study.
7. Immediate submission of a Study Termination Report to RECH (form RECH-008 to be made available shortly on Research Ethics Committee (Human) portal) upon expected or unexpected closure/termination of study.
8. Immediate submission of a Study Exception Report of RECH (form RECH-009 to be made available shortly on Research Ethics Committee (Human) portal) in the event of any study deviations, violations and/or exceptions.
9. Acknowledgement that the study could be subjected to passive and/or active monitoring without prior notice at the discretion of Research Ethics Committee (Human).

ANNEXURE 2 COVER LETTER AND INTERVIEW SCHEDULE

NELSON MANDELA UNIVERSITY INFORMATION AND INFORMED CONSENT FORM

RESEARCHER'S DETAILS	
Title of the research project	Franchising's influence on the entrepreneurial paradigm within the SA tyre franchise industry
Reference number	H20-BES-BUS-044
Principal investigator	Denver de Mink
Address	9 Van Deer Heever Street Soneike, Kuilsriver
Postal Code	7580
Contact telephone number <small>(private numbers not advisable)</small>	082 053 5888

A. DECLARATION BY OR ON BEHALF OF PARTICIPANT		Initial
I, the participant and the undersigned	Hein Kleinsmith	
ID number	xxxx	
OR		
I, in my capacity as	Managing Director	
of the participant	Hein Kleinsmith	
ID number	xxxx	
Address (of participant)	5 Jeanette St, Brackenfell, 7560	

A.1 HEREBY CONFIRM AS FOLLOWS:		Initial
I, the participant, was invited to participate in the above-mentioned research project		
that is being undertaken by	Denver de Mink	
from	Business School	
of the Nelson Mandela University.		

THE FOLLOWING ASPECTS HAVE BEEN EXPLAINED TO ME, THE PARTICIPANT:				Initial	
2.1	Aim:	The investigators study aims to determine franchising's influence on the entrepreneurial paradigm within the South African tyre retail network. The information will be used to/for a master's research treatise and to determine the perceived success of franchising's influence on the entrepreneurial paradigm.			
2.2	Procedures:	I understand that a voice recorded semi structured interview will take place via Skype, MS Teams or Zoom from 6 July until 12 July. Duration will be 40-60 minutes. Once analysed the conclusions will be shared.			
2.3	Risks:	No risk of harm, embarrassment or offence, however slight or temporary will be borne.			
2.4	Possible benefits:	As a result of my participation in this study the conclusions of the analysis will be shared and communicated. This can be used for better future alignment between the franchisor and the franchisee to ensure a prosperous relationship.			
2.5	Confidentiality:	My identity will not be revealed in any discussion, description or scientific publications by the investigator.			
2.6	Access to findings:	Any new information or benefit that develops during the course of the study will be shared in writing in quarter 4 of 2020.			
2.6	Voluntary participation / refusal / discontinuation:	My participation is voluntary	Yes	NO	
		My decision whether or not to participate will in no way affect my present or future care / employment / lifestyle	True	FALSE	

3. THE INFORMATION ABOVE WAS EXPLAINED TO ME/THE PARTICIPANT BY:							Initial
Denver de Mink							
in	Afrikaans		English	X	Xhosa	Other	
and I am in command of this language, or it was satisfactorily translated to me by							
N/A							
I was given the opportunity to ask questions and all these questions were answered satisfactorily.							

4.	No pressure was exerted on me to consent to participation and I understand that I may withdraw at any stage without penalisation.	
----	---	--

5.	Participation in this study will not result in any additional cost to myself.	
----	---	--

A.2 I HEREBY VOLUNTARILY CONSENT TO PARTICIPATE IN THE ABOVE-MENTIONED PROJECT:		
Signed/confirmed at	Brackenfell	on xx 2020
Signature or right thumb print of participant	Signature of witness: xxxx	
	Full name of witness: xxxxx	

B. STATEMENT BY OR ON BEHALF OF INVESTIGATOR(S)						
I,	Denver de Mink	declare that:				
1.	I have explained the information given in this document to	Hein Kleimsmith				
	and / or his / her representative	(name of representative)				
2.	He / she was encouraged and given ample time to ask me any questions;					
	This conversation was conducted in	Afrikaans	English	X	Xhosa	Other
3.	And no translator was used <u>OR</u> this conversation was translated into N/A					
	(language)	by	(name of translator)			
4.	I have detached Section D and handed it to the participant	Yes		NO		
Signed/confirmed at		Brackenfell		on		XX 2020
Signature of interviewer		Signature of witness: xxx				
		Full name of witness: xxx				

C. DECLARATION BY TRANSLATOR (WHEN APPLICABLE)		
I,	N/A	
ID number		
Qualifications and/or		
Current employment		
confirm that I:		
1.	Translated the contents of this document from English into	(language)
2.	Also translated questions posed by	(name of participant) as well as the answers given by the investigator/representative;
3.	Conveyed a factually correct version of what was related to me.	
Signed/confirmed at		on 20
I hereby declare that all information acquired by me for the purposes of this study will be kept confidential.		
Signature of translator		Signature of witness:
		Full name of witness:

D. IMPORTANT MESSAGE TO PATIENT/REPRESENTATIVE OF PARTICIPANT	
Dear participant/representative of the participant	
Thank you for your/the participant's participation in this study. Should, at any time during the study:	
<ul style="list-style-type: none"> - an emergency arise as a result of the research, or - you require any further information with regard to the study, or - the following occur 	
<div style="border: 1px solid black; height: 40px; width: 100%;"></div>	
(indicate any circumstances which should be reported to the investigator)	
Kindly contact	Denver de Mink
at telephone number	082 053 5888

INTERVIEW GUIDE

Embedded Units: 1, 2, 3 and 4: Interview with Franchisee/Entrepreneur

Franchise/Entrepreneurs were questioned on their personal business experience and experience with that of their franchisor.

<ul style="list-style-type: none">○ What franchise brands do you represent and what position do you hold?
<ul style="list-style-type: none">○ Describe your franchise size; outlet establishment; previous experience?
<ul style="list-style-type: none">○ Does your franchise have membership with FASA?
<ul style="list-style-type: none">○ What length of experience do you have as a franchisee?
<ul style="list-style-type: none">○ How do you find business at the moment?
<ul style="list-style-type: none">○ What is your future forecast for your business?
Marketing and Brand Management <ul style="list-style-type: none">○ Does brand and marketing management enable business growth?○ What marketing is provided by the franchisor?○ Do you believe it is effective?○ How are marketing efforts facilitated within the franchise?○ Do you believe enough marketing is executed by the franchisor?○ How is the brand equity protected? (consumer and franchisee)○ Do you see the brand as a competitive advantage?
Entrepreneurial Skills <ul style="list-style-type: none">○ Do you have entrepreneurial freedom? Why?○ Which entrepreneurial skills are utilised daily?○ Do you feel like an entrepreneur within the franchise network?○ Do entrepreneurial skills promote alignment with the franchisor?○ Does franchising influence your entrepreneurial paradigm?
Regulatory Environment <ul style="list-style-type: none">○ How do you describe your relationship with your franchisor?○ How is the relationship governed?○ Do you subscribe and align to the franchisor requirements?○ How does the governance influence your paradigm?○ Do you find alignment between franchise values and your personal values?

<ul style="list-style-type: none"> ○ Which factors influence your relationship with the franchisor?
<p>Research and Development</p> <ul style="list-style-type: none"> ○ Do you find that your franchise group innovates with regard to products/systems/services? ○ What role do you think innovation plays within the franchise network? ○ Does the franchisor welcome innovation by the franchisee?
<p>Franchisor Support</p> <ul style="list-style-type: none"> ○ What support do you receive from your franchisor? ○ Is the support beneficial or an inhibitor to other imperative day-to-day activities? ○ Do you find the support welcome? ○ How does knowledge sharing take place?
<p>General</p> <ul style="list-style-type: none"> ○ Is there anything else that you wish to contribute that I have not covered in the questions?

Embedded Units 5 and 6: Interview with Franchisor Operations Manager and Business Development Manager

Franchisor representatives were questioned on their personal business experience and experience with that of their franchisor/franchisee relations and interactions.

<ul style="list-style-type: none"> ○ What franchise brands do you represent and what position do you hold?
<ul style="list-style-type: none"> ○ Describe your franchise size; outlet establishment; previous experience?
<ul style="list-style-type: none"> ○ Does your franchise have membership with FASA?
<ul style="list-style-type: none"> ○ What length of experience do you have as a franchisor?
<ul style="list-style-type: none"> ○ How do you find business at the moment?
<ul style="list-style-type: none"> ○ What is your future forecast for your business?
<p>Marketing and Brand Management</p> <ul style="list-style-type: none"> ○ Does brand and marketing management enable business growth? ○ What marketing is provided by the franchisees? ○ Do you believe it is effective? ○ How are marketing efforts facilitated within the franchise?

<ul style="list-style-type: none"> ○ Do you believe enough marketing is executed by the franchise? ○ How is the brand equity protected? ○ Do you see the brand as a competitive advantage?
<p>Entrepreneurial Skills</p> <ul style="list-style-type: none"> ○ Do you allow for entrepreneurial freedom within the network? ○ Which entrepreneurial skills are utilised daily? ○ Do entrepreneurial skills promote alignment? ○ Does franchising influence the entrepreneurial paradigm?
<p>Regulatory Environment</p> <ul style="list-style-type: none"> ○ How do you describe your relationship with your franchise network? ○ How is the relationship governed? ○ Which factors influence your relationship with the franchise network? ○ Do you believe that franchisees subscribe and align to the franchise requirements? ○ What measures are put in place to ensure this? ○ Are values aligned between the franchise and the franchisee? ○ Which factors influence your relationship with the franchisee?
<p>Research and Development</p> <ul style="list-style-type: none"> ○ How do you innovate within the franchise network with regard to products/systems/services? ○ What role do you think innovation plays within the franchise network? ○ Do you welcome and encourage innovation by the franchisee?
<p>Franchisor Support</p> <ul style="list-style-type: none"> ○ What support do you provide to the franchise network? ○ Is the support helpful or an inhibitor to other imperative day-to-day activities? ○ Do you find that the support is welcomed? ○ Does your franchise network support you? ○ How does knowledge sharing take place?
<p>General</p> <ul style="list-style-type: none"> ○ Is there anything else that you wish to contribute that I have not covered in the questions?

Embedded Unit 7: Interview with Franchise Body Expert

An external franchise body expert was questioned on personal business experience and experience with that of their franchisor/franchisee relations and interactions.

<ul style="list-style-type: none">○ What franchise brands do you represent and what position do you hold?
<ul style="list-style-type: none">○ Describe your franchise size; outlet establishment; previous experience?
<ul style="list-style-type: none">○ Does your franchise have membership with FASA?
<ul style="list-style-type: none">○ What length of experience do you have in the franchise industry?
Marketing and Brand Management <ul style="list-style-type: none">○ Does brand and marketing management enable business growth?○ What marketing is provided by the franchisees?○ Do you believe it is effective?○ How are marketing efforts facilitated within the franchise?○ Do you believe enough marketing is executed by the franchise?○ How is the brand equity protected?○ Do you see the brand as a competitive advantage?
Entrepreneurial Skills <ul style="list-style-type: none">○ Do you believe entrepreneurial freedom is allowed within a franchise network?○ Which entrepreneurial skills are utilised daily?○ Do entrepreneurial skills promote alignment?○ Does franchising influence the entrepreneurial paradigm?
Regulatory Environment <ul style="list-style-type: none">○ How do you describe your relationship between a franchisor and franchisee?○ How is the relationship governed?○ Which factors influence your relationship with the franchise network?○ Do you believe that franchisees subscribe and align to the franchise requirements?○ What measures are put in place to ensure this?○ Are values aligned between the franchise and the franchisee?
Research and Development

- What role do you think innovation plays within the franchise network?
- Do you welcome and encourage innovation by the franchise networks?

Franchisor Support

- What support do you provide to the franchise network?
- What support do you provide to the franchisor?
- Do you find that the support is welcomed?
- How does knowledge-sharing take place?

General

- Is there anything else that you wish to contribute that I have not covered in the questions?

ANNEXTURE 3: GATEKEEPER LETTER

Supaquick
123 Spartan Road
Gauteng

June 2020

Attention Managing Director

RE Current Research Study

I am a final year student at the Nelson Mandela University completing my master's in business administration. I am completing a research paper and the aim of the paper is to determine franchising's influence on the entrepreneurial paradigm within the South African tyre retail network

The objective is to interview franchise industry experts (namely franchise association, franchisor and franchisees) to determine their views on the extent to which franchising enables entrepreneurship, the alignment of their personal values and franchise values and then to draw conclusions on the influence of franchising on the entrepreneurial paradigm in the retail franchise tyre trade. This will result in a better understanding of the alignment status and challenges between the franchisor and franchisee relationship.

I have identified your franchise as a suitable organisation for this intended purpose and would like to request permission for this endeavour.

The procedure involves a voice recorded semi structured interview will take place via Skype, MS Teams or Zoom. The duration should be 40-60 minutes. The interviews will run from 6 July until 12 July 2020. The interviews will take place with The MD of franchise, the business development manager and three franchisees/entrepreneurs. Once analysed the conclusions will be shared in writing in quarter 4 of 2020

No risk of harm, embarrassment or offence, however slight or temporary will be borne. As a result of the participation in this study the conclusions of the analysis will be shared and communicated. This can be used for better future alignment between the franchisor and the franchisee to ensure a prosperous relationship.

To participate, it will be required of you to provide a written consent that will include your signature, date and initials to verify that you understand and agree to the conditions.

You have the right to query concerns regarding the study at any time. Immediately report any new problems during the study, to the researcher. Telephone numbers of the researcher are provided. Please feel free to call these numbers.

Furthermore, it is important that you are aware of the fact that the ethical integrity of the study has been approved by the Research Ethics Committee (Human) of the university. The REC-H consists of a group of independent experts that has the responsibility to ensure that the rights and welfare of participants in research are protected and that studies are conducted in an ethical manner. Studies cannot be conducted without REC-H's approval. Queries with regard to your rights as a research subject can be directed to the Research Ethics Committee (Human), Department of Research Capacity Development, PO Box 77000, Nelson Mandela University, Port Elizabeth, 6031.

ANNEXTURE 4: ORAL INFORMATION GIVEN TO PARTICIPANT PRIOR TO PARTICIPATION

Oral information given to participant prior to participation.
July 2020

RE Current Research Study

Thank you for allowing me this opportunity and thank you for your time.

I am a final year student at the Nelson Mandela University completing my master's in business administration. I am completing a research paper and the aim of the paper is to determine franchising's influence on the entrepreneurial paradigm within the South African tyre retail network

The objective is to interview franchise industry experts (namely franchise association, franchisor and franchisees) to determine their views on the extent to which franchising enables entrepreneurship, the alignment of their personal values and franchise values and then to draw conclusions on the influence of franchising on the entrepreneurial paradigm in the retail franchise tyre trade. This will result in a better understanding of the alignment status and challenges between the franchisor and franchisee relationship.

The procedure today involves a voice recorded semi structured interview which will take place via Skype, MS Teams or Zoom. The duration should be 40-60 minutes. The interviews will take place from 6 July until 12 July with The MD of franchise, the business development manager and three franchisees/entrepreneurs. Once analysed the conclusions will be shared in writing in quarter 4 of 2020.

You can stop me at anytime if you have any concerns or questions. I would ask if possible that we can keep cell phones off however if pertinent the call can be taken. We will also have a short leg stretch interval midway between our session.

No risk of harm, embarrassment or offence, however slight or temporary will be borne. As a result of the participation in this study the conclusions of the analysis will be shared and communicated. This can be used for better future alignment between the franchisor and the franchisee to ensure a prosperous relationship.

You have the right to query concerns regarding the study at any time. Immediately report any new problems during the study, to the researcher.

Yours sincerely,
Denver de Mink
Researcher

ANNEXTURE 5: TURNITIN REPORT

ORIGINALITY REPORT			
%23	%19	%7	%4
SIMILARITY INDEX	INTERNET SOURCES	PUBLICATIONS	STUDENT PAPERS
PRIMARY SOURCES			
1	hdl.handle.net Internet Source		%5
2	Submitted to Nelson Mandela Metropolitan University Student Paper		%4
3	www.emeraldinsight.com Internet Source		%1
4	whichfranchise.co.za Internet Source		%1
5	www.svw.co.za Internet Source		%1
6	www.safranchisewarehouse.co.za Internet Source		%1
7	Ateeque Shaikh, Dheeraj Sharma, Akshaya Vijayalakshmi, Rama Shankar Yadav. "Fairness in franchisor–franchisee relationship: an integrative perspective", Journal of Business & Industrial Marketing, 2018 Publication		%1