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The 'visible hand' behind cooperation in franchising: A model of franchisor practices that influence cooperation within social networks

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Abstract: Although scholars recognise that social networks within marketing channels can enhance cooperation (the implementation of joint goals), research provides a deficient understanding of how suppliers can efficiently manage them. Our study investigates the 'visible hand' behind franchising cooperation by asking: How do franchisors build cooperation within franchise systems? Using multiple case study research on retail franchises recognised for high-quality cooperation, our study builds a model of how franchisor practices maintain and increase cohesive ties that foster cooperation within the franchising community; a type of social network nested within the franchise system. This model is underpinned by social capital theory, self-categorisation theory, and the constructs relational norms and behaviour from research on marketing channels. Our study provides insight into the key organisational, social network, and individual agency drivers of cooperation within branding marketing channels. This provides an understanding of: 1) how centralised organisational practices interact with individual agency to maintain efficient cooperation, and 2) heterarchical processes to improve cooperation efficiency.

1. Introduction

Scholars accept that successful franchising requires, in part, a cohesive and cooperative network involving franchisees and franchisors working together to achieve mutual goals (El Akremi, et al. 2010; Lui and Ngo 2005; Parkhe 1991; Paswan and Wittmann 2009; Rosado-Serrano, et al. 2018). Within such marketing channels franchisors (suppliers) provide a licensing agreement for franchisees (buyers) to reproduce the business model and retail brand positioning for a fee (Dant, et al. 2011). Cooperation is essential for achieving franchising strategic objectives; such as brand building and growth (Madanoglu, et al. 2017; Nyadzayo, et al. 2018). This cooperation has vertical (franchisee compliance with the contract and franchisor recommendations - Boyle, et al. 1992; Dant and Schul 1992), lateral (participative communication among franchisees and franchisors to share meaningful and timely information - Brookes and Roper 2011; Gassenheimer, et al. 1996), and horizontal dimensions (knowledge and information sharing and helping among franchisees - Lawrence and Kaufmann 2011; Paswan, et al. 2004). Yet successful cooperation is challenged because of incongruous goals among franchisors and franchisees, self-interests, physical separation, conflict, and moral hazard (Baucus, et al. 1996; Kidwell, et al. 2007; Michael 2002). Given the franchising contract, franchisors have extensive centralized management responsibility to design and implement policies and practices that build a cooperative network (Gassenheimer, et al. 1996; Yakimova, et al. 2019). This 'visible hand' designs and manages resources, structures and routines that promote cooperation through social interaction, relationship development, knowledge transfer, innovation, and support (Doherty, et al. 2014; White 2010).

Franchising is situated within the research on marketing channels and interorganisational networks. Scholars have maintained a keen interest in cooperation within marketing channels for over 30 years (Achrol 1997; Heide and John 1990; Palay 1984; Weaven, et al. 2017). Cooperation (the implementation of common goals - Castañer and

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Oliveira 2020) is beneficial to marketing channel parties because it enables leveraging resources, sharing information, and problem-solving that can enhance competitiveness, and increase supply chain efficiency and performance (Daudi, et al. 2016; Lakshminarasimha 2017; Tsanos, et al. 2014). The marketing channel research focuses on supplier management of the bilateral relationship with buyers, and particularly relational ties (relational norms, social capital) that influence outcomes such as cooperative behaviour (Alinaghian, et al. 2020; Heide and John 1990; Heide and John 1992), relational quality (commitment, trust, satisfaction - Bordonaba-Juste and Polo-Redondo 2008; Ishak 2016; Weaven, et al. 2017; Zhang, et al. 2003), and performance (Awan 2019; Huang and Chiu 2018; Lawson, et al. 2008; Noordewier, et al. 1990). Researchers appreciate that efficient cooperation is governed partly by formal controls (i.e. the contract, monitoring) and partly by relational ties among buyers and suppliers (Fu, et al. 2017; Ishida and Brown 2011; Lusch and Brown 1996; Sheng, et al. 2018). Some studies investigate select antecedents to buyer-supplier relational ties, including the extent of integrated activities (Lawson, et al. 2008), bilateral relationship attributes and inputs (Bello and Gilliland 1997; Heide 1994; Heide and John 1990; Zhang, et al. 2003), market environment conditions (Bello and Gilliland 1997; Heide and John 1990), and types of communication (Boyle, et al. 1992; Dwyer 1993).

However, research on marketing channel cooperation has a number of limitations. First, there is a lack of agreement among scholars about key dimensions underpinning efficient cooperation. The dominant survey research approach relies heavily on theoretically-derived constructs and scales. For example, this includes relational norms and behaviour scales rooted in relational contract theory (Macneil 1978) developed from armchair generalisations about contractual law over 40 years ago (Clauss and Bouncken 2019; Heide and Miner 1992; Kaufmann and Dant 1992; Weaven, et al. 2017; Zhang, et al. 2003). Research suggests that a number of these relational norms (e.g. mutuality, solidarity, role integrity, flexibility, conflict

resolution) may not underpin cooperative behaviour in practice (Boulay 2010; Dant and Schul 1992; Ivens and Blois 2004). Further, the emphasis on theoretically derived scales has influenced a narrow research focus on select cooperation outcomes, such as supplier development activities (Krause, et al. 2007), and relational (Awan, et al. 2018; Bello and Gilliland 1997; Cannon and Homburg 2001; He, et al. 2017; Lusch and Brown 1996), or brand-supportive behaviour (King, et al. 2013; Nyadzayo, et al. 2015; Nyadzayo, et al. 2016).

Second, there is deficiency in empirical world observations of efficient cooperation in marketing channels, which are useful for developing knowledge of constructs and their relationships based upon insight from practice (Dubois and Gadde 2002). Given the research emphasis on relational ties among buyers and sellers and theoretically-derived constructs and hypotheses, scholars may have overlooked many contextual factors that influence marketing channel cooperation. This includes organisational, network, and individual agency factors that researchers recognise drive cooperation in other types of goal-directed interorganisational relationships (Berends, et al. 2011; Payne, et al. 2011; Saz-Carranza and Ospina 2011). Industrial network research recognises that cooperation is embedded (that is, occurring) in (the context of) personal, interorganisational, and institutional relationships (Arvidsson and Melander 2020; Smirnova 2020). Within this scholarship, research on lead firm orchestration indicates that centralised organisational practices influence interorganisational ties (especially shared cognition of values, goals and norms) that enable cooperation (Dessaigne and Pardo 2020; Hurmelinna-Laukkanen and Nätti 2018; Nambisan and Sawhney 2011; Perks, et al. 2017). But, the issue of interaction with individual agency is largely overlooked. However, research examining multiple-levels of embeddedness indicates that individual behaviour (including that of senior- and middle-managers and boundary spanners) influences interorganisational relationships (Barden and Mitchell 2007; Browning, et al. 1995; Capaldo 2007; Rosenkopf, et al. 2001; Westphal, et al. 2006). Social capital theory provides a possible

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redress to this issue (Coleman 1988; Nahapiet and Ghoshal 1998). This theory suggests that the properties of interorganisational relationships are intrinsically linked to the self-concept of members (Hite and Hesterly 2001; Kang, et al. 2007; Nahapiet and Ghoshal 1998). According to self-categorisation theory, when individuals embody attributes of a social network (Ashforth, et al. 2008), this influences motivation to adopt normative cooperative behaviour (Turner, et al. 1988). Such behaviour likely develops social network identification, because it provides members with information about the group (Rink and Ellemers 2007; Turner 1982; Turner, et al. 1988).

Although scholars recognise the presence of social networks, how buyers and suppliers harness them to enhance cooperation is poorly understood. Along with individual partner motivation, cooperative franchising relationships are likely influenced by franchisor practices, or an organisational system (with routines and processes - Nyadzayo, et al. 2015; Weaven, et al. 2014). For example, when franchisors disseminate cross-unit performance monitoring information, this may develop the awareness of successful franchisees (cf. Kidwell and Nygaard 2011; Yakimova, et al. 2019). Such awareness may influence franchisees to develop relationships with other unit owners, to access expertise to enhance competitiveness (cf. Dant and Nasr 1998; Paswan and Wittmann 2009).

Overall, extant research provides little insight into how efficient cooperation occurs for several reasons. The narrow focus of marketing channel scholarship suggests that key drivers and dimensions of efficient cooperation may have been overlooked. For example, the bilateral management of relationships emphasises vertical cooperation involving top-down communications that influence compliance with the contract and supplier recommendations (Boyle, et al. 1992; Dant and Schul 1992). Yet horizontal cooperation is highly beneficial to marketing channels because it can promote innovation and partner knowledge transfer beyond the scope of supplier expertise (Bradach 1997; Nyadzayo, et al. 2011). As horizontal

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cooperation provides enormous benefits for franchise systems, franchisors place a high priority on supporting it through appropriate structures and processes. Further research on lead firm network orchestration provides limited insight into efficient cooperation. The focus is on development of emergent industrial networks (Human and Provan 2000; Möller and Svahn 2009; Paquin and Howard-Grenville 2013; Perks, et al. 2017), but efficient cooperation is more likely to occur within mature social networks within marketing channels, with well-established relationships. Given the many challenges to cooperation within marketing channels, we suspect franchisor managers employ practices to improve cooperation efficiency. However, research provides limited insight on how this is achieved in practice. In accordance with network theory (Granovetter 1985; Uzzi 1997), we suspect that certain structures and properties of social networks within well-established marketing channels enable flows of resources (e.g. knowledge, information) that foster horizontal cooperation (Paswan and Wittmann 2009; Zafeiropoulou and Koufopoulos 2013). As such, franchisors leading branding efforts likely employ centralised organisational practices to develop, maintain and improve the extent of cohesive ties within these networks (cf. Brookes and Roper 2011; Paswan, et al. 2004).

To address these limitations, this study investigates - *how do franchisors build cooperation within franchise systems?* Given the empirical and theoretical limitations of prior research, we adopt an abductive theory-building approach (Dubois and Gadde 2002; Eisenhardt and Graebner 2007). Using observations from multiple-case study research on mature Australian retail franchises recognised for high-quality cooperation, we develop a model of how franchisor practices maintain and increase cohesive ties that foster cooperation within social networks within franchise systems. Underpinned by social capital theory (which provides a greater understanding of the structure and properties of cohesive social networks that enable cooperation - Coleman 1988; Kang, et al. 2007; Leana and van Buren 1999), self-categorisation theory (that suggests how centralised supplier practices influence social network

ties, and how social-psychological factors influence cooperation - Rink and Ellemers 2007; Turner 1982; Turner, et al. 1988) and the constructs relational norms and behaviour from research on marketing channels (Brookes and Roper 2011; Gassenheimer, et al. 1996), our model provides an understanding of the organisational, social network, and individual agency factors that drive cooperation supporting joint branding and business goals. Our study extends research in two ways. First, by demonstrating how these three levels (organisational, social network, and individual agency) interact within branding marketing channels with efficient cooperation. Second, it provides new knowledge of heterarchical processes to increase cohesive ties to improve cooperation efficiency within franchising marketing channels.

The remainder of this paper is structured as follows: First, we draw upon research on interorganisational relationships to define cooperation. Second, we review research on marketing channels that provides an understanding of cooperative buyer-supplier relationships. Third, we consider how social capital theory, self-categorisation theory, and industrial network research informs knowledge of organisational, social network, and individual drivers of cooperation within franchise systems. Third, we present the case study methodology, data analysis procedures, and findings that develop our theoretically grounded model. We conclude by discussing the theoretical contributions, managerial implications, limitations, and suggestions for future research of this study.

2. Drivers of cooperation within franchise systems

2.1. Marketing channel cooperation

Research on interorganisational relationships provides a point of departure for defining cooperation. Based on a systematic review of research on cooperation, Castañer and Oliveira (2020) define cooperation in terms of the implementation of common goals, which can entail an attitude, a behaviour, or an outcome (cf. Combs and Ketchen 1999; Huang, et al. 2016; Pearce 2001). Cooperative attitudes include intentions to adopt behaviour supporting franchise

system goals, which often concern brand differentiation and preference, growth, and profitability (Dant and Nasr 1998; Nyadzayo, et al. 2015; Nyadzayo, et al. 2018). Cooperative behaviour can include compliance with the contract and supplier recommendations, innovations that enhance the brand positioning, and helping a partner to achieve common goals (Boulay 2010; Castañer and Oliveira 2020; Nyadzayo, et al. 2011). For example, franchisees might voluntarily share information and knowledge to support franchisors and other unit owners towards achieving joint goals of the franchise (Gassenheimer, et al. 1996; Paswan and Wittmann 2009). Knowledge is defined as "justified true belief", based on personal perceptions (Nonaka 1994, p. 15). It includes explicit and tacit knowledge. Whereas explicit knowledge is transmittable in formal, systematic language; tacit knowledge is difficult to express because it is rooted in action and involvement in a particular context (Nonaka 1994; Polanyi 1966).

Research on marketing channels provides some insight into vertical cooperative behaviour, involving top-down communications influencing partner compliance (such as: frequent requests, legalistic pleas, threats, politics - Boyle, et al. 1992; Dant and Schul 1992; Dwyer 1993). There is some mention of lateral cooperation involving participative communication in the bilateral relationship (where one partner has greater influence and access to resources than the other - Brookes and Roper 2011; Dwyer 1993; Gassenheimer, et al. 1996). However, extant research tells us little about the horizontal dimension of cooperation across non-contractually tied units (such as among franchisees). Although, the research focus of most studies is on understanding bilateral relationship management, with a particular emphasis on suppliers employing relational ties (including social capital and relational norms and quality - see Tables 1 and 2).

The attitudinal dimension of cooperation includes social capital and the commonly referred to aspects of relational governance - relational quality and norms (Castañer and Oliveira 2020). The current study investigates key dimensions of relational norms that drive

cooperative behaviour in branding marketing channels. Much of the research on marketing

channels is underpinned by relational exchange theory, which recognises that relational norms

positively influence cooperative behaviour within industrial buyer-supplier relationships (see

Tables 1 and 2 for a summary of key articles). This theory is underpinned by constructs from

relational contract theory (Macneil 1978) and social exchange theory (Thibaut and Kelley

1959). Based on the work of Macneil (1978), commercial exchange varies along a continuum

from discrete transactions (one-off transactions involving arms-length relationships) to

Table 1 Empirical studies on relational ties and behaviour in buyer-supplier relationships:

Theoretical underpinning, research approaches and key findings[1]

Authors	Theoretical underpinning (T) and research approach (RA[2])	Key findings (antecedents = A, outcomes = O, moderators = M)
	Focal construct: Relational governance	
Cannon and Perreault (1999)	RA: Written survey administered by 428 purchasing managers, used theoretically derived scales for relational norms. T: Transaction cost analysis, relational exchange theory (**relational norms:** flexibility and solidarity).	The extent of relational norms varies among clusters of buyer-supplier relationships (including barebones, basic buying and selling, contractual transactions, and cooperative systems). O: Cooperative systems evoked the highest evaluations of supplier performance.
Johnson (1999)	RA: Written survey administered by 160 purchasing managers of industrial goods companies; used items from the scale of Noordewier, et al. (1990) for flexibility; used items from the scale of Heide and John (1990) for continuity expectation. T: Relational exchange theory (**relational norms:** flexibility, continuity expectation).	O: The continuity expectation encourages the strategic integration of the supplier-distributor relationship; the continuity expectation influences greater flexibility; the continuity expectation enhances relationship quality.
Kaufmann and Dant (1992)	RA: Written pilot survey completed by convenience sample of 106 sales and purchasing staff that attended University executive training seminars, used theoretically derived scales for relational norms.	Develop scales to operationalise relational norms and demonstrate they have a five-factor structure, which includes: solidarity, mutuality, flexibility, role integrity, restraint in the use of power.

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[1] Table adapted from Ivens et al. (2004).
[2] Note: US-based respondents, unless otherwise specified.

	T: Relational exchange theory (**relational norms**: solidarity, mutuality, flexibility, role integrity, restraint in the use of power).	
Heide and John (1992)	RA: Written survey administered by 155 OEM manufacturer purchasing agents/directors reporting on the relationship with their component suppliers; used theoretically derived scales for relational norms.	O: In relationships with relatively high levels of relational norms, buyer investments in transaction specific assets influence increased levels of vertical control (over supplier decisions).
	T: Transaction cost analysis, relational exchange theory (**relational norms:** flexibility, information exchange, solidarity).	
Simpson and Paul (1994)	RA: Written survey administered by 686 senior managers of car dealerships, used theoretically derived scales for relational norms.	O: Dealer investments in specific assets positively influences the supplier's use of recommendations, information exchange, promises, requests, legalistic pleas, and threats; in situations when dealers increase specific investments, higher levels of relationalism do not positively influence supplier's frequency in the use of recommendation and information exchange, but influence decreased supplier frequency of use of promises, requests, legalistic pleas, and threats.
	T: Theory of channel communications, relational exchange theory (**relational norms:** solidarity, flexibility; relational behaviour).	
Dwyer and Gassenheimer (1992)	RA: Written survey administered by 324 senior and middle manager dealers that could inform relationships with suppliers, used theoretically derived scales for relational norms.	O: The degree of relational norms in an industrial dealer-supplier relationship positively influences dealers' perception of supplier power and attempts to influence; the degree of relational norms in a dealer-supplier relationship positively influences dealer satisfaction.
	T: Theory of power in channels of distribution; relational exchange theory (**relational norms:** flexibility, extendedness, joint action).	
Cannon, et al. (2000)	RA: Written survey administered by 424 purchasing professionals across a range of industries; used theoretically derived scales for relational norms.	O: Relational norms have a positive influence on performance in transactional environments with high or low uncertainty; when relational norms are well developed, formal contracts further enhance supplier performance.
	T: Transaction cost analysis, relational exchange theory (**relational norms:** flexibility, solidarity, mutuality, harmonisation of conflicts, restraint in the use of power).	
Aulakh, et al. (1996)	RA: Written survey administered by 181 managers of industrial firms with foreign operations (in Asia, Europe, or	O: Moderate support that continuity expectations, flexibility, and information exchange

	Central/South America); adopted adapted continuity expectation scale of Noordewier, et al. (1990), adopted adapted flexibility scale of Heide and John (1992), used theoretically derived scale for information exchange. T: Relational exchange theory (**relational norms:** continuity expectations, flexibility, information exchange).	positively influence trust; continuity expectations and flexibility positively influence market performance of the partnership.
Johnson (2006)	RA: Written survey administered by 234 buyers of a Fortune 500 company that sells a complex product; adapted previously adopted scales for relational norms. T: Relational exchange theory (**relational norms:** mutuality), fairness theory.	O: The greater the extent to which relational norms govern the relationship between a buyer and seller firm, the more likely buyers are to perceive the relationship as being fair.
Huang and Chiu (2018)	RA: Written survey administered by 148 Taiwanese supplier managers of firms (that manufacture electronic, information, computer-related metal, textile, clothing, automobile and machinery products and 124 managers of their buyer firms; developed theoretically derived scales for relational control that measured socialisation activities. T: Transaction cost analysis (contractual control provides a means to achieve efficient collaboration), Relational exchange theory (**relational norms,** relational life cycle).	O: In the exploration phase, contractual control has a stronger influence on collaborative performance than relational control; in the build-up and maturity phases, relational control has a stronger influence on collaborative performance than contractual control.
Awan (2019)	RA: Written survey administered by 239 senior managers of manufacturing firms located in Pakistan (exporting textile and sporting goods, and surgical instruments); adopted relational governance scale of Lusch and Brown (1996). T: Relational exchange theory (**relational governance** includes shared norms and social mechanisms for governing buyer-supplier relationships).	O: Relational governance is positively associated with social and innovation performance improvements.
Jap and Ganesan (2000)	RA: Written survey administered by 1457 retailer buyer primary contacts to a manufacturer supplier of chemical products; adopted scales for solidarity, information exchange, and participation based on items from Heide and John (1992) and Dwyer, et al. (1987).	O: Relational norms have a positive influence on supplier commitment. M: A retailer's use of relational norms to safeguard transaction specific investments positively influences supplier commitment in the build-up and decline phases, a retailer's use of relational norms to

	T: Relational exchange theory (**relational norms:** solidarity, information exchange, participation, relational life cycle).	safeguard transaction specific investments does not positively influence supplier commitment in the maturity phase; a retailer's use of relational norms to safeguard transaction specific investments negatively influences supplier commitment in the exploration phase.
Noordewier, et al. (1990)	RA: Written survey administered by 140 OEM repeat purchasers of ball and roller bearings; used theoretically derived scales for relational norms. T: Transaction cost analysis, relational exchange theory (**relational norms**: supplier flexibility, supplier assistances, information provided to supplier, expectation of continuity).	A, O: In situations of high environmental uncertainty administrative performance is enhanced by influencing an increase in relational norms; in conditions of low uncertainty, performance is not enhanced by such increases to relational norms.
Gundlach, et al. (1995)	RA: Laboratory game simulating manufacturer and distributor exchange relationships in a setting patterned after the microcomputer industry in its early stages of development; used theoretically derived scales for relational norms. T: Relational exchange theory (**relational norms:** solidarity, mutuality, flexibility, role integrity, harmonisation of conflict).	O: The greater the extent of relational norms in a period, the greater each party's commitment inputs and future commitment intentions. A: The greater the magnitude of credible commitments by exchange parties, the greater the relational nature of norms governing the relationship.
Heide and John (1990)	RA: Written questionnaires administered by 155 buying firms of original equipment manufacturers of fabricated metal parts, electronic sub-assemblies, and finished components such as motors and power units; used theoretically derived scales for relational norms and behaviour. T: Transaction cost analysis, relational exchange theory (**relational norms:** continuity, verification of supplier, relational behaviour: joint action, verification behaviour).	O: Greater levels of continuity positively influence joint action. A: Specific investments made by OEMs and suppliers positively influence continuity; specific investments made by the OEM positively influence supplier verification behaviour; perceptions of volume unpredictability negatively influence continuity; perceptions of performance ambiguity positively influence supplier verification behaviour.
Zhang, et al. (2003)	RA: Written survey administered by 623 vice presidents, managers, or directors working extensively with export operations; used relational norm items adapted from Heide and John (1992). T: Transaction cost analysis, relational exchange theory (trust, **relational norms:** solidarity, flexibility, information exchange).	O: Manufacturer reliance on relational norms to govern the exchange relationship with a foreign distributor enhances competitiveness in the export market; manufacturer reliance on relational norms has a positive influence on trust established in the

		relationship between manufacturer and foreign distributor. A: Manufacturer dependence on foreign distributor is negatively related to the use of relational norms.
Boyle, et al. (1992)	RA: Study one: Written survey administered by 154 auto dealers; study two: written questionnaire completed by 751 automobile replacement tire dealers (of franchise arrangements, corporate systems, aligned systems, market systems); used scales from Kaufmann and Stern (1988) and Dwyer (1990) to measure relational norms. T: Theory of channel communications, relational exchange theory (**relational norms:** solidarity, flexibility, mutuality).	A: Frequent requests, legalistic pleas, and threats correlate negatively with relational norms; promises are associated positively with relational norms; relational norms were found to be highest in corporate and franchise systems, when compared with market and aligned systems.
Dwyer (1993)	RA: Written questionnaire administered by 125 purchasing managers and 245 vendor representatives; used theoretically derived scales for relational norms. T: Organisation theory, theory of power, theory of channel communications, relational exchange theory (**relational norms:** solidarity, mutuality, flexibility).	A: Purchaser power and participation in decisions have a strong positive influence on the level of relational norms; in asymmetric power relationships, centralisation positively influences relational norms.
Heide (1994)	RA: Survey administered by 155 industrial OEM component manufacturer customers, used adapted Kaufmann & Stern's (1988) scale for flexibility. T: Transaction cost analysis, resource dependence theory, relational exchange theory (**relational norms:** flexibility).	A: High dependence and symmetric buyer-supplier relationships positively influence flexibility; unilateral dependence of an individual party negatively influences flexibility.
Clauss and Bouncken (2019)	RA: Written questionnaires completed by 250 staff of supplier firms to larger OEM buyers; used theoretically-derived scale for relational norms. T: Theory of power in strategic alliances (coercive, expert, referent). relational exchange theory (**relational norms:** mutually agreed upon standards of behaviour among exchange partners).	A: Increasing degrees of buyers' coercive power in buyer-supplier relationships reduces the establishment of relational norms; increasing degrees of buyers' expert and referent power in buyer-supplier relationships enables the establishment of relational norms.
Artz and Brush (2000)	RA: Written survey completed by 393 OEM purchasing agents; adopted Heide and Miner's (1992) scale of continuity expectations.	M: Investments in OEM transaction specific assets decrease negotiation costs more when continuity expectations are high, compared to when continuity expectations are low.

	T: Relational exchange theory (**relational norms:** continuity expectations), transaction cost analysis.	
	Focal construct: Social capital	
Alinaghian, et al. (2020)	RA: Multiple case study research on 34 buyer-supplier dyad-level innovation events (for three multinational firms operating in pharmaceuticals, aerospace, and fast-moving-consumer-goods sectors). Primary data source: interviews with buyer firm senior managers (situated in R&D, procurement, supply chain management) based in Europe. T: Social capital theory (buyer-supplier exchanges are embedded in a **social capital** context that includes relational, cognitive, and structural resources).	O: Socially embedded conditions (trust in partner fidelity, benefit/risk sharing norm, socialisation) both enable and facilitate unilateral interfirm routines that support the buyers' sensing; cognitively embedded conditions (similar mental models, cultural congruence) facilitate quasi-unilateral inter-firm routines that support buyers' seizing; physically embedded conditions (relation-specific coordination systems and multiplexity) facilitate bilateral inter-firm routines that supports the buyers' transforming; the lead organisations' power advantage tends to weaken the role of socially embedded conditions in enabling buyer-supplier routines.
Lawson, et al. (2008)	RA: Internet-based surveys were administered by 111 employees of UK manufacturing firms of electronic, specialised goods, automotive, chemicals, and pharmaceuticals; adapted scale of Kale, et al. (2000) for relational capital. T: Social capital theory (relational social capital is developed as a result of repeated interaction to exchange resources among actors of the social network, **social capital:** includes mutual respect and trust).	A: The broader the range and intensity of integrated activities between key suppliers and the buying firm, the greater the social capital within ties between the buyer and key suppliers; the closer the suppliers are to a buying firm, the greater accumulated relational (social) capital between the buyer and their key suppliers. O: The greater the relational capital between key suppliers and a buying firm, the greater the performance among buying firms.
Yu and Huo (2019)	RA: Written survey administered by 308 employees of Chinese manufacturing companies operating in production of metal, machinery, and engineering; adapted scale of Carey, et al. (2011) for relational capital. T: Social capital theory (**social capital:** includes trust, respect, reciprocity, and friendship; relational social capital	A, M: The higher a buyer firm's social capital, the stronger the influence of environmental orientation on supplier green management.

	promotes supply chain collaboration that results from resource exchange).	
	Focal construct: Cooperative behaviour	
Cannon and Homburg (2001)	RA: Written survey administered by 478 US and German manufacturing firms; adapted Noordewier et al.'s (1990) scale of flexibility norms to develop flexibility behaviour scale. T: Transaction cost analysis, relational exchange theory (**relational behaviour:** supplier flexibility).	O: Greater supplier flexibility influences lower acquisition and operational costs for customer firms.
Krause, et al. (2007)	RA: Written survey administered by 373 purchasing executives of firms in automotive and electronic industries; used theoretically-derived scale for direct involvement of the buying firms' staff. T: Social capital theory (social capital provides access to resources made available through social relationships. This includes the structural dimension involving practices, like **"direct involvement" supplier development activities -** regular visits to supplier facilities and supplier training).	O: There is a positive relationship between buyers' "direct involvement" supplier development activities with key suppliers to achieve buyer performance improvements (quality, delivery, flexibility).
Awan, et al. (2018)	RA: Written survey completed by staff of 239 manufacturing firms (in textile, sports goods, and surgical instrument industries) located in Pakistan; used theoretically-derived scale for relational behaviour. T: Relational exchange theory (**relational behaviour:** information exchange, joint decision-making). social exchange theory (relational norm: reciprocity).	O: Relational governance has a positive influence on commitment to sustainability. M: The positive influence of relational governance on commitment to sustainability is higher when cognitive, behavioural and motivational cultural intelligence is high.
Bello and Gilliland (1997)	RA: Written surveys administered by 160 export manufacturers of a variety of industrial and consumer products to a total of 39 countries; adapted Heide's (1994) scale of flexibility norms to develop flexibility behaviour scale. T: Transaction cost analysis, relational exchange theory (**relational behaviour:** flexibility).	O: Flexibility by the parties positively influences export channel performance. A: Human specific investments positively influence flexibility by the parties; market volatility negatively influences flexibility by the parties.
Lusch and Brown (1996)	RA: Written surveys administered by 454 wholesalers or distributors across a range of industries; used theoretically derived scales for relational behaviour.	O: The greater the extent to which normative contracts govern the relationship between suppliers and wholesale-distributors, the higher

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	T: Relational exchange theory (**relational behaviour:** flexibility, information exchange, solidarity).	is wholesale-distributor performance. A: The more that normative contracts govern the relationship between a buyer and distributor, the greater the extent of relational behaviour; the extent to which explicit contracts are used has no significant influence on the degree of relational behaviour between a supplier and its distributor; the greater the long-term orientation of a wholesale-distributor towards its relationship with the supplier, the more relational behaviour will develop.
He, et al. (2017)	RA: Written surveys administered by employees of 763 manufacturing firms from 22 countries (across Americas, Europe, and Asia); used adapted scale items for information sharing from previous studies and used a theoretically derived scale for joint decision-making. T: Relational exchange theory (**relational behaviour:** information sharing, joint decision-making).	A, O: Information sharing between buyers and suppliers positively influences flexibility and delivery; joint decision making between buyers and suppliers positively influences product quality and cost reduction.
Palay (1984)	RA: Qualitative interviews study with 35 rail carriers and their shippers. T: Comparative institutional approach (institutions' norms, values, and expectations influence legal processes).	A: Institutions (e.g. shipping industry norms) influence business exchanges within the industrial buyer-supplier relationships.
Heide and Miner (1992)	RA: Written questionnaires completed by 60 manufacturers and some of their component suppliers; adapted Kaufmann & Stern's (1988) scales of relational norms to develop relational behaviour scales, developed theoretically-derived scale for relational behaviour. T: Game theory, relational exchange theory (**relational norms:** extendedness; **relational behaviour:** flexibility, information exchange, shared problem-solving, restraint in the use of power).	A: Extendedness positively influences cooperative behaviour; frequency of delivery positively influences cooperative behaviour (including flexibility, information exchange, shared problem-solving, restraint in the use of power).
Wang, et al. (2014)	RA: Written questionnaires completed by 272 managers of operations, marketing, or supply chains for Chinese manufacturers across multiple industries. T: Network theory (strong ties enable **information sharing**),	A, M: Trust mediates the positive relationship between managerial ties and the extent of information sharing; trust mediates the positive relationship between managerial

	relational exchange theory (trust).	ties and the quality of information shared.
Balboni, et al. (2017)	RA: Written questionnaires completed by managers of customer firms (OEM manufacturers and technical dealers) to an Italian manufacturer of milking system solutions. T: Theory of knowledge transfer (knowledge is a resource and the source of a firm's value creation ability), organisational learning theory (knowledge characteristics and transmission), relational exchange theory (trustworthiness as the basis for relationships that enable interaction between buyers and sellers and enable **knowledge transfer**).	A: Formal and informal knowledge transfer mechanisms have a positive influence on the extent of supplier knowledge transferred to the customer. M: High supplier trustworthiness moderates and strengthens the influence of informal knowledge transfer mechanisms on knowledge transfer.
Dong, et al. (2017)	RA: Written questionnaires completed by 211 staff of Chinese manufacturing firms and their distributors (in various industries including medical device and electronic devices, auto parts); used adapted scales of Claro, et al. (2003) to measure joint planning and joint problem-solving. T: Relational exchange theory (relational governance: includes trust, commitment, long-term orientation, and **relational behaviour:** joint planning, joint problem-solving).	A: In a supplier-buyer relationship, the higher business partners' relationship marketing orientation (RMO), the more likely the partner is to develop joint problem-solving behaviour; in a buyer-supplier relationship, the better the interpersonal guanxi of boundary spanners, the more likely the partners are to develop joint planning and problem-solving behaviours. M: In a buyer-supplier relationship, boundary spanners' interpersonal guanxi partially mediates the positive relationship between partners' RMO and their use of relational governance.
Jääskeläinen (forthcoming)	RA: Written survey completed by 583 supplier managers to 4 European buyer firms (in logistics services, manufacturing of industrial machines and forest industry products, and internet computer technology services); to measure relational governance adopted adapted scale items from Whipple and Frankel (2000) and Lintukangas, et al. (2016), and developed additional theoretically-derived items. T: Relational exchange theory (**relational governance involves collaborative performance management**, including setting joint goals and reviewing performance).	M: Relational governance mediates the positive relationship between buyer supplier evaluation practices and perceived relationship value created in the buyer-seller relationship; relational governance mediates the positive relationship between supplier ability to provide performance information on product/service delivery and perceived relationship value created in the buyer-supplier relationship.

Table 2 Research on relational norms and behaviour in franchising relationships: Theoretical

underpinning, research approaches and key findings

Authors	Theoretical underpinning (T) and research approach (RA[3])	Key findings/propositions (antecedents = A, outcomes = O, moderators or mediators = M)
	Focal construct: Norms	
Dant and Schul (1992)	RA: Survey interviews with 176 fast food franchisees using theoretically derived scales for relational norms. T: Theory of channel communications, relational exchange theory (**relational norms:** solidarity, role integrity, and mutuality).	O: Solidarity had a nonsignificant influence on problem-solving and persuasion (conflict resolution strategies); role integrity had a significant influence on politics (conflict resolution strategy). Franchisees repudiated the mutuality norm.
Boulay (2010)	RA: Written survey administered by franchisees of 258 French franchise systems; used adapted relational norms scale of MacNeil (1980 - for solidarity, role integrity, flexibility, conflict resolution, mutuality) and theoretically-derived scale for information exchange. T: Relational exchange theory (**relational norms:** solidarity, role integrity, flexibility, conflict resolution, mutuality, information exchange), theory of alliance control.	O: Relational norms are not associated with better franchisee compliance with franchisor directives; a franchise relationship governed by high levels of contractual specifications and relational norms leads to poor compliance with franchisor directives (than when contractual compliance alone is used).
Bordonaba-Juste and Polo-Redondo (2008)	RA: Written survey administered by 102 Spanish franchisees operating in a range of specialised services and retailing; relational norms operationalised using theoretically derived scales. T: Relational exchange theory (relationship quality: commitment, satisfaction, **relational norms:** information exchange, solidarity).	O: Relational norms positively influence franchisee commitment and satisfaction.

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[3] Note: US-based respondents, unless otherwise stated.

Ishak (2016)	RA: Written survey completed by 128 Malaysian franchisees across a range of industries; adapted relational norm scales from Heide and John (1992) and Bercovitz, et al. (2006). T: Relational exchange theory (relationship quality: trust, commitment, satisfaction; **relational norms:** solidarity, flexibility, information exchange).	O: Relational norms positively influence relationship quality; relationship quality positively influences franchisee loyalty.
Harmon and Griffiths (2008)	RA: Theoretical article. T: Social exchange theory, relational equity theory, relational exchange theory (**relational norms:** role integrity, flexibility, mutuality, solidarity, restraint in the use of power).	O: Develop propositions about the franchisee attitudinal (relationship quality, perceived relationship benefits, perceived relationship value), behavioural and performance outcomes of relational norms; franchisor relational norms are positively related to franchisees' perceived relationship quality; the positive relationship of relationship quality (commitment, trust, satisfaction) with franchise loyalty and performance outcomes is mediated by perceived relationship benefits and relationship value.
Monroy and Alzola (2005)	RA: Theoretical article. T: Theory of alliance control, Relational exchange theory (**relational norms**: solidarity, flexibility, mutuality, solidarity, harmonisation of conflict; relationship quality: commitment, trust, satisfaction).	O: Argue that formal contracts and relational governance serve as compliments in promoting transactional quality and cooperation; posit that transactional quality positively influences business performance.
Paswan and Wittmann (2009)	RA: Theoretical article. T: Relational exchange theory (trust; **relational norms:** mutuality, solidarity, reciprocity), network theory (franchise systems are composed of ties that enable flows of resources, including knowledge), theory of knowledge management.	O: Social network ties (within the franchise system) underpinned by relational norms and trust enable cooperative behaviour involving knowledge exchange.
Zafeiropoulou and Koufopoulos (2013)	RA: Case study research involving four social franchises active in the UK. T: Network theory (structures and relational properties - trust, **relational norms** – activities of social franchises are embedded	O: A social enterprise's embeddedness in interorganisational networks with cohesive ties is positively related to social franchise formation and the selection of appropriate partners; A social franchises' embeddedness in interorganisational networks with cohesive

	in interorganisational social networks, which enable flows of resources such as information, and alliance opportunities). Relational norms incorporate: role integrity, harmonisation of conflict, restraint of power, solidarity, mutuality, and flexibility.	ties engenders cooperation and positive performance.
Zafeiropoulou and Koufopoulos (2014)	RA: Case study research involving four social franchises based in the UK. T: Social network theory (within social networks relational embeddedness governs cooperative exchange relationships); relational exchange theory (relational elements of embeddedness include: trust, commitment, and the **relational norms** solidarity, mutuality, flexibility, role integrity, harmonization of conflict, restraint of power).	O: Based on the data, propose that relational interorganisational network embeddedness (trust, commitment, mutuality, flexibility, role integrity, harmonization of conflict, restraint of power) influences the governance structure of social franchises; Such relational interorganisational network embeddedness is positively related to the performance of social franchises.
Ishak, et al. (2018)	RA: Written survey administered by 128 Malaysians franchisees that operated business-format franchises in Malaysia; adopted adapted items from Heide & John's (1992) scales of information exchange, flexibility, solidarity. T: Relational exchange theory (**relational norms:** information exchange, flexibility, solidarity).	O: The greater the extent of relational norms (information exchange, flexibility, solidarity), the higher is the level of relational quality (based upon franchisee perceptions).
Ishida and Brown (2011)	RA: Written survey administered by 80 single-unit franchisees across a range of industries; interview surveys with 82 US undergraduate students; adopted Heide and John's (1992) scale of solidarity. T: Agency theory, relational exchange theory (**relational norms:** solidarity).	A: The extent of the franchisor monitoring of franchisees is positively associated with the level of solidarity; the greater the ease with which franchisors can monitor franchisee performance enhances relational solidarity; franchisor monitoring enforcement is negatively associated with solidarity. O: Higher levels of solidarity are associated with lower levels of negative franchisee attitudes towards monitoring.
Achrol (1997)	RA: Theoretical article. T: Relational exchange theory (trust; **relational norms:** mutuality, solidarity, flexibility,	O: Suggests that within a marketing channel cohesive social network ties characterised by relational norms, shared values, and trust,

	role integrity, harmonisation of conflict), network theory (franchise systems are composed of ties that enable flows of resources, including knowledge and information).	enable cooperative behaviour (such as knowledge and information sharing). A: Suggests that leaders can enhance cohesive ties by promoting distinctive attributes of the cohesive social network within a marketing channel; suggest that performance monitoring information about quality service enhances mutuality.
Paswan, et al. (2004)	RA: Theoretical article. T: Relational exchange theory (**relational norms:** mutuality, reciprocity, solidarity), network theory (franchise systems are composed of ties that enable flows of resources, including knowledge), theory of knowledge management (knowledge transfer).	O: Within franchise systems, social networks having ties governed by relational norms are likely to have a negative relationship with deviant behaviour. A: A transparent communication system is likely to enhance relational norms within social networks within the franchise system.
Brookes and Roper (2011)	RA: Case study research on the relationship between a US franchisor of an international hotel brand and a European master franchisee. T: Theory of alliance control, relational exchange theory (trust and **relational norms -** such as mutuality and flexibility - develop over time).	A: Findings suggest that relational norms fostering cooperation develop across the stage of alliance evolution from development to maturity. In the development stage mutuality was undermined by franchisor emphasis on executing contractual terms. However, the shift from formal to frequent, informal face-to-face communication between senior members of the franchise and the franchisor developed the norms of mutuality and flexibility. Suggest that during the maturity stage franchisor practices (including participative decision-making, and annual conferences) fostered relational norms (mutuality, flexibility) and trust.
Sydow (1998)	RA: Normative article. T: Theory of network governance (franchise systems are strategic networks led by a hub firm and are partly governed by the **norm** of reciprocity, and mutual commitment, and trust); structuration theory (practices and institutions reproduce structures that govern cooperation within interorganisational networks).	A: Suggests that centralised organisational practices (such as committees, franchisee coaches, information systems, exchange of personnel, training) encourage relational norms.
Cochet, et al. (2008)	RA: Written survey administered by 208 German franchisees of 11 franchise	A: Extent of franchisee autonomy is positively related to the intensity of relational governance in the franchisor-franchisee

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	systems. Harmonisation of conflict, and intensity of cooperation measured using theoretically-derived scales. T: Agency theory, relational exchange theory (trust, relational governance includes relational norms and behaviour intensity of cooperation; **relational norms:** harmonisation of conflict; relational behaviour: intensity of cooperation).	relationship; franchisee success negatively influences (moderates) the relationship between the extent of autonomy and relational governance (norms, trust, intensity of cooperation); the level of intra-chain competition positively influences (and moderates) the relationship between the extent of autonomy and relational governance.
Weaven, et al. (2017)	RA: Written survey administered by single-unit and multi-unit 439 franchisees across a range of industries; relational norms operationalised using theoretically derived scales. T: Relational exchange theory (relationship quality: trust commitment, satisfaction **relational norms:** solidarity, flexibility, mutuality).	O, M: Franchisee gratitude mediates the positive relationship between relational norms (solidarity, flexibility, mutuality) and relationship quality (trust commitment, satisfaction).

Focal construct: Cooperative behaviour

Gassenheimer, et al. (1996)	RA: Written survey administered by 162 franchisees, used theoretically derived scale for participative communication. T: Transaction cost analysis, relational exchange theory (**relational behaviour:** participative communication; includes vertical communications - in which franchisees provide input to the franchisor on policy issues and solicit information about new stores in the franchisees market, and horizontal communication - in which franchisees share information with other franchisees).	O: Participative communication positively influences franchisee satisfaction and franchise system performance.
Weaven, et al. (2014)	RA: Theoretical article. T: Relational exchange theory (**relational behaviour:**	O: Propose that: franchisor knowledge dissemination has a positive influence on franchisor welfare; sharing, transmitting, and

	participative communications, knowledge use), theory of knowledge management (knowledge transfer).	exchanging information has a positive influence on franchisor and franchisee knowledge use; franchisee knowledge use has a positive influence on franchisor, franchisee, and customer welfare. M: Propose that: monitoring moderates the relationship between franchisee knowledge use and franchisee welfare.
Nyadzayo, et al. (2011)	RA: Qualitative interviews study with franchisees, franchisor managers, and consultants operating in Australia. T: Social exchange theory (relational norm of reciprocity promotes **cooperative behaviour supporting branding goals**, including compliance with the franchise contract).	O: Franchisee cooperative behaviour supporting branding goals positively influence franchisee-based brand equity. A: Propose a conceptual model of brand relationship management: Brand relationship management (franchisor support, information sharing, powerful brands, conflict resolution, franchisor-franchisee relational bonds) positively influence franchisee cooperative behaviour supporting branding goals.
Nyadzayo, et al. (2015)	RA: Written survey completed by 335 Australian franchisees operating in the food and non-food retail industry and in the service sector. T: Relational exchange theory (**relational behaviour:** includes cooperation supporting branding goals, such as compliance with the franchise contract and franchisor requests).	O: Franchisee cooperative behaviour supporting branding goals positively influences franchisee perceived brand image. A: Franchisor support positively influences franchisee cooperative behaviour supporting branding goals. M: Franchisee cooperative behaviour supporting branding goals is not stronger at lower levels of franchisee experience than at higher levels.
Nyadzayo, et al. (2016)	RA: Written survey completed by 352 Australian franchisees operating across a range of service, fitness, retail, and food and beverage sectors. T: Relational exchange theory (relationship quality: trust, commitment, satisfaction; **relational behaviour** includes cooperation supporting branding goals).	O: Franchisee cooperative behaviour supporting branding goals positively influences perceived relationship value, perceived brand image, and perceived brand loyalty. A: Brand relationship quality positively influences franchisee cooperative behaviour supporting branding goals. M: Franchisor competence moderates the positive relationship between brand relationship quality and franchisee cooperative behaviour supporting branding goals.
Davies, et al. (2011)	RA: Written survey completed by 135 franchisees affiliated with an auto repair franchise firm; adopted compliance measures from Kumar, et al. (1992).	A: Franchisee trust positively influences compliance.

	T: Relational exchange theory (trust; **relational behaviour:** compliance with relational norms), social exchange theory (norm of reciprocity leads to cooperative behaviour involving compliance with relational norms).	
King, et al. (2013)	RA: Written survey completed by 179 Australian franchisees operating across a range of sectors, including retail and services. T: Relational exchange theory (commitment, **relational behaviour:** brand-supportive cooperation).	A: Franchisee brand commitment positively influences cooperative behaviour supporting branding goals.
Yakimova, et al. (2019)	RA: Case study research involving five Australian retail franchises, which included interviews with franchisor managers and franchisees. T: Expectancy theory (explains motivation to adopt **cooperative brand-supportive behaviour**, based on expected outcomes of an activity), social comparison theory (explains motivation for **cooperative brand-supportive behaviour** based on social comparisons to the performance of similar franchisees), organisational theory (construct of formalisation intent), construct of trust.	A: Formalisation intent with coercive and enabling features operates to promote franchisee trust and cooperative behaviour supporting branding goals via compliance-promoting (developed franchisee positive expectancy and motivation to adopt franchisor recommended procedures for improving business standards), marketing-trust-building (system information developed positive expectancy about franchisor-recommended marketing activities), and social-comparison-activating procedures (developed a positive expectancy and intention to use cross-unit branding performance monitoring information).

relational exchange (long-term, continuous exchanges involving complex social relationships - Noordewier, et al. 1990). It is the contracting norms manifest in the relationship that distinguish between the governance of discrete and relational exchanges. Commonly adopted relational norms borrowed from relational contract and social exchange theories include flexibility (parties expect to negotiate adjustments to formal contracts to address environmental changes - Heide and John 1990), mutuality (a focus on the continuous and undifferentiated returns from the exchange relationship and an appreciation that both parties contribute to its

joint goals - Brookes and Roper 2011; Kaufmann and Stern 1988), solidarity (emphasis on actions to preserve the unique and continuing relationship - Ishida and Brown 2011; Kaufmann and Stern 1988), information exchange (parties will proactively share information that is useful to the partner - Heide and John 1992), and reciprocity (parties respond positively when they perceive they have received benefits in the business relationship - Davies, et al. 2011; Harmon and Griffiths 2008). Although some studies investigate cooperative behaviour (see Tables 1 and 2), there is research bias towards specific dimensions, such as: supplier development activities (Krause, et al. 2007), and relational (Awan, et al. 2018; Bello and Gilliland 1997; Cannon and Homburg 2001; He, et al. 2017; Lusch and Brown 1996), or brand-supportive behaviour (King, et al. 2013; Nyadzayo, et al. 2015; Nyadzayo, et al. 2016). This bias is also heavily influenced by relational exchange theory, underpinned by McNeil's (1978) ideas about relational norms (see for example: Bello and Gilliland - 1997; Heide and Miner – 1992; and Lusch and Brown – 1996).

The focus on particular relational ties among buyers and suppliers may have further influenced a reliance on certain theories to develop hypotheses about the likely antecedents. Studies draw upon social capital theory (Nahapiet and Ghoshal 1998), transaction cost analysis (Anderson 1985; Williamson 1985), resource dependence theory (Pfeffer and Salancik 1978; Ulrich and Barney 1984), theory of alliance control (Das and Teng 1998; El-Ansary and Robicheaux 1974; Geringer and Herbert 1989; Jap and Ganesan 2000), theory of power (Cook, et al. 1983; Emerson 1962), and theory of channel communications (Frazier and Summers 1984; Mohr and Nevin 1990) to investigate select antecedents to relational ties. Social capital theory recognises that buyer-supplier exchanges are embedded in a relational context that includes resources (such as trust, respect, reciprocity, friendship - Nahapiet and Ghoshal 1998). Based on this theory, Lawson, et al. (2008) found that the broader the range and intensity of integrated activities between key suppliers and the buying firm, the greater was the extent of

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social capital within ties between the buyer and key suppliers. Transaction cost analysis research, focused on how firms develop ties to minimise transaction costs, investigates how types of relationships (symmetric high dependence, unilateral dependence, asymmetric dependence - Heide 1994; Zhang, et al. 2003), relationship specific investments (Bello and Gilliland 1997; Heide and John 1990), and market factors (perceptions of volume unpredictability, market volatility - Bello and Gilliland 1997; Heide and John 1990) influence relational norms. Resource dependence theory research recognises dependence and uncertainty as key antecedents motivating the development of inter-firm relationships (Heide 1994). This research investigates how dependencies (high and symmetric, or unilateral) influence relational norms. The theory of alliance control research, which emphasises formal processes for governing partner behaviour, suggests that over-administration of the contract can detract from mutuality (Brookes and Roper 2011). The theory of power regards the origin of member A's influence over member B is their dependence for valued resources which are not obtainable from other sources (Emerson 1962). This research indicates that asymmetric power relationships and centralisation positively influence relational norms (Dwyer 1993). The theory of channel communications recognises that suppliers use influence strategies to change the behaviour of the buyer (Frazier and Summers 1984). In accordance with this theory, studies investigate how various communication strategies influence relational norms (frequent requests, legalistic pleas, threats, participation in decisions - Boyle, et al. 1992; Dwyer 1993).

Notwithstanding the contribution of work to develop hypotheses about select antecedents to relational ties among buyers and sellers, scholars must accept that theoretical development alone is insufficient to capture the complexities of interorganizational cooperation (Barringer and Harrison 2000). Overall, the theoretical landscape provides a rather narrow view of the antecedents to cooperation without fully explaining the links to the wider organizational, network and individual contexts of marketing channels. One plausible reason for this neglect

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is that few studies have exclusively focused on cooperation per se, but rather focus on specific relational norms that underpin cooperative channel relationships. We suspect that empirical world observations may provide new insights into organisational, individual agency, and network factors that scholars of other types of interorganisational relationships recognise influence cooperation (Payne, et al. 2011; Saz-Carranza and Ospina 2011).

A small stream of research that draws upon network theory recognises that certain structures and properties of social networks within a marketing channel enable cooperation (Paswan and Wittmann 2009; Zafeiropoulou and Koufopoulos 2013). In accordance with network theory (Borgatti and Halgin 2011), it is possible to argue that franchisees with recognised expertise may become central to resource flows in the franchise system. The individual motivation of franchisees to enhance competitiveness for their businesses may foster advice-seeking from these experts. Further, centralised franchisor practices that encourage franchisee interaction may foster such cooperation (cf. Dessaigne and Pardo 2020; Hurmelinna-Laukkanen and Nätti 2018; Paquin and Howard-Grenville 2013). The theory of knowledge management research suggests that intranet forums and annual conferences may foster information and knowledge sharing among franchisees (Paswan, et al. 2004; Weaven, et al. 2014). As this stream of research emphasises knowledge transmission processes, it fails to fully explain the mechanisms by which such centralised practices encourage cooperative behaviour more generally.

2.2. Cohesive *social* networks

Social capital theory provides an understanding of the structure and properties of cohesive 'social networks' (hereafter referred to as networks, unless specified otherwise) that foster cooperation (Kang, et al. 2007; Leana and van Buren 1999). In terms of structure, members have a strong sense of mutuality and interdependence (Hite and Hesterly 2001; Jiang, et al. 2018). Properties concern attributes that characterise relationships within cohesive

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networks (Coleman 1988; Kang, et al. 2007). In accordance with theoretical work on cohesive networks, this study defines social capital "as the sum of the actual and potential resources embedded within, available through, and derived from the network of relationships possessed by an individual or social unit" (Nahapiet and Ghoshal 1998, p. 243). Resources include both the properties of cohesive networks and flows of knowledge, information, and support that contribute to cooperation (Coleman 1988; Guler and Nerkar 2012; Mura, et al. 2016). For example, the findings of Kalnins and Chung (2006) suggest that cohesive *Gujarati* networks (Indian immigrant entrepreneurs in the US) enabled low-capital (un-branded) motel owners to access support and knowledge from high-capital (branded) motel owners.

The current study investigates the properties of a cohesive social network within the franchise system that foster cooperation. Based upon theoretical work on relationships in a variety of settings (personal dyads, and within organisations and interorganisational arrangements), these properties may include trust and group identification (Kang, et al. 2007; Monroy and Alzola 2005; Nahapiet and Ghoshal 1998). Researchers posit that generalised trust is likely to characterise relationships within cohesive networks (Leana and van Buren 1999). Generalised trust is defined as "as anticipated cooperation" (Burt and Knez 1995, p. 257; Kang, et al. 2007; Leana and van Buren 1999). In cohesive networks, generalised trust relies less upon direct knowledge of another, but more upon affiliation (Leana and van Buren 1999). Given this affiliation, individuals appreciate the norms and behaviours that apply to members of the social group (Kang, et al. 2007; Leana and van Buren 1999). As a result, an individual may be trusted, even if unknown to and in the absence of prior interaction with a network actor (Leana and van Buren 1999). Although trust can be defined in terms of affective and cognitive components, the latter is most common in bilateral business relationships (Ganesan 1994; Lewicki, et al. 1998; Morgan and Hunt 1994). Similarly, generalised trust concerns a collective positive expectation for cooperative behaviour within the network that applies to its members (Nahapiet

and Ghoshal 1998). Researchers argue theoretically that generalised trust fosters knowledge sharing within cohesive networks of relationships within organisations (Kang, et al. 2007; Leana and van Buren 1999; Nahapiet and Ghoshal 1998). However, the nature of generalised trust within marketing channels is unclear.

The second attribute of cohesive networks is identification with a group (Davenport and Daellenbach 2011; Nahapiet and Ghoshal 1998). Identification occurs when an individual sees themselves as one with a group and has clear normative expectations about one's role (Dutton, et al. 1994; Podolny and Baron 1997). When this transpires, an individual develops an emotional attachment to the group and takes its attributes as a frame of reference for action (Harquail 1998; Merton 1968; Tajfel 1982). Researchers argue that franchisees that adopt brand-supportive behaviour are likely to identify with the brand values (Badrinarayanan, et al. 2016; Nyadzayo, et al. 2015). However, the study of Toyota (Japan) by Dyer and Nobeoka (2000) suggests that identification with the values and goals of an interorganisational arrangement promote knowledge sharing that fosters cooperation.

Theorists recognise that interaction within cohesive networks develops relational properties that foster cooperation (Filieri, et al. 2014; Nahapiet and Ghoshal 1998). However, given the emphasis on network structure and properties, social capital theory fails to consider *how* suppliers can orchestrate cooperation. This theory therefore fails to demonstrate *how* centralised supplier practices influence cohesive networks within marketing channels.

2.3. Centralised practices and social-psychological processes

Research on networks within interorganisational arrangements provides an understanding of lead firm centralised practices that enable the development of ties and cooperation (Hurmelinna-Laukkanen and Nätti 2018; Kang, et al. 2007; Paquin and Howard-Grenville 2013). Dyer and Nobeoka (2000) show that Toyota provides "interaction spaces" (supplier associations, consulting teams, learning teams) that enable dealers to develop a

network identity (Paquin and Howard-Grenville 2013, p. 1632). Based on organisational learning theory, Dyer and Nobeoka (2000) explain the interaction spaces in terms of routines that permit the development and application of new knowledge. Research suggests that franchisors use interaction spaces, such as Franchisee Advisory Councils (FACs), annual conferences, and intranets (Brookes and Roper 2011; Cochet and Ehrmann 2007; Paswan, et al. 2004). However, organisational learning theory that emphasises knowledge exchange does not explain *how* centralised supplier practices develop cohesive ties that foster cooperation.

Self-categorisation theory suggests *how* centralised practices influence cohesive ties and individual processes that promote cooperation within networks (Jiang, et al. 2011; Rink and Ellemers 2007). This theory suggests that individuals identify by categorising themselves and others into social groups (Hogg and Turner 1985; Turner 1982; Turner, et al. 1988). Individuals are motivated to self-categorise to reduce uncertainty about their position within social structures (Hogg 2000). Further, individuals exhibit normative behaviour to the extent that self-categorisation is more prominent than other personal identities (Turner, et al. 1988). Social contexts that make self-categorisation salient provide exposure to information about the group (Turner 1982; Turner, et al. 1988) and opportunities to observe stereotypical behaviour (Rink and Ellemers 2007; Turner 1982). Suppliers that lead branding efforts may foster such contexts by providing interaction spaces, and information about distinctive attributes of the social network within a marketing channel (Achrol 1997). However, research on lead firm industrial networks emphasises how centralised practices influence ties at the interorganisational level (such as shared values, goals, and norms - for review see: Dessaigne and Pardo 2020), so the interaction with individual agency is poorly understood.

Research indicates that individuals self-categorise because they are attracted to groups having similar attributes to themselves (Hogg and Hains 1996; Hogg, et al. 1995; Hogg and Turner 1985). The self-categorisation theory proposes common attributes of employee

organisational identification (Ashforth, et al. 2008), including beliefs, goals, and stereotypic traits. In a retail franchise, beliefs concern attributes of some network identity that an individual personally accepts (cf. Ashforth, et al. 2008). Goals concern common interorganisational aims that an individual wants to support (cf. Ashforth, et al. 2008). Stereotypic traits are types of normative group behaviour that one generally adopts (cf. Ashforth, et al. 2008; Hogg and Turner 1987). Like employee self-categorisation, franchisees are likely to take some attributes of the cohesive network within the franchise system as a personal frame of reference. However, the attributes of self-categorisation for members of such networks remain unclear.

Kramer, et al. (1996) extend self-categorisation theory to explain the process of generalised trust development within organisations. Based on the principle of in-group bias (people tend to perceive members of their own social group positively - Brewer 1979), Kramer, et al. (1996) argue that generalised trust develops as a result of self-categorisation. This is because people expect more positive behaviour from those with whom they share group membership, than from outsiders.

Overall, research on marketing channels provides an understanding of the attitudinal (i.e. relational norms, social capital) and behavioural (i.e. supplier development activities, relational behaviour, brand-supportive behaviour) dimensions of cooperation. However, the focus on suppliers' bilateral management of the relationship with buyers and the use of relational norms has influenced a narrow view of antecedents to cooperative behaviour within marketing channels. Moreover, research is unclear about the main drivers to efficient cooperation within branding marketing channels. We examine key factors that enable cooperative behaviour within the social networks nested within a franchise system.

3. Research design and methodology

Given that theoretical explanations provide only a limited overview of *how* franchisors orchestrate cooperation within social networks within franchise systems, we adopt a theory

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building approach using multiple cases (Eisenhardt 1989). This research approach has a number of favourable aspects when compared to single case studies, or survey research that develops constructs based upon theoretical knowledge. Multiple case study research designs permit researchers to develop theoretical categories based on replicated observations of the empirical world (Eisenhardt 1989). Such research provides greater generalizability to theory, when compared to single case studies (Brown and Eisenhardt 1997). For example, we used the cross-case study data to develop an understanding of network tie properties, based on the experienced knowledge of franchising participants. Second, multiple case study research provides considerable potential to observe contrasting patterns that help to develop properties and dimensions of theoretical categories (Eisenhardt and Graebner 2007). Such observations enable researchers to develop theoretical models of complex process phenomena within industrial markets (see, for example: Schweizer 2005; Yakimova, et al. 2019).

Our case study research design allowed us to develop a model of how franchisor practices maintain and increase cohesive ties that foster cooperation within the franchising community (a type social network). We adopted an abductive research approach to build this model aof (Dubois and Gadde 2002), which is underpinned by social capital theory (Guler and Nerkar 2012; Hite and Hesterly 2001; Jiang, et al. 2018; Mura, et al. 2016), self-categorisation theory (Rink and Ellemers 2007; Turner 1982; Turner, et al. 1988), and the constructs relational norms and behaviour from research on marketing channel cooperation (Brookes and Roper 2011; Gassenheimer, et al. 1996; Kaufmann and Stern 1988). Although our model uses labels for constructs from extant research, we ensured that the theoretical categories reflect the meaning found in the data based on participants' lived experience.

Our sampling was theoretically motivated. We used three main criteria to select cases. First, we selected retail franchises that provide a good context to investigate cooperation within

the franchise system. The five case studies were finalists or winners of Australian awards that

recognised successful franchising and cooperation within franchise systems (see Table 3).

Table 3 Australian industry awards/recognition for each case

Case	Name	Criteria
Energetic	Franchise innovation (finalist 2012)	Recognises an individual or group within a system responsible for creating successful business innovation
SwimHealthy	Multi-franchisee of the year (winner 2012)	Excellence in business management and franchise citizenship for franchisees with multiple franchise units
	Franchisee of the year (winner 2004)	Excellence in business management and franchisee citizenship for franchisee owner operators
GreatFix	Franchisee of the year (winner 2009, 2011, 2015)	Excellence in business management and franchisee citizenship for franchisee owner operators
Yumboes	Established franchisor of the year (finalist 2014)	Excellence in franchising practice by an established Australian franchise system that has been franchising its brand for more than five years
QuickSupa	Established franchisor of the year (winner 2012)	Excellence in franchising practice by an established Australian franchise system that has been franchising its brand for more than five years

3.1. Data collection

We relied on three data sources: semi-structured interviews, archival, and email data.

We conducted 30 interviews over a three-month period. We included franchisor managers

and franchisees (ranging from 3 months to 18.5 years of experience in managing a franchise

business - see Appendix A). We selected franchisees that varied in the extent of brand-

supportive behaviour, according to managers. This included between five and seven

interviews within each case, all transcribed verbatim. They comprised Energetic[4] (battery and

related products), SwimHealthy (pool and spa maintenance products and services), GreatFix

(shoe and watch repair, key cutting and engraving services), Yumboes (salads and healthy

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[4] Pseudonyms were used to protect the identity of the franchises.

snack food), and QuickSupa (service station and convenience stores). See Table 4 for case background information. As shown in Table 4, the cases were comparable in key aspects including contract terms and support services. Each franchise offered support services including marketing, business development, operations, and human resource management (it should be noted that human resource management, such as franchisee staff training, was often subsumed by the business development or operations functions). Second, we selected more mature franchises and assumed they had sophisticated franchisor practices to maintain cohesive ties and encourage franchisee cooperation. The franchises ranged from 11 to 35 years old. Third, we selected cases in which franchisor managers indicated there were some cooperation inefficiencies. During the first telephone contact, managers admitted that they experienced difficulties in gaining franchisee support for implementing some new marketing campaigns. However, managers had executed recent changes to centralised practices, like internal communications, in efforts to address this issue (Energetic, SwimHealthy, Yumboes, GreatFix). We reasoned that such centralised practices may improve cohesive ties and encourage vertical cooperation.

For triangulation purposes all interviews with franchisors and franchisees covered similar topics. This included questions on background characteristics (of franchisees and franchisors), the brand vision and strategy, ties within the franchise system (between franchisee and franchisor, and among franchisees), and centralised franchisor practices that encourage franchisee cooperation. Questions on franchisor practices concerned recurrent activities (e.g. meetings, franchisee recruitment, training) and actions to improve the extent of franchisee cooperation.

A key issue to consider was informant bias. First, to encourage informants to speak candidly about their experiences, we promised them anonymity. Second, to minimize retrospective bias, we used source triangulation and asked informants to provide

Table 4 Case background information[5]

Retail franchise	Retail sector	Years with franchise operations in Australia	Number of franchised stores	Proportion of multi-unit business owners	Number of company-owned stores[6]	Number of full-time head-office franchisor employees	Contract terms L= usual length in years, T = complete training, S = store audits	Type of licensing agreement O = franchisee-owned store; F = % of profits (P) or turnover (T) fee	Key support services[7]
Energetic	Batteries and related products	17	80	"small" proportion[8]	6	12	L: 5-12 T, S	O, F: 10-10.5 T	M, BD, O
Swim-Healthy	Pool and spa maintenance products and services	19	70	75%	0	30	L: Average 8 T, S	O, F: 10-18 T	M, BD, O
GreatFix	Shoe repairs, key cutting, engraving, and watch repairs	11	165	40%	71	22	L: 5 T, S	Store lease; fixed monthly equipment lease, rent & license fee	M, BD, O, HR
Yumboes	Salads and healthy snack food	11	101	"very small percentage"[9]	7	32	L: 6 T, S	O, F: 10 T	M, BD, O
QuickSupa	Service station and convenience stores	35	620	40%	1	310	L: 10 T, S	O, F: 57 P	M, BD, O

[5] Adapted from: Yakimova et al. (2019), p. 126; reproduced with permission from *Industrial Marketing Management.*

[6] All but one case adopted a plural-form with franchised and corporate stores operating within the network (Bradach, 1997).

[7] Legend: M = marketing; BD = business development; O = operations; HR = human resources; IT = information technology; P = property; Me = merchandise; S = supply, F = Finance; Pa = payroll; L = legal.

[8] Franchise Development Manager.

[9] Franchise Operations Manager.

responses based on events that occurred within the year of interviews. We triangulated the interviews with multiple informant perspectives (of franchisor practices and branding activities), and email and archival data. We emailed franchisors with follow-up questions and requests for archival data on franchisee selection and training. Franchisor email responses helped inform our understanding of franchisor practices that maintain cohesive ties. Archival documents provided greater insight into franchisee selection and training.

3.2. Data analysis

Following well-established case study research methods, we used multiple techniques to analyse the interviews, emails and archival data (Hedvall, et al. 2016). This included case summaries (Patton 2002) and coding procedures (open, axial, and selective - Strauss and Corbin 1998). We wrote summaries that described findings within each case: franchisee and franchisor background characteristics, franchisor practices, and franchisee cooperation. The case summaries provided a foundation for developing an understanding of background information and facilitated open coding to establish first-order categories (see Table 5, Data structure). These categories included *a priori* codes when themes resonated with concepts from the literature (e.g. franchisee selection, mutuality, generalised trust) and labels that best denoted meaning in the data.

During axial coding we collapsed first-order codes into second-order categories that explained how franchisor practices influenced cohesive ties that enabled cooperation. For example, we recognised why franchisor practices that encourage interaction foster cooperation because they reinforce franchising community (a type of cohesive social network) identification and generalised trust. This led to the second-order category of practices to maintain network cohesion.

During selective coding, we looked for theory that triangulated the data to form explanations of how franchisor practices influence social network ties and franchisee

Table 5 Data structure[*]

Ener-getic	Swim-Healthy	**Evidence** GreatFix	Quick-Supa	Yum-boes	First-order codes	Second-order categories	Theoretical categories
A	A	A	A	A	**Social network identification and cooperation:** franchisees believed that members of the franchising community (a type of cohesive social network) had mutual interdependence to achieve branding and business goals and had a general tendency to engage in normative cooperative behaviour.	**Cohesive ties and cooperation:** within retail franchise systems two properties of cohesive social networks foster cooperation, namely ties characterised by: franchising community identification and generalised trust.	**Cohesive ties and cooperation**
A	A	A	A	A	**Generalised trust and cooperation:** franchisees expected positive behaviour among members of the franchising community, which enabled flows of knowledge, information, and support within the franchise system.		
Aa	A	A	Aa	A	**Franchisee selection:** franchisor managers selected franchisees with attitudes, values, goals, work backgrounds, and skills that complemented the brand vision. When new candidates interacted with existing franchisees, they developed ties that enabled flows of knowledge and information.	**Practices to maintain cohesive ties:** in contexts where there is efficient cooperation, centralised franchisor practices (franchisee selection and training, interaction spaces) can maintain a high extent of cohesive ties by fostering interaction that encourages generalised trust and identification with the franchising community.	**Practices to maintain or increase cohesive ties**
A	A	A	Aa	A	**Franchisee training:** franchisors provided training programs that developed new franchisee ties with members of the franchise system. Interactions with existing franchisees (that demonstrated stereotypical behaviour and shared knowledge of effective franchise store operation) developed generalised trust towards members of the franchising community.		
A	Aa	A	A	A	**Meetings:** franchisors provided regional, national, and Franchisee Advisory Council meetings to maintain cohesion within the franchise system. These meetings encouraged interaction that fostered relationship development and reinforced generalised trust and identification with the franchising community.		
		A			**Intranets:** intranets reinforced generalised trust among franchisees and provided a channel for support provision.		
A	A			A	**Changing franchisor staff:** to increase the extent of cohesive ties fostering vertical cooperation, managers replaced key support staff.	**Practices to increase cohesive ties:** When franchisor managers recognise deficiencies in cooperative attitudes within the franchise, they employ centralised practices to increase the extent of cohesive ties within the franchise system (changing franchisor staff and franchisees, increasing interaction spaces).	
	C				**Changing franchisees:** to increase the extent of cohesive ties fostering horizontal cooperation, franchisor managers replaced uncooperative franchisees with those having positive brand attitudes.		
C				B	**Increasing interaction spaces:** to increase the extent of cohesive ties fostering lateral cooperation, franchisors increased the provision of interaction spaces.		

[*] Codes for the evidence are: **A** = evidence from three or more interviews, **B** = evidence from two interviews, **C** = evidence from one interview, **a** = evidence from one email or archival document.

cooperation. Our theoretical framework was underpinned by theories of social capital (Guler and Nerkar 2012; Yu, et al. 2011) and self-categorisation (Hogg and Turner 1985; Turner 1982; Turner, et al. 1988). For example, self-categorisation theory partly explained why franchisor practices that encouraged social interaction reinforced franchising community identification. This community was a type of branding social network nested within the franchise system.

We ensured coding reliability in two ways. First, co-authors met regularly to discuss the findings, to reach agreement on the framework (Miles and Huberman 1994). These discussions encouraged authors to revisit the data and consider new lines of enquiry to explain relationships between categories. Second, we used three forms of collegiate review (Miles and Huberman 1994). First, we received reviews from academic experts on interorganisational networks as a double-blind peer-reviewed conference paper submission at a leading international conference. Second, feedback from several senior academics in a conference presentation. Third, following minor refinements we sought a further review from two leading academic experts on interorganisational networks. While the experts suggested minor refinements to the framework, they largely confirmed the fit between the theory and the data. Based on this feedback, we made further minor refinements to our arguments.

Data analysis continued up to a point of theoretical saturation, when there was a close match between the theory and the data and no new insights were emerging (Hallen and Eisenhardt 2012). By this stage the research team agreed that the theoretical framework accurately represented the story of the data. The data analysis resulted in a model of *how franchisor practices maintain and increase cohesive ties that foster cooperation within franchising communities*.

To enhance research reliability, we provide a chain of evidence of the research process (Yin 2014). First, our data structure shows the systematic process for data analysis, including the development of first-order codes and theoretical categories (see Table 5). The two

theoretical categories (of cohesive ties and cooperation, and practices to maintain or increase cohesive ties) were supported in all cases with at least three interviews. Second, we provide evidence of cross-case interview data supporting the theoretical categories (see Tables 6-9, 11 & 12). We now turn to our framework to provide understanding of cohesive ties and the influence of franchisor practices (see Tables 6, 7, 8, 9, 11 & 12 for illustrative quotes).

4. Findings

We first present the findings for our core category concerning cohesive ties and cooperation. Our data demonstrates how certain properties of cohesive ties within franchise systems foster cooperation. We then present findings that demonstrate how franchisors employ practices to maintain and increase such cohesive ties.

4.1. Cohesive ties and cooperation

Theoretical work suggests that relational norms found in bilateral buyer-supplier relationships apply also to ties of social networks found within marketing channels (Achrol 1997; Paswan and Wittmann 2009; Paswan, et al. 2004). However, the structures and properties of cooperative network ties within marketing channels are poorly understood. Our data demonstrates that within retail franchises two properties of cohesive social network relationships fostered cooperation, namely: franchising community identification and generalised trust.

4.1.1. Franchising community identification and cooperation

Franchisees categorised themselves and others as members of the franchising community with cohesive ties. Given this self-categorisation, franchisees identified with this franchising community. Two attributes of this identification enabled cooperation, namely, mutuality, and generalised trust.

Mutuality. The core component of the *franchising "community" identification* was mutuality (Senior Franchise Development Manager, QuickSupa, Franchisee C, Energetic).

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Franchisees believed that members of the franchising community were mutually interdependent to achieve branding and business goals (see *Table 6*). The understanding of this interdependence centred upon the brand vision, which concerned developing a favourable brand image. Franchisees understood that a favourable brand image helped to achieve business objectives concerned with growing the number of customers, stores, and profits. The brand vision was often an aspiration to become recognised as a leader in the retail market for the franchise. For example, GreatFix Franchisee A believed in collectively working towards the goal of being recognised as a leading retailer in shoe repairs, key cutting, engraving, and watch repairs (SKEW categories). Franchisees were motivated to adopt cooperative behaviour to support this goal, because they appreciated the distinctive GreatFix values.

> *[What philosophy… governs your brand?] To be a marketing leader in the SKEW categories that we do. To serve the customers… to the best of our ability, consistently over the brand, would be a big one. That's probably the biggest philosophy. It's being leaders in our market.* (Franchisee A, GreatFix)

Researchers recognise "we" to be a marker of identification with attributes of an organisation (Ashforth, et al. 2008). Similarly, franchisees used "*we*" in reference to mutuality beliefs. Like GreatFix Franchisee A, many franchisees identified with mutuality beliefs. These franchisees tended to adopt cooperative behaviour towards protecting and enhancing the brand positioning (all cases).

A dimension of mutuality was the sense of common destiny that motivated support and knowledge sharing. Franchisees often felt they were part of a franchising "*community*" with a common destiny (Franchisee C, Energetic). They understood behaviour supporting members of this network in terms of "*protecting the brand*" and actions that contributed to branding and business goals (Franchisee B, SwimHealthy; Franchisee A, GreatFix). Franchisees were motivated to adopt cooperative behaviour partly to improve their status in this franchising community. This motivation allowed flows of resources in the form of knowledge, information,

Table 6 Franchising community identification and cooperation

Case	Data
Energetic	*Mutuality:* … a lot of them do believe they have, they call it "the purple blood"… They are very passionate about the brand. And most of them understand you know the collective of all giving good service, valuing each other's customers because it's better for the brand. (Franchisee Development Manager) *Stereotypic traits:* … We support and help each other rather than see each other as competition. (Franchisee A)
SwimHealthy	*Mutuality:* [Do you think that personal interaction amongst franchisees is important?] Very important. Absolutely invaluable. Helping to grow your business when you are not that experienced. Looking after each other. You are protecting the brand by looking after each other…. You are still maintaining the flow, you are not giving anyone else the work, you are still keeping it within the SwimHealthy family. (Franchisee B) *Stereotypic traits:* It probably stands for… integrity… and doing the right thing… Basically, it is important that we do the right thing all the time. (Franchisee A)
GreatFix	*Mutuality:* … it's about the uniqueness of the brand name and whatever you do, even if you were with the company, it reflects on the brand name. As a franchisee, you see - if you damage the brand name, you're not just damaging the brand name, you're damaging yourself because you're responsible for their turnover and the income coming to that shop. (Franchisee B) *Stereotypic traits:* ... there's ten basic steps of serving a customer…. Look out for potential customers. A smile or friendly greeting. Agree to the customer's stated wants. Look to determine the customer's real needs. Point out, make the customer aware of the symptom, what is wrong. What will happen, and how we can help. Quote the price, give a value-added coupon. Present work proudly. Cross-promote… so… 20% off another category to upsell. Present smile, thank, and ask back. (Franchisee A)
Yumboes	*Mutuality:* [Why do you think that there's this helping of each other within Yumboes?]… probably just because Yumboes brand's culture… like the vision. We are a big family. We… wish this brand can running longer and longer normally and continue and become bigger and bigger I think that helping is very necessary. (Franchisee A) *Stereotypic traits:* … whatever we do we do it with passion. We do it with transparency and we do it with absolute accountability. (Franchisee D)
QuickSupa	*Mutuality:* I have some brand new franchisees that I go and see and they just say to me, this is the most fantastic system I've ever worked for. They love the brand. (Senior Franchise Development Manager) *Stereotypic traits:* …every month they send this store guide to see how to set up the promotions. So there are the posters and they will come a week earlier. Accordingly, we just put them up. (Franchisee B)

and support from successful franchisees to those in need, or with less experience. For example, successful QuickSupa Franchisee C was a "Super Coach" that provided new candidates with training within his store. He was motivated to fulfil the Super Coach role, which made him feel "*very proud*" and valued within the franchising community: "*... people come into your shop, they learn from your experience and also they respect you. You have - doing something that will help other people.*" (Franchisee C, QuickSupa)

Stereotypic traits. The second component of *franchising community identification* was stereotypic traits. Stereotypic traits were the general tendency to engage in normative cooperative behaviour, including providing support, sharing knowledge, delivering standardised services, and adopting advice and recommendations (see *Table 6*). Given these traits, and an appreciation of mutuality, franchisees valued support provision and tended to assist members of the franchising community to develop and maintain the brand positioning.

> *... your neighbouring franchisee for instance can't do work or one of the employees is sick or their vehicle is out of action, you know you make an effort to help them out.* (Franchisee B, SwimHealthy)

4.1.2. Generalised trust and cooperation

When franchisees identified with the franchising community, they had an affiliation, which included *generalised trust* towards members. Generalised trust meant that franchisees expected positive behaviour, such as support and knowledge sharing among members of this franchising community (see *Table 7*). Generalised trust enabled flows of support, information, and knowledge to franchisees and franchisors. For example, Franchisee A was confident that he could rely upon the support of neighbouring unit owners to address service quality issues.

> *... sometimes we forgot to order something we can communicate with like any supplier provides some not very good quality product we can communicate we can discuss each other. We can say anything somebody like we need to... some like products and some packaging.* (Franchisee A, SuperCharge)

Table 7 Generalised trust and cooperation

Case	Data
Energetic	… you can always ring anybody, whether it's a marketing question or a computer question or a pricing or I think it is a very well set up network. (Franchise Development Manager)
SwimHealthy	… If someone has a problem with yellow submarines, Barry's [i.e. a franchisee] just been dealing with some yellow submarines, why don't you give him a call and he will talk you what he has been through. (Franchise Operations Manager)
GreatFix	… If you need help, they're [franchisor managers] always there. (Franchisee B)
Yumboes	… if somebody asks me they've got a problem… as far as I am concerned I'll help anyone to improve their business, to retrieve their relationship with their staff or with Yumboes or whatever. What motivates me is if somebody is willing to ask me I'll give them information that I think will help them…. yeah if anyone asks me anything then if I can help anybody else improve their business or anything then I will do. (Franchisee C)
QuickSupa	You… meet them in the meetings, and if they [franchisee] live in the area then - if their store is closer to your store, if they run out of anything they can always come and ask for help. (Franchisee A)

4.2. Practices to maintain or increase cohesive ties

Despite empirical studies investigating the antecedents to relational norms within buyer-supplier relationships (including: types of relationships, relationship specific investments, market factors, contract emphasis, and types of communication strategies - Bello and Gilliland 1997; Boyle, et al. 1992; Heide 1994; Heide and John 1990; Zhang, et al. 2003), research provides little insight into how centralised supplier practices influence social networks nested within marketing channels. Our data provides an understanding of two types of centralised franchisor practices that influence cohesive ties of social networks within franchise systems. In contexts where there is efficient cooperation in the franchise system, centralised franchisor practices can maintain cohesive ties by fostering interaction that encourages identification with the franchising community and generalised trust (franchisee selection, training, interaction spaces). However, when franchisor managers recognise deficiencies in cooperative relationships, they employ centralised practices to increase the extent of cohesive

ties within the franchise system (changing franchisor staff and franchisees, increasing interaction spaces).

4.2.1. Practices to maintain cohesive ties

4.2.1.1. Franchisee selection. To maintain a high extent of cohesive ties within the franchise system, franchisor *managers selected franchisees* with attitudes, values, goals, skills, and work backgrounds that complemented the brand vision (see *Table 8*, also supported by archival and email data). As franchisee candidates had complimentary personal attributes and work backgrounds, they readily developed franchising community identification. For example, franchisor managers found that "*it's not so hard*" to encourage new franchisees that "*already love QuickSupa*" to identify with the franchising community and support the brand (Senior Franchise Development Manager).

> *We make sure that the people we recruit… already love QuickSupa. By doing that [we] make sure that that will engender them supporting the brand. So I think it's all about education, about what our expectation is. If they know that upfront, so on introduction, we have a whole lot of other things involved along the way that get them to support the brand, but we want them to be in love with the brand when they get here. That way it's not so hard to get people to support the brand.* (Senior Franchise Development Manager)

New candidates that identified with the franchising community were able to develop relationships with experienced franchisees. Such relationships enabled the flow of relational resources. Existing franchisees that recognised the "*like mindedness*" of new candidates were inclined to "*share information*" and "*knowledge from each-others' experiences*" (Franchisee D, Yumboes).

> *It is very important… that the group and individuals that are selected as franchisees have that like mindedness or the ability to be rational…. to work the concept of that business model. Every concept differs from the other model and… you only attract those that are like mindedness to your way of thinking…. it is very important as a tool that franchisees engage with each other, share information, share knowledge from each-others' experiences.* (Franchisee D)

Table 8 Franchisee selection

Case	Data
Energetic	…we look for previous ownership skills, business ownership and we look at people who have a desire in technical matter. We are a retail consumer, we are a retail group, but our franchisees we find a track record of wanting to help people with problems… people don't wake up in the morning and think oh I'm just going to shop at the local Energetic and have a look around… they turn up at our stores it's a destination shopping experience because something is not working and maybe they Googled us or seen us when they are driving down the main road and they've located one of our stores and they want a battery…. People who are wanting to grow and we are wanting to expand our network rapidly. (Network Development Manager)
SwimHealthy	We run a number of baseline tests so we use a personality profile. We have them do a mechanical aptitude test. We have them do a couple of other tests to ensure that they have got the required underlying skills set. At the end of the day though, just like any job, we run them through an interview process… and would make a judgment call based on our conversation with them about their suitability to the brand…. We very much want franchise partners to come to this business to grow this business. (Chief Operations Officer)
GreatFix	… so long as you qualify for the - like meet the criteria to become a franchisee, you've got over 65 per cent in your [annual audit for corporate-owned store] score, which means you've been running the shop that you're in well - you can put an expression of interest in anytime…. So that's broken down into a couple of different sections. There's a percentage - to make up the 100 per cent, there's a percentage of customer service, there's a percentage for your comparable sales, there's [a] percentage for phone customer service. (Franchisee A)
Yumboes	… we're trying now to you know recruit franchisees that also cuts into the journey that we are trying to make Australia a healthy place and you also need to almost you know believe in that in yourself as a franchisee to be able to, to live that purpose and sell that story about yourself to your customers. (National Marketing Manager)
QuickSupa	… We rate them [franchisee candidates] against…. We've taken a group of… high performing franchisees, and we've rated them against particular things and we've recognised that these attributes, these 10 attributes are the ones that definitely make a difference in terms of a high performing franchisee. [What are the 10 attributes?]… They are attention to detail… family support, their love of the brands, self-motivators, their desire to learn more… Enjoys service… driven to succeed. (Senior Franchise Development Manager)

4.2.1.2. Franchisee training. Franchisors provided training programs that developed

new franchisee ties with members of the franchising community (see *Table 9*, also supported

by archival data). During *training* that lasted between four days and eight weeks (see *Table 10*), new franchisees interacted with experienced members that demonstrated stereotypical behaviour and shared knowledge of franchised business operation. Such interaction developed generalised trust towards members of the franchising community, which included forming relationships as friends and mentors. New candidates were inclined subsequently to approach these friends and mentors for continued support.

> *… when we have a brand-new franchisee introduced to the system, they train in a what we call a Super Coach store…. That then creates a community for that person… when I do the follow-ups with brand-new franchisees they will often say to me… there are four or five franchisees in this particular area that I talk to often that will assist me.* (Senior Franchise Development Manager, QuickSupa)

4.2.1.3. Interaction spaces. Franchisors provided *interaction spaces* that reinforced franchising community identification and generalised trust (see *Table 11*). This included meetings and intranets.

Meetings. Franchisors provided regional (4-14 per year), national (annual and bi-annual), and FAC meetings (4-28 times per year) to maintain cohesive ties within the franchise system (email data). Meetings encouraged interaction that fostered relationship development among franchisees. Franchisees that identified with the franchising community were inclined to develop relationships with its members. For example, GreatFix Franchisee A explained how his District Manager had introduced more regular regional meetings, which enabled franchisees to develop personal relationships. These relationships enabled flows of knowledge and support.

> *… we go out for social functions; we might go to football… meet up… [to] have drinks… That way, you're meeting other franchisees…. if they do have a problem down the track, they can put a face to the name, give them a call, and work things out.* (Franchisee A, GreatFix)

Table 9 Franchisee training

Case	Data
Energetic	… once they've signed up… they normally go to a store for some training so we take part in that…. it was a very sound couple of weeks really. It gives you a very good insight into how it's done and the way to do it… [What do you actually do at that store?] Just watch basically. Really you just watch and learn and listen to what's happening and see how it's done. (Franchisee A)
SwimHealthy	I think we have got quite good franchise to franchise interaction and cooperation and understanding. Driven initially from the pool school groups that go through the initial training together who 5, 10, 15, 20 years later are still good buddies and in close contact and mentors. (Franchise Operations Manager)
GreatFix	… when new franchisees are doing induction, one of those [Franchisee Advisory Council]… members will attend that induction, so that the new franchisees can talk to one of us and know ways that we run our business, ways that are going to help. We can talk to them personally instead of it all being reading on a piece of paper and stuff like that. So they can pick our brains… then we kind of become a mentor too. We give them our details, and then usually from that day onwards, they have contact with us. (Franchisee A)
Yumboes	… before I started I need to go to the city, the head office. I have like two weeks of training and you got to go to the store, go to the Yumboes store and have your own working experience. (Franchisee A)
QuickSupa	I think Super Coach is important at least… franchisee we are in the same boat… They're getting the system. They're very easily first found… if we're going to the head office, they could be a - feel embarrassed to ask any question which they are concerned. In our franchises then they can ask any question, they feel free. And also they're in our store… It's real life, every day, transaction, training. (Franchisee C)

Table 10 Training: Duration and location

Case	Duration	Head office	Experienced franchisee store	New franchisee store
Energetic	8 weeks	●	●	●
SwimHealthy	4 weeks	●	●	
GreatFix	4 days	●		
Yumboes	2 weeks	●		●
QuickSupa	6 weeks	●	●	●

Table 11 Interaction spaces

Case	Data
Energetic	I'm confident that the management after a few meetings of late… have realised that there are some problems and are moving to rectify them…. There's not a lot of faith in the strategy that they launched at that conference. It doesn't seem to be getting much cut through… so at the last Council meeting we spent half a day discussing the old strategy and where it's gone wrong… so now they are returning to… an approach where we are having the same message across the nation as we used to. They give us some sort of economy of scales with the marketing…. they listened and they took our views on board…. so the first one they are actually going to change back is the Christmas promotion. (Franchisee B)
SwimHealthy	… we have had a franchisee north of the river start a resurfacing business, which SwimHealthy hasn't done before, and essentially it is very good and it has proven to be profitable… and they will discuss that. They will give other franchisees feedback on their businesses and how it is going and what he has done to achieve it. (Franchisee B)
GreatFix	… there's a computer system that's got forums. Say you're new and… you're having a problem with this key, you could send hey guys I'm having a problem with this key and you'd get 30 other franchisees that will respond going here's how you fix it. (Regional Manager)
Yumboes	[what's discussed at those regional meetings?]… a lot of the marketing campaigns is discussed. Bins, deli obsession, things that they have picked up from store to store that generically can improve the bottom line for franchisees. So it is more like a constructive platform where the floor is also open to franchisees to bring out issues that they want to discuss. (Franchisee D)
QuickSupa	…we have very good communication… We have regular meetings with our District Managers. They bring new initiatives to the business and they tell us this is what we're trying to achieve. So as being on the same team, franchisee and the franchisor, you have to support the system. (Franchisee A)

Regional and FAC meetings enhanced cohesive ties that enabled lateral cooperation, by reinforcing generalised trust. These meetings provided a conduit for two-way communication. Successful franchisees appointed to the FAC were responsible for discussing new initiatives with franchisees and for providing feedback on their behalf. Given such interaction, franchisees recognised franchisor managers to be members of the franchising community that supported innovation.

> *We have our monthly meetings and we all come together and say yes we have had this problem and that problem and all these problems are documented and they*

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[franchisors] go back to the supplier and say right these are all the things that we found, you had better work on these. (Franchisee A, SwimHealthy)

Regional meetings provided information that reinforced franchising community identification. Franchisor managers used meetings to disseminate information about successful innovations, and corporate strategy and performance. QuickSupa Franchisee A explained how such communications reinforced the sense of "*being on the same team*" and the need "*to support the system*".

...we have very good communication... We have regular meetings with our District Managers. They bring new initiatives to the business and they tell us this is what we're trying to achieve. So as being on the same team, franchisee and the franchisor, you have to support the system. (Franchisee A)

Intranets. Intranets reinforced generalised trust among franchisees and provided a channel for support provision (GreatFix). Franchisees that identified with the franchising community expected its members to display positive behaviour. These franchisees used the intranet to ask for advice about delivering services. Franchisees with expertise offered support by sharing their knowledge of high-quality service provision.

… if there's anything you need to know, you post it on the forum, and then all the different people will get on there and talk to you about it, tell them their experiences, tell them how to do it. That's a good way to tap into other people's knowledge. (Franchisee A, GreatFix)

4.2.2. Practices to increase cohesive ties

In some cases, managers executed *practices to increase the extent of cohesive ties* within the franchise system (see *Table 12*). This occurred when franchisor managers recognised deficiencies in cooperative attitudes within the franchise, brought about by franchisee defiance, complaints to holding company managers, and poor partner satisfaction survey results (SwimHealthy, Energetic, Yumboes). Franchisees with unfavourable attitudes towards the franchisor were unwilling to cooperate. To improve cooperation efficiency, franchisor managers executed practices to increase the extent of cohesive ties (changing franchisor staff and franchisees, increasing interaction spaces).

Table 12 Practices to increase cohesive ties

Case	Data
Energetic	*Changing franchisor staff:* [How have franchisor managers demonstrated more active support recently?]… well basically by getting rid of old management… It was like a Mexican stand-off so to speak and they took action. Was it detrimental to their business? Well it could have been… But… they took proper action and they also appointed I think a very good team now. (Franchisee D)
	Increasing interaction spaces: … in the last year… we get shown or asked our ideas on what do you feel about this product and we'll see them whereas in the previous ten years it was like 'ah, we're not going to show you what we're doing because we really don't know ourselves'. So as I said, in the last year it's been a lot more open two-way discussion so it's… been a lot better. (Franchisee D)
SwimHealthy	*Changing franchisor staff:* … when I first put the concept of Funniest Home Videos to our Advisory Council I was met with, I hate the show, I don't like it, I think it's a bad idea, what are you thinking? Well, let me explain to you what I'm thinking and I've been around marketing long enough to be able to rationalise that, show them where the value was, tell them who we'd be getting to talk to, you know, a million mums and dads every Saturday night. At the end of that conversation, whilst there was still, I don't like the show, I don't think it's a good idea but I will be led by you. You obviously know better. (Chief Operations Officer)
	Changing franchisees: … 30 per cent of our franchise network has transitioned in the last three years. That means we've brought new people in, new blood, new vigour, new enthusiasm so that unto itself begets - the new enthusiasm in the room infects quite positively the people that are left in the room to become more enthusiastic about their business. (Chief Operations Officer)
Yumboes	*Changing franchisor staff:* […how long have you been working for Yumboes?] Nine months. …. I did have a task to see how we can revitalise the brand. (National Marketing Manager)
	Increasing interaction spaces: So what we trying to do and what's been trying to do lately is we've been you know putting back an FAC committee where we try to get people back to be involved in the discussions with them, with us. And trying to before every seasonal launch we've been trying to get them a bit on board with all what we're trying to do and why we trying to do it. (National Marketing Manager, Yumboes)

4.2.2.1. Changing franchisor staff. To increase the extent of cohesive ties fostering vertical cooperation, managers replaced key support staff (SwimHealthy, Energetic, Yumboes). New staff engaged in innovation, introducing marketing activities that enhanced the brand positioning. Managers used meetings to discuss the new marketing activities, and to

develop generalised trust. For example, the new Chief Operations Officer (SwimHealthy) with a strong advertising background influenced the CEO to invest more in marketing by increasing the annual budget to between $AUD300,000-400,000. The Chief Information Officer then convinced FAC members to support a marketing campaign that would raise the brand profile and visibility for the first time on television. Franchisees exposed to the branded television (program and Formula 1 racing car) sponsorships developed a strong emotional attachment to the brand.

> *We became a sponsor of the weather program in the Sunrise morning show, so when they're sitting there with their kids eating their breakfast they're seeing the SwimHealthy brand front and centre for 10 weeks of the year. We stuck our brand on a V8 super car…. so all of a sudden we put ourselves into this very different position and franchise partners are going I'm loving this. My friends are seeing it, my kids are seeing it, my peer group is seeing it, my family is seeing it. I feel like I now belong to this brand and I'm comfortable that I'm seeing my brand in all of these places.* (Chief Information Officer, SwimHealthy)

4.2.2.2. Changing franchisees. To increase the extent of cohesive ties fostering horizontal cooperation, SwimHealthy franchisor managers replaced uncooperative franchisees with those having positive brand attitudes. SwimHealthy managers encouraged up to 30 percent of franchisees to sell their businesses to candidates with positive attitudes. Regional meetings provided opportunities for the remaining franchisees to interact with and develop personal relationships with like-minded new entrants. The Chief Information Officer reported how these new ties fostered horizontal cooperation. This included planning to implement local area marketing campaigns.

> *… our franchise partners in Melbourne were hugely positive to me moving some of those hugely negative influences on and that group now… want to play together, want to socialise together, have an underlying understanding that… concessions need to be made. Not everybody agrees to everything but… now…. they are cooperatively marketing, they are managing their budgets, they're playing golf on weekends, everybody almost 100 per cent participation at business meetings.* (Chief Information Officer, SwimHealthy)

4.2.2.3. Increasing interaction spaces. To develop cohesive ties that foster lateral cooperation, Yumboes and Energetic managers increased the provision of interaction spaces.

After changing key support staff, franchisor managers made greater use of FACs as channels for two-way communication. Yumboes Franchisee B perceived that re-instating the FAC improved two-way communication flows, which developed positive expectations about franchisor manager behaviour.

> *I think it [FAC] was reintroduced because I think there's been quite a lot of unrest within the system… I think with the new people who are involved in the business as well they know that there is a lot of people out there with a lot of experience and can actually help…. So I think it was to help their position of getting information out there and also get a bit of feedback about how people were feeling… within the system.* (Franchisee B, Yumboes)

4.3. Model of how franchisor practices maintain and increase cohesive ties that foster cooperation within the franchising community.

Based on our findings we developed the model shown in Figure 1, which summarises and generalises our main findings of how franchisor practices maintain and increase cohesive ties that foster cooperation within the franchising community (a type of social network nested within the franchise system). These ties occur in cohesive social networks that comprise members with a strong sense of mutuality and interdependence (Hite and Hesterly 2001; Jiang, et al. 2018). Identification with this franchising community is a key property that fosters cooperation (by promoting flows of knowledge, information, and support - Guler and Nerkar 2012; Mura, et al. 2016). This identification includes self-categorising oneself and others to the franchising community and incorporates the attributes of mutuality (an appreciation that members of this network are interdependent to achieve branding and business goals - cf. Brookes and Roper 2011) and stereotypic traits (a tendency to engage in normative cooperative behaviour, including providing support, sharing knowledge, and compliance with the franchise contract and franchisor recommendations). When franchisees identify with the franchising community they have generalised trust towards members and expect them to have positive behaviour (such as knowledge and information sharing, and support).
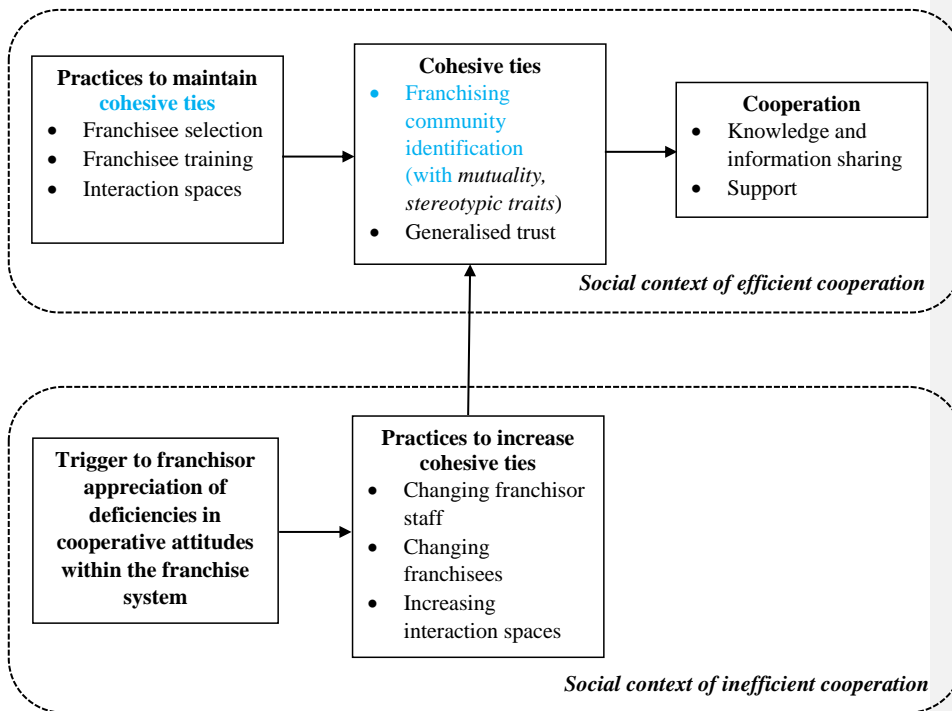
Figure 1 Model of how franchisor practices maintain and increase cohesive ties that foster cooperation within the franchising community

In situations where there is efficient cooperation within the franchise system, franchisors have in place practices to maintain cohesive ties. This includes franchisee selection (franchisors select franchisees with attitudes, values, goals, work backgrounds, and skills complementing the brand vision), training (programs develop new franchisee ties with experienced members of the franchising community), and interaction spaces. Franchisor practices that maintain cohesive ties stimulate interaction that provides information about the franchising community (i.e. about successful innovations and franchisees, corporate strategy, performance, advice about quality service provision - Turner 1982; Turner, et al. 1988) and opportunities to observe the stereotypical behaviour of members (Rink and Ellemers 2007;

Turner 1982). This social interaction reinforces franchising community identification and generalised trust.

However, franchisors execute practices to increase the extent of cohesive ties when a trigger (franchisee behaviour towards protecting the franchising community interests, such as: defiance, complaints to senior managers, and expressing unfavourable attitudes towards the franchisor in partner satisfaction surveys) influences their appreciation of a deficiency in cooperative attitudes within the franchise system. First, changing franchisor staff can increase the extent of cohesive ties fostering vertical cooperation when franchisees learn about innovations that enhance the brand positioning. This may include information about the innovation and observations of a new marketing program that make self-categorisation more prominent than other personal identities (Turner 1982; Turner, et al. 1988). Second, to increase the extent of horizontal cooperation, suppliers can change franchisees by replacing uncooperative ones with those having positive brand attitudes. This practice enhances identification with the franchising community by stimulating interactions in which franchisees observe stereotypical group behaviour (Rink and Ellemers 2007; Turner 1982). Third, to increase the extent of lateral cooperation, franchisors can increase interaction spaces in the form of Franchisee Advisory Council meetings. Such meetings provide greater opportunity to observe participative communication - a type of stereotypical behaviour (involving sharing meaningful and timely information - Gassenheimer, et al. 1996) - that develops generalised trust by encouraging franchisees to categorise franchisor managers as members of the franchising community (Rink and Ellemers 2007; Turner 1982).

5. Discussion and conclusion

5.1. Theoretical contributions

At the outset of this article, we explained why research provides a deficient understanding of key drivers that enable and foster efficient cooperation within marketing

channels. This is due partly to a focus on managing bilateral relationships among buyers and sellers and the emphasis on theoretically-derived constructs (i.e. especially relational ties). We employed a network orchestration perspective to investigate the visible hand of franchisors (i.e. lead firm managers - Dessaigne and Pardo 2020; Hurmelinna-Laukkanen and Nätti 2018; Perks, et al. 2017) in the form of centralised organisational practices that influence cohesive ties and cooperation within mature franchise systems. Our multiple case study research involving retail franchises, provides much needed systematic empirical world insight into how suppliers harness efficient cooperation within cohesive social networks nested within marketing channels. Based on our case study research, we propose a model of how franchisor practices maintain and increase cohesive ties that foster cooperation within the franchising community. The emergent model, underpinned by social capital theory (Guler and Nerkar 2012; Hite and Hesterly 2001; Jiang, et al. 2018; Mura, et al. 2016), self-categorisation theory (Rink and Ellemers 2007; Turner 1982; Turner, et al. 1988), mutuality (Brookes and Roper 2011), and participative communication (Gassenheimer, et al. 1996), explains how centralised supplier practices, social network, and individual agency factors interact to influence cooperation within franchise systems. It makes a fundamental contribution in the areas of maintaining and improving cooperation efficiency by managing social networks within mature branding marketing channels.

Our study builds on research on lead firm orchestration investigating how centralised practices influence shared cognition. This research emphasises how centralised practices influence shared cognition that underpins cooperation within industrial networks (Dessaigne and Pardo 2020; Hurmelinna-Laukkanen and Nätti 2018; Nambisan and Sawhney 2011; Perks, et al. 2017), but overlooks the interaction with individual agency drivers. Our study demonstrates that centralised organisational practices influencing shared cognition at the level of interorganisational ties are explained by identification with a cohesive branding social

network within a marketing channel. It is this identification that underpins the individual agency of members towards maintaining and increasing (the extent of) cohesive ties that foster cooperation, to protect the interests of the brand and its social network community. Given member identification with the branding community, they are motivated to adopt cooperative behaviour that is stereotypical for this social network. Our model suggests that considering member identification with a branding community nested within a marketing channel permits a more fine-grained analysis of how lead firm orchestration – part of the visible hand mechanism - influences shared cognition that underpins cooperation.

Whereas there is extensive research on how lead firms employ centralised practices to build relationships within emerging industrial networks (Human and Provan 2000; Möller and Svahn 2009; Paquin and Howard-Grenville 2013; Perks, et al. 2017), less is known about how they maintain efficient cooperation within mature networks. Self-categorisation theory explains how lead supplier firms harness efficient cooperation by employing centralised practices that develop and reinforce the cohesive ties of branding communities nested within mature marketing channels (Kramer, et al. 1996; Turner 1982; Turner, et al. 1988). The suppliers employ centralised practices to promote social interaction encouraging identification with the branding community. This interaction makes self-categorisation more salient than other personal identities by providing information about the group and opportunities to observe the stereotypical behaviour of its members (Rink and Ellemers 2007; Turner 1982; Turner, et al. 1988). When individuals identify with a branding community nested within a marketing channel, they are motivated to adopt normative group behaviour supporting branding and business goals (including knowledge and information sharing, support, and compliance with the contract and supplier recommendations - Turner, et al. 1988). Further, they expect positive behaviour among recognised members of this community, which explains generalised trust within such networks (Kramer, et al. 1996).

Our study provides insight into the largely overlooked heterarchical processes that improve cooperation efficiency within marketing channels. Our study suggests self-categorisation theory explains heterarchical processes to improve cooperation efficiency within mature branding marketing channels. Based on self-categorisation theory, when franchisees identify with the franchising community and perceive franchisors to be members of an out-group, they evaluate their behaviour less favourably (Brewer 1979; Kramer, et al. 1996). In such cases, franchisees adopt normative behaviour towards protecting the interests of the group and the brand (e.g. acts of defiance, complaints to senior managers), which influences franchisee or manager awareness of a deficiency in cooperative attitudes within the franchise system. Given this awareness, franchisor managers take action to improve cooperation and employ new centralised practices that increase the extent of cohesive ties within the franchise system (changing franchisees by replacing uncooperative ones with those having positive brand attitudes, changing franchisor staff, increasing interaction spaces). These practices foster social interaction that provides information about the group and opportunities to observe the stereotypical behaviour of its members, which encourages identification with the franchising community (among new and existing members of the franchise system - Rink and Ellemers 2007; Turner 1982; Turner, et al. 1988). With this, our study contributes to knowledge of how buyers and suppliers can increase the extent of cohesive ties that underpin efficient cooperation within a marketing channel. This provides some redress to the issue of challenges to cooperation within marketing channels (see, for example: Baucus, et al. 1996; Kaufmann and Stern 1988; Kidwell, et al. 2007; Michael 2002).

Our study clarifies the properties of social networks within branding marketing channels that foster efficient cooperation. Our data suggests that few of the relational norms found in ties among buyers and sellers apply to these cooperation-enhancing networks. Based on social capital theory (Guler and Nerkar 2012; Hite and Hesterly 2001; Jiang, et al. 2018;

Mura, et al. 2016), our study develops a conceptualisation of cohesive social networks nested within branding marketing channels that enable cooperation. Key properties of these networks are: branding community identification (partner self-categorisation and appreciation that others are members of this social network) and generalised trust (an affiliation with the branding community that includes expectations for positive behaviour to exchange resources among its members). Branding community identification, which incorporates the attributes of mutuality and stereotypic traits, is the linchpin to resource flows that enhance cooperation. In sum, social capital theory provides sensitivity to the cohesive network structure and properties enabling flows of resources (knowledge, information, support) that foster cooperation (Guler and Nerkar 2012; Mura, et al. 2016). Our study suggests that social capital and self-categorisation theories can be further used to investigate organisational, social network, and individual agency drivers of cooperation within other types of branding marketing channels.

Although scholars of marketing channels recognise that horizontal cooperation is beneficial (Paswan, et al. 2004; Weaven, et al. 2014), studies fail to explain *how and why* it occurs. Rather, studies emphasise vertical cooperation due to the focus on bilateral relationship management issues within marketing channels (King, et al. 2013; Nyadzayo, et al. 2011; Nyadzayo, et al. 2015; Yakimova, et al. 2019). Extending the literature, however, our study provides new insight into *why horizontal cooperation occurs within franchise systems*. Using self-categorisation theory, our work shows *how franchisor practices motivate cooperation among high-capital (successful) franchisees* (Hogg 2000; Kalnins and Chung 2006). Our data suggests that for high-capital actors with valued knowledge (Kalnins and Chung 2006), self-categorisation can include awareness of a leadership role within the franchising community. Yet and most importantly, franchisor practices influence this self-categorisation partly by raising awareness of the leadership role of successful franchisees. Franchisee training, intranets, and FAC endow successful franchisees with a leadership role, with responsibility for

sharing knowledge with less experienced actors of the franchising community. This motivates successful franchisees to share knowledge and information and provide support to maintain the high-status leadership role. This gives rise to horizontal cooperation. Further, franchisees that identify with the franchising community are motivated to cooperate with other franchisees due to a sense of shared destiny and a desire to protect and enhance the brand. Taken together, these new insights on horizontal cooperation, provide some redress to Lawrence and Kaufmann's (2011) and Paswan and Wittmann's (2009) suggestion for more research on cooperation among franchisees.

Finally, although not a primary objective of the research, our study contributes to a greater understanding of the complimentary relationship between formal and social control within marketing channels. Prior research demonstrates how enabling and coercive facets of formal controls interact to develop (organisational and individual) trust that promotes vertical cooperation (Yakimova, et al. 2019). Monroy and Alzola (2005) argue that formal contracts and relational norms serve as compliments in promoting cooperation within franchise systems. Our study extends Yakimova, et al. (2019) and Monroy and Alzola (2005) by identifying new social control dimensions that compliment formal contracts, namely: identification with the franchising community and generalised trust. Identification with stereotypic traits (a general tendency to adopt normative cooperative behaviour) and mutuality (a belief that members of the franchising community are interdependent to achieve branding and business goals) further enhances vertical cooperation involving compliance with the franchise contract and extra-contractual recommendations. In terms of generalised trust, when members identify with the franchising community they expect positive behaviour of members, so are inclined to comply with franchisor recommendations. A key implication is that franchisors can harness efficient vertical cooperation by adopting practices to maintain cohesive ties (franchisee selection, franchisee training, interaction spaces).

5.2. Managerial implications

Although franchisors have extensive management responsibility to implement practices that build and maintain a cooperative network, the issue of how to do this efficiently is poorly understood. Efficient execution of centralised practices depends upon an understanding of the social network of cohesive ties within franchises that further enhance vertical, lateral, and horizontal cooperation (with voluntary flows of knowledge, information, and support). Our study provides greater knowledge of the visible hand of franchisors in executing centralised practices that influence these ties. Based on our case study research, the properties of cohesive ties that foster such cooperation include identification with the franchising community (mutuality, stereotypic traits) and generalised trust.

In situations where there is good vertical, lateral, and horizontal cooperation, franchisors employ centralised practices (franchisee selection, training, interaction spaces) to maintain cohesive ties within the franchise system. Franchisors should select franchisees with personal attributes (attitudes, values, goals, skills) and work backgrounds that complement the brand vision. Such franchisees readily develop franchising community identification. Second, training and interaction spaces should provide opportunities for interaction that enhances this identification and generalised trust. Such interaction provides information about the franchising community and opportunities to observe the stereotypical behaviour of members.

Horizontal cooperation is particularly beneficial for franchises because it enhances value creation by leveraging franchisee knowledge and support. To develop this aspect, training and interaction spaces should create an appreciation of experienced franchisee knowledge. This could include training for new recruits within the stores of successful franchisees, Franchisee Advisory Councils composed of the most successful franchisees, and intranets that encourage franchisees to share expert service knowledge. Such practices

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develop franchising community identification that includes awareness of experienced franchisees' leadership role in sharing knowledge with members. This identification motivates experienced franchisees to share information and knowledge that supports branding and business goals, to maintain their leadership status within the franchising community.

When franchisors appreciate deficiencies in cooperative attitudes among franchisees, they can employ certain practices to increase cohesive ties. To improve vertical cooperation, franchisors may replace key support staff. When franchisees learn about the innovations of new staff that enhance the brand positioning, this develops identification with the franchising community and generalised trust. To improve horizontal cooperation, franchisors can replace uncooperative franchisees with those that have positive attitudes towards the brand. To improve lateral cooperation, franchisors can increase interaction spaces that foster participative communication. Replacing franchisees and increasing interaction spaces develop cohesive ties by providing new opportunities for franchisees to observe stereotypical group behaviour that builds franchising community identification and generalised trust.

5.3. Limitations and suggestions for further research

Despite the important contributions, our study has several limitations that suggest avenues for future research. The first issue concerns generalisability. We contribute a model that explains how franchisor practices influence cohesive ties and cooperation within franchise systems. However, our framework is based on case study research involving mature retail franchises (older than 11 years) operating in Australia with high-quality cooperation. It is therefore uniquely suited to understand how franchisor practices influence ties and cooperation within similar mature retail franchise systems operating in developed countries. Within such franchises, franchisors employ centralised practices to maintain or increase cohesive ties that foster cooperation. Our findings may also generalise to other types of branding marketing

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channels with similar elements. This might include mature retail chains, or specialised service chains within the same industry or sector (such as hotels, or management consulting).

Second, given the potential for theory-building, our study suggests possibilities for future case study research towards extending our model to other contexts. This could include investigations of how supplier practices and heterarchical processes influence ties and cooperation within branding communities nested within marketing channels. Social capital theory, self-categorisation theory, and relational norms may lend a useful underpinning to such research, as they provide sensitivity to interaction among centralised supplier practices, social network, and individual agency factors that enhance cooperation. Future studies could adopt multiple case study research to provide systematic empirical world insight into cooperation in marketing channel practice. We expect that future research examining other types of branding marketing channels may identify new dimensions of centralised practices, network properties, and individual agency factors that foster cooperation.

Third, our study provides insight into key drivers of efficient cooperation within franchising systems that maintain and increase the extent of cohesive ties of a branding community (involving individual agency, heterarchical processes, and centralised organisational practices). However, as with many franchising studies, we approached franchising cooperation from the vantage point of franchisors. Our study therefore provides limited insight into individual agency drivers and heterarchical processes that foster and improve cooperation within franchise systems. Future case study research could consider franchisee goals and cognitive processes when working in franchise relationships, which may underpin heterarchical processes to increase cohesive ties. Consistent with our findings, we expect other individual agency factors to interact with centralised organisational practices to influence cohesive ties. This research could draw upon micro-foundation theory to provide nuanced understanding of the interaction and influence of franchisor practices and individual

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characteristics (personality, education, cognitive orientation, age, gender, etc.) on cooperation in franchising relationships (Liu, et al. 2017).

Fourth, in line with research on the complimentary nature of formal and social control in bilateral relationships (cf. Monroy and Alzola 2005; Yakimova, et al. 2019), our study demonstrates how contractual factors interact with cohesive social network ties within marketing channels. However, researchers of industrial networks recognise that institutional factors and personal relationships can also influence interorganisational exchange (Arvidsson and Melander 2020; Berends, et al. 2011; Smirnova 2020). For example, the findings of Smirnova (2020) indicate that institutional support interacts with social networks to influence industrial business exchange relationships in a developing country (Russia). Extending these two lines of thought, other formal controls, institutional and personal relationship factors may interact with properties of social networks that underpin cooperation within marketing channels. Our study suggests one strength of multiple case study research is to permit a fine-grained analysis of factors that influence cohesive social network ties. Therefore, we suggest future research could employ a multiple case study research approach to investigate the possible interaction of other formal controls, personal relationships, and institutional factors with cohesive social networks within branding marketing channels.

Fifth, although marketing channel relationships develop over time (Huang and Chiu 2018; Jap and Ganesan 2000), our research design did not permit a longitudinal analysis. However, our sample included cases with efficient and less efficient cooperation within the franchise, and we collected data on retrospective accounts enabling us to capture the dynamics of practices that maintain and increase the extent of cohesive ties. To complement our cross-sectional and cross-case comparison of retrospective data, we invite future research that adopts a case-based longitudinal process approach (Vissak, et al. 2020) to capture how centralised

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supplier practices influence cohesive ties and cooperation within social networks found within branding marketing channels in real-time.

Finally, although our study model developed knowledge about the key organisational, social network, and individual agency factors that influence efficient cooperation within branding marketing channels, these relationships have yet to be empirically tested. Future research could develop scales to measure the relationships of our model (including the constructs: practices to maintain cohesive ties, cohesive ties, cooperation, trigger to franchisor appreciation of deficiencies in cooperative attitudes within the franchise system, and practices to increase cohesive ties). Towards enhancing generalisability, these scales could be adapted and tested in a variety of branding marketing channels.

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Appendix A Informant role titles[10]

Franchise	Role title	Number of interviews
Energetic	Network Development Manager	1
	Franchise Development Manager	1
	Franchisee A	1
	Franchisee B	1
	Franchisee C	1
	Franchisee D	
SwimHealthy	Chief Operations Officer	2
	Franchise Operations Manager	1
	Franchisee A	2
	Franchisee B	1
GreatFix	National Marketing Manager for Australia	1
	National Human Resource Manager/National Franchise Manager	1
	Regional Manager for Victoria	1
	Franchisee A	1
	Franchisee B	1
	Franchisee C	1
QuickSupa	District Manager	1
	Senior Franchise Development Manager	1
	Franchisee A	1
	Franchisee B	1
	Franchisee C	1
Yumboes	Franchise Operations Manager	1
	National Marketing Manager	1
	Franchisee A	1
	Franchisee B	1
	Franchisee C	1
	Franchisee D	1

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