

**The role of creativity and innovation in
implementation of franchising business model in Croatia**

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Abstract

Academic research in the field of franchising has been conducted for over 20 years, but it intensified in the 2000s, focusing on the global context. It has become an increasingly interesting business concept, with aspects and variables attracting attention from researchers in several specific fields: in entrepreneurship, since it represents a driving force in starting a business venture; in marketing, representing the main distribution channel in emerging economies; in strategic management, as an important form of organization; and in finance, through capital investment structures of franchise businesses. The current academic debate on franchising is based on the questioning of the relationship between franchising and entrepreneurship imposing the importance of the concepts of opportunity recognition, risk, organizational size, stage of organizational development, and organizational autonomy which need to be taken into account when studying franchising. The objective of this paper is to explore the role of creativity and innovation as main characteristics of entrepreneurial behavior in implementation of franchising business model in Croatia. Special emphasis will be placed on the role of creativity and innovation in coping with obstacles and challenges at the macro level (lack

of regulatory framework and franchising institutional support infrastructure). The identified obstacles will be further used for identifying policy recommendations.

Keywords: franchising, entrepreneurship, creativity, innovation

1 Introduction

Franchise represents a business growth model that significantly reduces uncertainty in the riskiest stages of growth: company start-up and the rapid growth phase. Because of the recognized advantages in applying the franchise business model for both start-up entrepreneurs (use of franchisor's knowledge, experience and brand) and for successful companies with growth potential (growth with use of financial resources and knowledge of the market of local entrepreneur) franchising has been successfully applied in developed countries for decades. Significant interest of the academic community in exploring the advantages and challenges of implementation of franchising is driven by the high intensity of expansion of this business model in the world. According to research by International Franchise Association¹ (IFA), franchises in USA in 2011 have achieved revenues of 745 billion dollars and employed 7.9 million people in 75 industries. According to European Franchise Federation² (EFF) data, in EU in 2010 there were about 10,000 franchise systems, out of which 80% are franchises by franchisors from the EU. The largest franchises in the EU are American corporations 7-Eleven, Subway and McDonald's.

The current debate in academic research in the field of franchising is conducted on the topic of the assessment of the level of entrepreneurial behavior required to start a business venture by buying a franchise in relation to independent start-up entrepreneurship. Some authors (Williams, 1999; Kaufmann 1999) attribute much lower level of entrepreneurial capacity and behavior to franchisees, since the challenges they face when starting a venture are less complex and demanding. Buying a franchise involves taking over and implementing a business model that has been tested and proven in practice in some other area. Franchisor educates the franchisee and provides support when organizing the business venture and during business development, which significantly facilitates starting-up of a business and increases chances for success in comparison with independent start-up entrepreneurs.

However, when comparing the complexity of the process of starting and managing business ventures by independent start-up entrepreneurs and franchisees, additional obstacles with which franchisees are faced are neglected, causes for which lie in disordered regulatory and business framework for franchising, especially in transition

¹ „2012 Franchise Business Economic Outlook“, International Franchise Association, <http://emarket.franchise.org/2012FranchiseBusinessOutlook.pdf>

² European Franchise Federation – Franchise Statistics, September 2010., http://www.eff-franchise.com/IMG/pdf/Stats_Franchise_Europe_10092010-2.pdf

countries. This paper will identify and analyze the obstacles to implementation of franchising at the macro level and the additional pressure for finding creative and innovative solutions which these obstacles put before franchisees in Croatia. In the concluding part of the paper, policy recommendations with the aim of removing the identified obstacles and encouraging development of franchising in Croatia will be designed.

2 Entrepreneurial characteristics of successful franchisees

A „franchise“ represents a business relationship where „...one firm (the franchisor) sells the right to market goods or services under its brand name and using its business practices to a second firm (the franchisee)“ (Combs et al, 2004). Curan and Stansworth (1983) more precisely define franchise as „...a business form essentially consisting of an organization (the franchisor) with market-tested business package centered on a product or service, entering into a continuing contractual relationship with franchisees, typically self-financed and independently owner-managed small firms, operating under the franchisor's trade name to produce and/or market goods or services according to format specified by the franchisor.“ Franchising represents one of the key growth strategies of companies throughout the world (Kidwell et al, 2007) whose success primarily depends on the balance of interests in the relationship between the franchisee and the franchisor, but also a range of factors specific for business of franchisee and franchisor (e.g. good adjustment of own capacities and the dynamics of expansion of the franchise network by the franchisor, or good analysis of market potential for implementation of a business idea which is franchised by the franchisee).

There have been many debates over the years whether franchisees can be considered entrepreneurs. The definition of entrepreneurship as exploiting an opportunity regardless of the resources currently available (Stevenson, 1993) illustrates the position of the franchisee as an entrepreneur that identifies the opportunity in the market and establishes an alliance with the franchisor in order to use franchisor's resources and exploit the opportunity (Spinelli et al, 2004). However, entrepreneurs and franchisees are often considered different types of people when considering risky start-up ventures. An entrepreneur is perceived as a person willing to take large risks on uncertain ventures on the chance that they will create something original and sustainable. Franchisees have a slightly different image as they become partners in an already established business model and attempt to develop it to sustainability through the institutional wisdom of the franchisor. In that way they combine the advantages of a large corporation with those of a sole proprietorship or partnership (Alon and Sardy in Alon, 2010). Although franchisees are buying a license from an organisation that already has organized and structured performance, franchisees do not always succeed. Therefore, franchisees can be considered as a type of entrepreneurs. Within the range of multiple entrepreneurial types (Williams, 1999) from self-employed individuals to corporate entrepreneurs, franchisees are positioned somewhere between them (Knight, 1984).

In order to answer the question about the common and/or different characteristics of entrepreneurs and franchisees, the meaning of the word entrepreneur should be more elaborated. Different authors, however, define the term *entrepreneur* differently. According to Schumpeter (1934) entrepreneurs are innovators because their function is to reform or revolutionize the pattern of production. Drucker builds up Schumpeter's definition with the elements of identifying and exploiting opportunities. According to Drucker, entrepreneurs are not necessarily people who create change but definitely take advantage of opportunities that arise from changes in technology, customer preferences, social values, etc. (Davis, 2002). Stevenson adds another important element as entrepreneurial trait – resourcefulness. Stevenson (1993) believes that “entrepreneurs do not allow their initial resources to limit their pursuit of opportunity or execution of ideas”.

The traditional concept of entrepreneurship has undergone major changes over time, being put away from a mere definition of “starting your own business” and becoming a synonym for perceiving and exploiting opportunities, innovativeness, proactiveness and willingness to change regardless of limited resources. Entrepreneurs are persons that have significant drive to implement their own ideas, which makes entrepreneurship a different business model than franchising. However, Seawright et al. (2008) argue that there is still no clear cut distinction between franchise-entrepreneurs and non-franchise entrepreneurs, although some researches do exist (Table 1).

Table 1: Franchisees as Entrepreneurs: Supporting & Refuting Evidence

Author(s)	Year	Journal	Franchisees as Entrepreneurs
Oxenfeldt & Kelly	1969	Journal of Retailing	“At first [the franchisee’s] major strengths may be his ambition, willingness to work hard, local knowledge and finances.” (p.75; theoretical article only)
Withane	1991	Journal of Small Business Management	Surveyed franchisees “rated themselves as being high in taking initiative, self-reliance, competitiveness, and having a high need for achievement.” (1991, p.27)
Baucus, Baucus, & Human	1996	Journal of Business Venturing	“Over time, franchisees gain local knowledge about their markets, exercise entrepreneurial initiative, and adopt their own standards for quality and conduct.” (1996, p. 359)
Falbe, Dandridge, & Kumar	1999	Journal of Business Venturing	Franchisors encourage entrepreneurial activity in their franchisees: “firms use franchise councils and programs of recognition to support entrepreneurial behavior.” (1999, p. 135)
Jambulingam & Nevin	1999	Journal of Business	Those Franchisees who have “perceived innovativeness” and “personal commitment to

		Venturing	the business” are more likely to achieve desired outcomes of franchisors. (1999, p. 387)
Stanworth & Curran	1999	Journal of Business Venturing	“Franchisees can make a substantial contribution to franchise system innovation in ways ranging from developing new products or services to pioneering ways of adapting to local conditions.” (1999, p. 338; theoretical article only)
Clarkin & Rosa	2005	International Small Business Journal	“Arguably, the most successful franchises are those that permit both entrepreneurial franchisors and franchisees to come up with new ideas and work as a team to gain competitive advantage for all parties involved.” (2005, p. 324)
Author(s)	Year	Journal	Franchisees Not As Entrepreneurs
Williams	1999	Journal of Business Venturing	“The self-selection process that generates the pool of franchisees is such that franchisees are...from the lower tail of the skill distribution of entrepreneurs....In short, franchisees possess fewer or lower quality skills than independent business owners.” (1999, p. 121)
Kaufmann	1999	Journal of Business Venturing	“Franchisees were more likely to purchase a franchise outside of their area of expertise than within, i.e., 70% did so.” (1999, p. 359)

Source: Adapted from Seawright, K., Smith, I., Mitchell, R., McClendon, R., Entrepreneurship Theory & Practice, 2011

As mentioned in Table 1, franchisees are considered to have similar characteristics as entrepreneurs regarding ambition, innovativeness, personal commitment and adopting their own standards of quality. These characteristics help them grow businesses and adapt them to a new environment. However, mostly because the development of their ventures is under the direction of franchisors, they are considered to be different from entrepreneurs because they may be less skilled or the business they bought does not fall under their field of expertise.

Knight (1984) examined the differences between Canadian traditional start-up entrepreneurs and franchisees regarding their personal characteristics, management skills, financing required and support services. The differences identified were mostly linked to the fact that franchisees were less independent than traditional start-up entrepreneurs. Alon and Sardy also analyzed the difference between franchisees and traditional start-up entrepreneurs by using Panel Study of Entrepreneurial Dynamics (PSED) – US national database of entrepreneurs through three functional areas: prior experience, growth objectives and motivation and risk. The study showed that franchisees generally have less experience, fewer skills and abilities, a greater desire to

be larger, more confidence and higher expected income as compared to traditional start-up entrepreneurs (Alon, 2010).

Seawright et al. (2008) introduce another set of elements which help define comparison between entrepreneurs and franchisees: (1) For both, entrepreneurs and franchisees, there is a need to draw on existing relationships and develop new ones to raise financial capital and other resources needed to obtain their business; (2) Franchisees do not have a drive to explore, a willingness to take risks and the ability to recognize opportunities to the same extent that entrepreneurs do, owing to the fact that the franchise agreement is spelled out and the opportunities and risks of the franchise are reasonably well understood; (3) Entrepreneurs are thought to practice an exceptionally comprehensive set of skills such as opportunity recognition and screening, business planning, creative problem solving, strategic marketing, financial management, human resource management and leadership and persuasive skills. Franchisees are thought to focus more upon the application of local knowledge to benefit the franchise system; (4) Entrepreneurs are social network builders external to themselves while franchisees' networks primarily focus on interactions within the franchise chain; (5) Entrepreneurs are thought to be more motivated by advancement, growth, accomplishment and emotional fulfillment and franchisees by independence and security; (6) The skills of entrepreneurs center on the opening of new markets and on actions that drive innovations and skills of franchisees more on the basic business having been documented to have fewer or lower quality skills than entrepreneurs.

Although it seems that, because of the mentioned differences between entrepreneurs and franchisees, franchising is more secure and not such a creative and innovative way to start the business, Bates (1997) argues differently. He conducted a survey in which he analyzed start up businesses through a four-year period. Only 62% of franchised businesses have survived, while 68% of independent small businesses were still open for business. The survey has shown that independent businesses are far more profitable and that the profitability for franchise firms over the four-year period was negative.

Therefore, long term success of a franchise business model does not depend entirely on the business concept franchisors set up. Franchisees should be as opportunity driven and creative as entrepreneurs. According to Di Pietro et al (2007), despite the control of the franchisor, a franchisee still must commit to a certain amount of risk taking and proactiveness in the running their business in order to help ensure the business is successful. Fousse (2010) also considers creativity one of the important traits of franchisees. According to her, among the most important aspects of any franchisee's success is the ability to think outside of the box, thus creating their own spin on the brand driving more customers to their stores and increasing the profit.

3 Franchising in Croatia

The first example of franchising in Croatia appeared in 1969 when Diners Club International sold the franchise for the area of former Yugoslavia to a franchisee with headquarters in Zagreb. The Croatian Diners Club International franchise was named the best franchise of the EMEA region, which consists of 49 most developed countries, including United Kingdom, France, Germany, etc., three times: in 1996, 1998 and 2004. McDonald's entry to the Croatian market at the start of 1990s initiated significant promotion of franchising in Croatia. McDonald's established a company McDonald's Hrvatska Ltd. and signed agreements with key suppliers – strategic partners in Croatia, some of whom made further investments in their production capacities to meet the needs and quality requirements of this multinational company. Until 2010, McDonald's in Croatia has been expanding by opening its own „company “restaurants or by franchising other outlets. In April 2010, all the McDonald's restaurants were taken over by one franchisee as the franchise holder for the territory of Croatia, who plans further expansion of the franchise network, which in 2012 consists of 19 restaurants in Croatia. Several years after the entry of McDonald's, other large franchisors from the region began to enter the Croatian market, e.g. Fornetti franchise from Hungary, which in 2009 ranked 19th among 500 largest franchises in Europe with 6,464 franchise locations³.

More intensive talk about franchising in Croatia began in 2003, when Croatian Franchise Association organized the first franchise fair⁴. Apart from organizing fairs, work of the Croatian Franchise Association is aimed at cooperation with international franchise associations – European Franchise Federation (EFF) and World Franchise Council (WFC). By joining these associations in 2006, Croatian Franchise Association guarantees that franchises – members of the Association operate in accordance with the European Code of Ethics for Franchising⁵. Besides the Croatian Franchise Association, franchising is also promoted by the Franchise Center within the Center for Entrepreneurship Osijek⁶, which

³ “Top 500 Franchises – The European Franchise Report for 2009”, <http://www.franchiseeurope.com>

⁴ According to the data of the Croatian Franchise Association - 32 exhibitors from 6 countries participated at the fair and around 50 franchise offers were offered. Croatian Franchise Association organized the second fair in 2004, at which 30 exhibitors from 5 countries participated, and around 40 franchise offers were presented, while at the fair held in 2005, 28 exhibitors presented franchise offers. The latest franchise fair took place in 2007, with the support of USAID and CEPOR - SMEs and Entrepreneurship Policy Center with 15 exhibitors.

⁵ „European Code of Ethics for Franchising“, European Franchise Federation, <http://www.eff-franchise.com/spip.php?rubrique7>

⁶ The Franchise Center (www.fransiza.hr) – part of the Center for Entrepreneurship Osijek bought a franchise for organization of an educational program in Croatia from the American Franchise Center at the University of Texas at El Paso. Based on the successful American model, Osijek Center launched the educational program „Franchise from A to Z“, which is implemented by a team of trainers educated at the American Center at the University of Texas. USAID has recognized the importance of this education about franchising for the economy of Croatia and in 2006 has co-financed je holding of 10 „Franchise from A to Z“ seminars in Croatian cities. Besides the potential franchisees or franchisors, through these seminars employees of business support institutions with whose support seminars have been organized have also been educated.

has developed the www.fransiza.hr website, which, in the absence of fairs and specialist franchise magazines, represents a key location for establishing contacts between franchisors and franchisees in Croatia and the wider region.

According to the estimates by the Croatian Franchise Association about the state of franchising in Croatia and the European Franchise Federation data on the situation in European countries, Croatia has a relatively small number of franchise systems present in the country and a relatively small number of franchise locations in relation to the total number of franchise systems that wish to expand and are already present on the Croatian market. Table 2 shows a comparison of the total number of franchise systems, number of franchise locations and number of employees in franchising in Croatia and neighboring countries.

Table 2: Franchising in Croatia and selected EU countries

	<i>Total number of franchise systems</i>	<i>Number of domestic franchise systems</i>	<i>Number of franchise locations</i>	<i>Number of employees in franchises</i>
Croatia	170	35	1,000	16,500
Hungary	341	240	18,000	100,000
Italy	870	835	53,000	180,500
Slovenia	107	52	1,500	6,900
Poland	565	410	26,600	350,000
France	1,370	1,220	51,600	690,000

Source: European Franchise Federation, September 2010

Franchising in Croatia is still poorly developed. Although strong national franchise associations operate in most EU countries and regulatory framework recognizes and in some countries systematically promotes domestic franchise systems (e.g. Spain, Italy, France), in Croatia the potential of franchising for increasing the competitiveness of the Croatian economy and improving the export capacity of Croatian companies has not been recognized at the policy level. One of the major obstacles to the analysis of the state of franchising in Croatia is the lack of information on the number of domestic and foreign franchise systems in Croatia, and thus on the influence of franchising on the economy of Croatia⁷.

⁷ Until October 1, 2003 the Competition Act demanded submission of a franchise agreement for review to the Croatian Competition Agency within 30 days from when the agreement was concluded. The obligation in question ceased to apply upon the entry into force of the new Competition Act, and since then franchise systems do not have any obligation to register or submit agreements to the relevant institutions and bodies in Croatia.

4 The obstacles and challenges for implementation of franchising in Croatia

Besides the obstacles and challenges faced by start-up entrepreneurs (both franchisees and independent) when starting a business venture, entrepreneurs who are starting a business by buying a franchise in Croatia are faced with a series of obstacles that are conditioned by a low level of orderliness of franchising as a business model in Croatia (obstacles at the macro level).

The first study on the challenges of implementing the franchising business model in Croatia entitled „Perspectives of Development of the Franchising Business Model in Croatia“ was conducted in 2006 by the Franchise Center of the Center for Entrepreneurship Osijek in cooperation with Prof. Ilan Alon from Rollins College, Crummer Graduate School of Business, USA. Within the study, focus groups with lawyers, bankers and business advisors have been conducted, who have identified the obstacles to development of franchising in Croatia⁸: (1) Absence of legal regulation; (2) Ignorance of the institute of franchise and its opportunities; (3) Poor functioning of the legal system in Croatia; (4) Small and underdeveloped franchisee market; (5) Nonexistence of specialized financial products for purchase of a franchise; (6) Few examples of good practice; (7) Underdeveloped supporting advisory infrastructure (business advisors, lawyers). The study has shown that absence of legal framework for franchising in conditions of inefficient legal system⁹ represents a barrier to entry into franchise business both for franchisees and franchisors. Creating quality franchise documentation (franchise agreement and manual) is the only way of protection of legal interests of franchisees and franchisors, however, low levels of awareness and education of lawyers and business advisors on franchising again deny relevant support and information to entrepreneurs who decide to enter franchising. The study has also indicated difficult access to finance for buying a franchise and a low level of awareness of banks about the specifics of franchising and lower riskiness of franchisees in relation to independent start-up entrepreneurs.

At the start of 2012 we have conducted a study with the aim to re-analyze regulatory and business environment for franchising in Croatia in order to identify possible advancements in improving conditions and creating a more favorable climate for implementation of a franchise in Croatia. Another aim of this study was to determine how franchisees are faced with the obstacles that were identified by the study from 2006. A focus group, in which 12 respondents with more than 3 years of professional experience in application of the franchise model in their business participated, was held. Participants in the study have identified the following obstacles in the implementation of franchising: (1) Problem of protection of intellectual property; (2) Slow judiciary in addressing issues of protection of intellectual property; (3) Limited access to financial

⁸ Alon, I., Alpeza, M., Erceg, A.: "Opportunities and threats regarding the development of franchising business model in Croatia", Enterprise in Transition – 7th International Conference – Conference Proceedings, Split, 2007., p. 131-134.

⁹ According to studies Doing Business, Global Entrepreneurship Monitor (GEM) and Global Competitiveness Report.

resources for financing a franchise business; (4) Low level of education on franchising among potential investors; (5) Low level of education among banks on lower riskiness of starting a business venture through purchase of a franchise; (6) Nonexistent legal regulation on franchising; (7) Vagueness of regulations; (8) Low level of education of lawyers on the specifics of the franchise agreement; (9) Absence of entrepreneurial etiquette, that is, professional and fair business behavior among entrepreneurs, which affects the relationship between the franchisee and the franchisor; 10) Lack of information about franchising (fairs, magazines, specialized websites, etc.).

It is significant to observe that in the 2006–2012 period regulatory environment and business framework for franchising in Croatia have not been improved, and that in the same period new specific factors have appeared, additionally influenced by the overall worsening of market conditions as a result of the global financial and economic crisis (e.g. damaged professional and proper business relationships within the franchise network due to falling markets and pressures within the franchise network to decrease franchisor's profit for the benefit of franchisees). Despite the identified obstacles, participants in the study have been professionally engaged in franchising in Croatia for many years. Dealing with these obstacles necessitated the development of creative and innovative solutions, e.g. in finding financial resources in a situation where banks do not recognize franchising as a safer form of starting a business venture in relation to independent start-up entrepreneurship, or identification and networking with various stakeholders in order to reach relevant information and expert advice and educate in areas in which adequate professional help is unavailable (e.g. lawyers specialized in franchising). Specific examples of creativity and innovativeness in dealing with problems and obstacles are numerous:

- Franchisors developing their own financing programs for crediting purchase of a franchise, as compensation for limited financial programs and banks' lack of interest for financing franchises;
- Education of potential franchisees on franchising in general as an answer to poor representation of franchise as a topic in both formal and informal education;
- Franchisors providing assistance to franchisees with creation of business plans, as an answer to low level of education of business advisors on franchising;
- Lobbying for a change of legal regulations as an answer to unregulated area of franchising in Croatian legislation;
- Cooperation with institutions that should be interested in promotion and support of franchising with the aim of general promotion of franchising in the media and creation of a market of investors in buying a franchise;
- Filing complaints to the State Inspectorate instead of filing lawsuits against business entities that do not respect intellectual property;
- Starting a blog on franchising in order to educate the general public about the specifics of franchising, etc.

Regardless of the identified problems and significant effort invested in overcoming obstacles specific for implementation of franchising in Croatia – study participants predict further development of franchising in Croatia, and expect full maturity of the

market in 10 years. They believe that the market is „far from set up“ in the majority of activities and that franchising can be a model that will accelerate the consolidation process. The greatest potential for growth through a franchise is possessed by „business concepts that require an investment of up to 20,000 EUR, enable influx of cash and have a quick ROI (return on investment)“, and such business opportunities are most often sought in the following activities: catering (modern urban fast food restaurants), tourism, services (e.g. dry cleaners, car washes, services oriented at solving „household“ obligations), education, commerce, etc.

5 Conclusion: the role of creativity and innovation in implementation of franchising business model in Croatia

Franchising represents a simpler, faster and safer way of starting a business venture in relation to the traditional form of independent entrepreneurship. However, the research conducted within this paper indicates a whole series of problems and obstacles which, other than the usual ones – at the micro level, which are encountered by all start-up entrepreneurs regardless of how venture is started, franchisees in Croatia additionally faced. Problems at the macro level are associated with disordered franchising legislation, limited access to financing for purchase of a franchise, low level of education of franchising among potential investors, lawyers and bankers, problem of protection of intellectual property as part of the franchise package, the lack of information about franchising in general, and damaged trust in entrepreneurial relationships.

It is important to note that the identified problems coincide with those indicated by the study from 2006, which points to entrenchment of these problems and the failure to recognize the need to address them at the policy level. Based on the identified problems at the macro level, policy recommendations for improving the regulatory and business environment and reducing obstacles to the implementation of franchising in Croatia can be created:

- Creating legislative framework for franchising based on the best practices of EU countries;
- Creating a registry of domestic and foreign franchise systems within a relevant institution (e.g. Croatian Chamber of Economy) with obligatory registrations and submission of franchise agreements for review to the relevant authority;
- Organization of a promotional campaign to inform the public about the potential of franchising through promotion of examples of good practice;
- Recognizing the benefits of franchising through creation of a program for encouraging franchising – a special credit line for franchising and/or subsidizing purchase of a franchise through the award of grants;
- Organizing and co-financing education on franchising for start-up entrepreneurs and for growing companies in all county centers;

- Strengthening infrastructural support for the development of franchising through organizing and co-financing education on franchising for lawyers, financial institutions, business advisors and representatives of business support institutions.

The current academic debate on franchising compares characteristics of traditional – independent start-up entrepreneurs and franchisees, where special emphasis is placed on the lower level of entrepreneurial behavior (creativity and innovativeness) required when starting a business venture by buying a franchise. These analyses do not take into account the level of (un)regulation of franchising in the national context, which in majority of transition countries creates additional pressure on entrepreneurs who start a business by buying a franchise. By analyzing the obstacles with which franchisees as start-up entrepreneurs are faced in Croatia, it can be concluded that the role of creativity and innovativeness in overcoming those obstacles is even more pronounced, given that the application of entrepreneurial principles of action enables finding solutions and successful implementation of franchise in business. Adoption of the policy recommendations proposed in the concluding part would influence on the reduction of obstacles at the macro level, overcoming of which »consumes« franchisees' entrepreneurial capacities. That would enable redirection of energy to finding creative and innovative solutions and creation of successful business ventures.

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