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INNOVATION IN REAL ESTATE BUSINESS MODELLING: AN AUSTRALIAN PERSPECTIVE

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ABSTRACT

This research paper focuses on unveiling the application of innovation within the Australian residential real estate sector by examining business modelling strategies adopted by the independent residential real estate organisations. Qualitative case study analysis is used as a vehicle to collect pertinent information from selected business models adopted by independent real estate organisations found in operation throughout Australia. Operational strategy with emphasis on resource acquisition and allocation is analysed to expose the extent to which these real estate organisations use innovative practices in business strategy. The findings bring to light two important points for consideration. In the first instance the independent real estate organisations seek out "unique" business structure to achieve competitive advantage. Secondly it is the application of operational freedom within the organisational context which lends them an ability to act fast on innovative practices without having to deal with operational constraints such as layers of management for example.

Keywords –*Real Estate*, *Resource Strategy, Open Strategy, Open Innovation, Technology, Change Management*

INTRODUCTION

Real estate is succinctly described as a "multifaceted, multidimensional, and substantial segment of the economy" (Roulac 1996, pp. 323) as well as "an important, if not the most important, storage of wealth in the economy" (Crowe et al. 2013, pp. 6). Thus as a significant backbone of the modern economy it is responsible for contributing approximately A$9.9 billion in revenue and A$4.2 billion in wages thus providing a significant contribution towards Australian employment (IBISWorld 2015a). Moreover it is suggested that many households in Australia have a propensity to hold wealth in property as property owners with or without mortgage as opposed to equities (Headey et al. 2004).

As a service industry it encompasses many sectors including residential real estate, commercial and industrial real estate to name a few. Organisations within the real estate industry engage in various functions aimed at supporting its transactional nature which revolves around buyers and sellers. Whilst all sector participants provide a contribution towards the real estate transaction process, it is largely the sale and purchase of a home which can be regarded as the "single-most-important, and most expensive, household transaction for an individual, or a family" (Dunlap et al. 1988 pp. 177). Thus from the industry's perspective, the residential real estate market is well positioned as a subject of study in a service-based context.

Real estate is a service driven sector; generally composed of small to medium enterprises, reliant on geographic dispersion to capture their respective market share and expand their local presence, and with relatively low entry barriers, it provides a strong springboard for entrepreneurship. As such franchising is widely adopted by the industry and there are 3,500 enterprises with 20,000 establishments reported to be operating within Australia with the highest percentage of these situated on the eastern seaboard (IBISWorld 2012).

Additionally whilst most real estate agency services have remained relatively the same over a long period of time, IBISWorld (2015b) reports that outsourcing of corporate real estate activities such as financial analysis, leasing, property management, acquisition and development, as well as disposition (Ali 2007) is adopted by many real estate agency operators thus enabling the real estate agency operators to operate within a niche market. In the same manner a growing trend towards outsourcing of professional real estate services such as marketing, management, valuation, and provision of professional advice in relation to investment, use or development of real estate (D'Arcy 2003) signals a focus shift of operational resources to core capabilities. In a broader context still, the users of real estate such as government agencies and various other related organisations now also subscribe to outsourcing their real estate activities with an aim to reduce operating costs, limit their overexposure to financial and operational risks brought on by extending beyond core capabilities, and thus improve overall efficiencies.

Reports collated by Real Estate Business (REB), an acclaimed website for delivering news and information for Australian residential real estate industry, highlight the most common business models adopted by the real estate organisations currently present within the industry. Franchised group includes franchises and cooperative agency networks whereupon the latter are considered as franchised in terms of Australian franchise legislation whilst non-franchised group consists of independent agency networks, boutique networks, and joint venture networks. Thus in order to best represent this study, this paper aims to address the implications of innovation and technology on resource strategy adopted by select franchised and non-franchised real estate organisations currently operating within Australia.

The paper commences with a brief background of the Australian real estate industry sector setting the scene for the literature review. Application of innovation and technology in resource strategy is addressed with specific focus placed on concepts of open strategy and innovation. Next, methodology used to conduct this study is outlined followed by the findings gained from the case studies chosen to represent this study. Lastly, the findings are discussed in reference to the literature review to arrive at the concluding words.

BACKGROUND

Real estate can be regarded as a relatively traditional industry sector which is mostly populated with small to medium sized non-franchised and franchised organisations. It is the established franchised organisations which account for large enterprise networks with national presence and some even with international presence, for example L. J. Hooker, Ray White, and Raine & Horne. It is these franchised networks which are regarded as Australian real estate franchise agency industry's main players according to IBISWorld research (2012, 2015) accounting for the highest percentage of market share.

As franchises built on a traditional franchise model whereby the operational strategy is focussed on network growth through recruitment of new franchisees in geographically dispersed locations, the operational strength emanates from the durability of internal systems developed for the franchisees. To this effect a traditional franchised operation invests heavily in internal resource accumulation where the accumulated resources are used to develop and implement its own internal systems such as training programmes for agents as well as organisational functions such as technology and recruitment. Thus by adopting such a relatively insular operational outlook, a franchise is able to provide a substantial offering to potential franchisees and thus rapidly expand its network.

The literature suggests that structural changes occurring within the real estate industry are directly responsible for influencing the real estate agency market. This is supported by the recent survey conducted by Real Estate Business (REB 2012) which shows evidence of structural changes taking place in the market by highlighting the divergence in development and uptake of business models which vary substantially from the standard format of franchising, currently regarded as a preferred choice of a format for the independent agencies. By placing a greater weight on the notion of sharing resources without losing independence, trade name and brand, as well as operating procedures and systems is found to be ultimately affecting the product mix, the agency arrangements, and the legal liability of the real estate agencies and thus leading the way for innovative redevelopment and revision of standard business models.

There is a growing body of evidence to suggest that real estate industry is fast becoming a "technology-based" industry (R. Hedditch 2015 pers. comm., 15 Jan). This is suggested on the pretext that the industry is exhibiting a divergence from the traditional view where ownership and control are the main key indicators of strategic success. Instead a growing body of the industry's stake holders are now seeing potential value to the organisation brought on by acquisition of external resources which are not owned by the organisation in question, but where these resources none the less create value for the organisation in question. Chesbrough & Appleyard (2007) suggest that these external resources tend to be volunteer contributors, innovation communities and ecosystems and other surrounding networks.

Hedditch thus explains that whereby the traditional Australian real estate business landscape consisted of dominant franchises and less dominant independent operators, the onset of technology and innovation has seen many independent organisations become operationally sufficient as franchises. The emphasis today appears to evolve around strengthening the organisational knowledge base through indirect ownership of resources and operational flexibility. Thus independent organisations are surging ahead with forming alliances and partnerships with other similar organisations and thus shifting the competition focus to external sources. Indeed they are instrumental in forming external networks where they can source innovative ideas and thus improve their performance.

LITERTAURE REVIEW

Recent research into resource strategy points to resource acquisition in strategic markets and internal resource accumulation as basis for more in-depth research into the resource-based view (Maritan & Peteraf 2011). Building on this, Sirmon et al. (2011) focus on the role of managers' actions in effectively structuring and leveraging organisational resources through areas of scope of the organisation, its position within its life-cycle, and levels of the organisation. Furthermore the entrepreneurial landscape is mentioned as a potential area of research in terms of the linkage between different environmental contexts, access to resources, and recognition of opportunities by the entrepreneurs as well as how entrepreneurs adapt to dynamic environmental contexts (Shane & Venkataraman 2000).

Moreover organisational focus on strategic resources is shown to be directly responsible for extending the resource-based view towards a knowledge-based view of the organisation. This theoretical perspective sheds light on the knowledge as the most important intangible resource of the organisation as how the organisation acquires, transfers and uses knowledge directly impacts on the organisational performance and its competitive stance within the industry (Spender & Grant 1996). In essence it is the organisation's propensity to assimilate the knowledge into the organisation which lies at the core of knowledge-based view. Thus organisations should theoretically rely on the access to the flow of knowledge as well as their own stock of knowledge as "the basis for their absorptive capacity" (DeCarolis & Deeds 1999, cf. Erden et al. 2012, pp. 2777).

Building on this, Chesbrough & Appleyard (2007) provide a divergent outlook on strategy. Whilst the traditional strategy focuses on internal ownership and control of resources, there is much scope in extending the outlook on strategy to encompass the potential value of external resources which are not directly owned by the organisation however can create substantial value for the organisation by examining the sustainability of business models. They do this by analysing the implications for competitive advantage by way of assessing the effects of innovation, ecosystems, and networks on organisational strategy. They argue that traditional business strategy adopted by organisations to date has led the organisations to behave defensively in the market place by constructing barriers to competition rather than promoting openness. In the light of technological advances, organisations are now beginning to experiment with novel business models "by focusing on harnessing collective creativity through open innovation" (Chesbrough & Appleyard 2007, pp. 57). Thus they argue that this approach calls for a totally revised approach to strategy which they call "open" strategy, where the principles of traditional business strategy are balanced by the innovation.

Nelson & Winter (1982) state that an organisation's internal capabilities are grounded within evolutionary economics whereby the evolutionary economics view entails that organisations which possess an inherent ability to remain innovative are able to develop organisational capabilities consisting of competencies and routines. They further state that possession of these capabilities or bundles of resources results in enhanced organisational performance which enables organisations to remain competitive in ever-changing market conditions.

The concept of open innovation is not a new theory as the intrinsic need for in-sourcing of external knowledge has been floated by researchers as early as late 1980's (Gibbons et al. 1994, Von Hippel 1988). Indeed organisations channel the knowledge harnessed from external sources across different internal structures and as such external knowledge plays an integral part in optimising in-house innovation (Chesbrough 2003).

Organisations thus may engage in two different types of open innovation, namely inbound open innovation and outbound open innovation (Chesbrough & Crowther 2006). In the case of inbound open innovation an organisation in-sources external knowledge in addition to its bank of internal knowledge. On the other hand in the case of outbound open innovation an organisation relies on its internal banks of knowledge and looks to external organisations as more suitable sources of commercialising certain functions or technologies.

For an organisation to be able to identify new knowledge pertinent to organisational innovation it does not need to possess complex technical knowledge. It is adequate for an organisation to possess internal related knowledge at the user level including knowledge regarding evolving business trends (Arbussa & Coenders 2007). They further contend that absorptive capacity allows an organisation to consolidate more complex external knowledge into its own knowledge bank of knowledge however this can be done in a sequential manner as shown by Zahra & George (2002) or by implementing alternate routes as suggested by Todorova & Durisin (2007).

Anand et al. (1998) argue that advances in IT have facilitated the organisational capacity for memory and the ability to capture and integrate specific knowledge by rendering it relatively easy to codify, store, communicate, assimilate and retrieve. O'Keefe (2002) argues that the need for accurate and timely information resources to support individuals within the organisation to carry out their specific tasks is becoming excessively important to integrate within the organisation to facilitate organisational learning capacity. This is of utmost importance in a real estate agency as the fluidity of transference of knowledge is essential to keep abreast of the current data and thus provide an expected level of service to the public. Individual salespeople rely heavily on the array of knowledge disseminated from different sources to provide an accurate pricing assessment of real estate for example. Similarly real estate agency principals require knowledge from a range of sources to accurately assist in their decision making processes.

It is argued that information technology is instrumental in facilitating the innovation process. On a purely individual level, this argument stems from the basis that "information technology moderates many aspects of the process of bringing new problem-solving ideas into use given that it determines the way the information is stored, transmitted, communicated, processed and acted upon (Dewett & Jones 2001, pp. 326). On an organisational level, information technology is affecting the organisational forms and thus facilitating innovative processes within the organisational forms via knowledge leveraging (Venkataraman 1994). It is argued that this type of an arrangement can lead to "development of cross-functional synergies which may result in competitive advantage in the form of product or service differentiation" (cf. Dewett & Jones 2001, pp. 327). As such organisational forms which are able to adopt such arrangements are regarded as being more flexible. In light of this, flexibility in the organisational form is viewed as an advantage as it promotes a fast response to innovative processes which enables them to compete more effectively in changing environments brought on by economic volatility such as globalisation, uncertainty and changes in labour and consumer sectors (Halal 1989).

METHODOLOGY

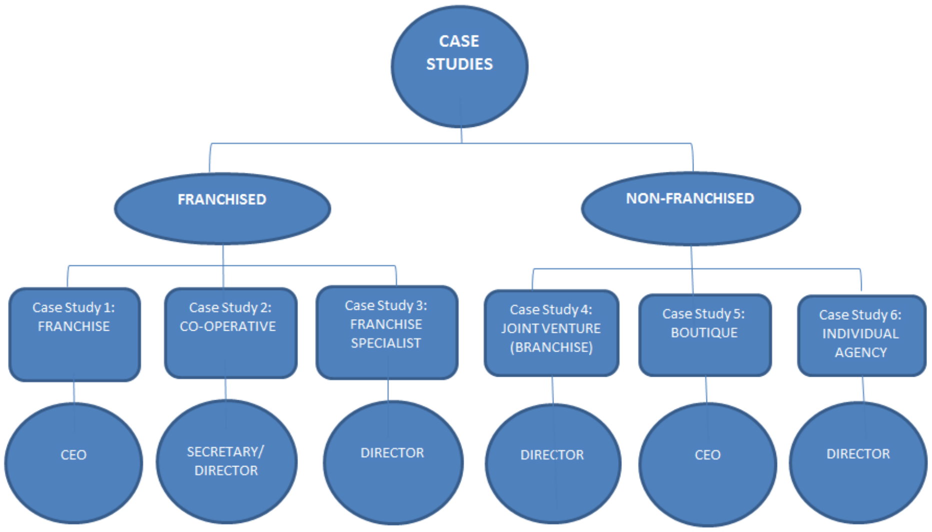
The aim of this paper is to undertake a qualitative analysis through adoption of the case study approach whereby each case study chosen represents an organisation operating under a specific type of business model found in operation within the Australian real estate agency industry. The organisational models are divided into two groups; franchised and non-franchised. Table 1 explains the organisational models.

Table 1: Organisational Models

	Organisational Models	Business Modelling Structure
FRANCHISED	Franchise Agency (F)	Franchises are bound by franchise contracts where the parties to the contract are referred to as franchisors and franchisees. Franchisor is responsible for provision of the brand and system for use by the franchisees, and the franchisees pay a fee to the franchisor for the use of the brand and the systems.
	Cooperative Agency (CO)	Cooperative agency is bound by a licence agreement and the parties to the agreement are referred to as a licensor and a licensee. A cooperative business arrangement is composed of licensees which are all independently owned and operated real estate agencies unified by a specific service provided by the licensor, for example technology and marketing.
NON-FRANCHISED	Joint Venture Agency (JV)	Joint venture agency mimics boutique agency however the difference between the two business models is in the level of ownership of the main owner/operator. In this business modelling scenario, the main owner/operator has at least 51 per cent share in each unit, with the remainder of the shares individually owned by the operator of each unit.
	Boutique Agency (B)	Boutique agency is essentially a large independent real estate organisation owned by a single owner/operator whereby and each unit under within the agency network is run by a manager. Boutique agencies generally have a high number of multiple units across one state or several.
	Independent Agency (IA)	Independent agency comprises of independent real estate organisations or independents as they are commonly known within the Australian real estate industry sector and these agencies are fully owned by an individual operator. Each one of these organisations belong to a specialised network which allows for uniformity within the network through adopting a structure based on, for example, sharing effective business support systems which enables growth of market share, profit performance, and team performance whilst allowing for each organisation to maintain its independence in the market place.

Data is acquired by means of a semi-structured interview technique. As the research project is principally centred on the operational areas of strategy within the organisational context, each respondent organisation is represented by an individual who is directly involved in the operational aspects of the organisation. Individuals in these roles are most likely to be in the position to shed inside knowledge on operations such as Franchisor/Licensor or CEO as often it is these individuals who can in fact be responsible for founding of organisation. As such they are ostensibly privy in many respects to witness the expansion or in some case even contraction of the organisational network they represent and the affiliated organisations within the network. Questions used for the interviews are displayed in Appendix on page 15. Figure 1 maps out the franchised and non-franchised respondents selected for this research.

Figure 1: Map of Case Studies



Each interview is conducted at the participating organisation's office. The interviews are audio-taped, transcribed and then put through a rigorous analysis based on extraction of qualitative themes emanating from the data. The themes are coded in Nvivo software to assist with developing an analytical strategy involving identification of key themes within each case followed by looking for common themes transcending the cases.

FINDINGS

Resource Strategy

The findings from the case studies show that the respondent organisations utilise a number of resource strategies within their operational scope. For example franchise respondent (F) states that franchises form alliances with other businesses in the initial stages of growth when the capital resources are constrained and then revert to utilising their own capital when the growth reaches the point where capital is no longer constrained so that they can accumulate resources internally. Thus there is a propensity to accumulate resources internally so that the franchisor can retain full control of systems and operations within the network so that the resource strategy is always fully aligned with the overall business strategy.

In contrast to this, independent agency respondent (IA) discloses that their strategy is to generally acquire resources from external resource markets. The joint venture respondent (JV) reveals that whilst their resource strategy is similar to the independent agency respondent, their point of difference lies in having a greater ability to centralise most of their operations internally which allows them to eventually bring in external sources which were previously outsourced.

When it comes to acquiring resources essential for achieving and sustaining competitive advantage, it is evident from the findings that the majority of respondent organisations list managerial resources at the very top of the list. In addition to recruiting good agents, the cooperative agency respondent (CO) asserts that the biggest resource constraint they face is capital. Their strategy thus involves looking at alternate ways to generate capital necessary for survival of the organisational network.

Technology & Innovation

The case study findings suggest that in a real estate agency sense technology plays a dual role. Thus whilst technology is seen by all respondent organisations as an important part in facilitating efficiency of the communication process between the organisation and the general public by enabling timeliness and quality of the organisational output with the public's search for a suitable product match, it also acts as somewhat of a deterrent to the main focus of the real estate business which in essence is focused on the relationship building between different internal and external stakeholders such as property managers and landlords, sales agents and vendors and buyers. Real estate agency practice is thus not seen as a thriving hub of technology even though it often resembles one; rather it is seen as a service which provides accommodation solutions for the public.

To this effect, innovative practices in combination with application of new technology are suggested to be significant in organisational pursuit of competitive advantage in the market place. Described by respondent organisations as two separate and distinct concepts whereby innovation is purported to be a change of all manner of things such as processes, mindset, style of management or even habit, technology is merely seen as an enabler or a tool to perform organisational functions faster rather than better as succinctly summarised by the joint venture agency respondent. In an industry such as real estate the focus is on people and as such it is the development and sustainability of relationships between the real estate agents and the customers which is believed by the respondents to be at the forefront of innovation.

Additionally all respondent organisations are in agreement that uptake and implementation of new technology is associated with the quality and ability of the managerial talent within an organisation to use the pool of knowledge effectively within and across the organisation to provide solution to problems and to facilitate decision-making processes which are essential for achieving competitive advantage. In the instances where the organisations have a clear technology strategy, new knowledge is carefully disseminated according to the best and most appropriate use for their market place. However the process of knowledge utilisation is more often than not fraught with challenges whereby in some instances the knowledge is not funnelled down the network chain in a timely manner as a result of poor internal communication strategy. In other instances the organisation is lacking in strategic practices to effectively deal with newly acquired knowledge and the integration of new knowledge is thus not utilised at all.

Cooperative agency respondent (CO) explains that innovation emanates from the entrepreneurial industry leaders who are not necessarily intent on changing the real estate experience. Rather their intent is to develop alternate business models with a structure which supports operational flexibility. They further suggest that adopting alternate business modelling is the way of the real estate industry future rather than standardisation and uniformity offered by a franchise model. For organisations such as boutique agency (B) and independent agency (IA) which are active in acquiring resources from strategically placed external resource markets, the pool of knowledge is often vast and as such the organisation must possess the capabilities to disseminate the vast pool of knowledge and to strategically apply what is most relevant for its immediate market. These organisations are thus able to apply operational flexibility to use their network to source out the best service providers according to their internal set up as well as their customer base. The operational flexibility additionally allows for quick and fast decision-making process and thus greater adaptability to the market forces. Indeed operational flexibility is viewed by non-franchised organisations as a great positive as it enables an independent agency to compete effectively in ever changing environment affected by economic volatility. To this effect independent agency respondent (IA) explains that as an independent agency the freedom of operational flexibility allows for a fast uptake of innovative practices and it is the strength of the managerial capacity inherent within the agencies and strategic alliances with other likeminded agencies within their network which is greatly responsible for successful uptake and implementation of innovative practices.

Respondent organisational agencies state a number of important factors required for competitive advantage in their respective marketplaces. For example factors such as retention of key managerial staff, business profile diversification, and provision of exceptional service are said to be the key elements in franchise agencies achieving the competitive advantage according to the specialist franchise consultant.

On the other hand non-franchised organisations such as independent agency, boutique, and joint venture agency explain that it is their unique business model which enables them to be proactive in seeking out new practices which can make their businesses stand out from their competitors as well as more commonly known factors such as the strength of the brand, market share, and internal systems relied on by larger organisations such as franchises and cooperatives. Thus the operational freedom which emanates from being an independent operator is highly attractive to many small operators as it lends them an ability to act fast on innovative practices without having to deal with the constraints placed upon them by layers of management.

DISCUSSION

Technology is shown to be at the forefront of organisational strategy. Hence from an innovation point of view it is most likely to be the singular biggest factor requiring time, scope and investment. The case study findings thus confirm that technology is instrumental in facilitating the innovation process. This argument largely originates from the basis that technology improves many aspects of old processes by bringing new problem-solving ideas into use through effective means of storing, transmitting, communicating, processing and performing the new knowledge (Dewett & Jones 2001).

Innovation is thus suggested to be promoted by the managerial ability to creatively utilise the bank of knowledge for problem-solving and decision making which is instrumental in creating competitive advantage (Leavy 1998) rather than merely the application of new technological practices. Furthermore the case study findings suggest that organisation's ability to utilise innovative practices in combination with its bank of accumulated knowledge, leads to either development or improvement of products and service and assists in creation and implementation of new ways for doing business (Nelson and Winter 1982). Thus the way organisations acquire, assimilate and transform new knowledge leads to the consideration of other more complex concepts such as open innovation.

To this end the cooperative business model displays a tendency to engage in inbound open innovation strategy however in the case of this model this leaning is mostly due to aiding the preservation of the marketing and technology strategy which underpin its business model rather than the brand itself as is the case with a franchise. Correspondingly the boutique agency business model exhibits a trend towards inbound open innovation as it is modelled on the basis that it does not exhibit any capital constraints thus enabling the organisation to freely accumulate its internal bank of resources.

The joint venture business model on the other hand exhibits signs of engaging in both inbound and outbound open innovation. As its structure is loosely based on the franchise model, the inclination exists to centralise internal operations to a great degree. In the same manner, its strategy varies to that of a franchise on the account that a franchise generally adopts a growth strategy whilst joint venture business model instead looks to combination of resources which result in a positive cash flow.

When analysing the organisational structure of respondent organisations, there is an indication that size of organisation is related to the concept of open innovation. For example the findings show that respondent organisations engaging in inbound open innovation strategy are medium to large organisational networks, whilst those engaging in outbound open innovation strategy are small to medium organisations.

In more recent times the literature suggests that traditional business strategy adopted by organisations has resulted in organisations behaving defensively in the market place by constructing barriers to competition rather than promoting openness (Chesbrough & Appleyard 2007). This notion is largely substantiated by the case study findings which show that the Australian real estate organisations such as franchises and cooperatives by virtue of their business modelling do not allow for openness. Instead they show proclivity to grow their organisational networks by defining and protecting their market territories through extensive promotion of brand standardisation across the network. Where a traditional franchise's strategy involves protection of the entire brand inclusive of the trademark and the operational systems, a cooperative promotes standardisation to a lesser extent whereby the degree of their standardisation across the network is limited to the portion of the operational system such as marketing and technology which incorporate the notion of the brand.

Additionally as the franchise business modelling is essentially geared towards growth and expansion through recruitment of franchisees, as the organisational network expands the resource bank is constantly replenished by capital injections from franchisees and licensees in the case of a cooperative. The capital injections generally consist of royalty fees in the case of a franchise and set fees in the case of a cooperative. In a perfect world constant capital boosts tend to accumulate which enables these organisations to foster internal resource accumulation which can be argued to facilitate barriers to competition. Whilst this may be the case in a perfect world, the findings show that despite these constant capital boosts, some organisations still struggle as is the case with a cooperative.

Instead non-franchised business models such as boutique, joint venture and independent agency show divergence in their approach to strategy as suggested by Chesbrough & Appleyard (2007). Indeed these business models show a disposition towards experimenting with different concepts which can yield competitive advantage for the organisation in question. Furthermore in the light of technological advances, the case study findings show that these non-franchised business models are now experimenting with novel business model structures by essentially altering internal ownership structures which promote operational flexibility and greater operational control as well as shifting the operational focus to constraining organisational creativity through engaging in open innovation as proposed by Chesbrough & Appleyard (2007). Thus it is argued that these approaches are challenging the traditional business strategy and giving rise to a revised approach to strategy which they call "open" strategy, where the principles of traditional business strategy are fundamentally balanced by the innovation.

CONCLUSION

The findings provide evidence that non-franchised organisations are innovating through forming partnerships where the type and mix of ownership is highlighted in the operational strategy. For example where there was a burgeoning need to comply with the franchisor's set of operating guidelines there is now instead a decreasing need for compliance with the franchisor and an increasing need to maintain independence while still benefitting from an operational alliance with a network of organisations. Similarly there is less of an emphasis placed on the traditional notion of stability created through conformity and uniformity and a much greater emphasis placed on innovation from different strategic markets to gain essential knowledge for expansion and growth.

Thus non-franchised organisations are shown to be benefitting from applying operational flexibility to use their respective networks to seek out the best service providers or suppliers in accordance with their internal set up as well as their immediate customer base. As such operational flexibility is enabling quick and fast decision-making process by the business owners and provides these organisations with a greater potential to adapt to market forces.

Additionally presence of innovation within non-franchised business models is seen in the potential to harness managerial capabilities which facilitate innovation across the organisation on a large scale attesting to the notion that technology is responsible for redefining the traditional business model by altering work performance, use of knowledge and calculation of cost of business. To this effect it can be argued that these novel approaches to business modelling have brought about a change in awareness of how Australian organisations can create and use knowledge which plays a big role in strategic decision making. Additionally it can be said that innovation emanating from developing new business models in combination with innovation brought on by technological advances is impacting on the operational strategy of both franchised and non-franchised organisations populating the Australian real estate industry.

In conclusion, this research carries enormous implications for real estate agency practice. Whilst the nature of the industry remains constant whereby real estate agencies continue to adopt real estate services such as leasing and management, valuations and property sales, the way real estate agencies deliver these services into the market place is shifting. Thus identifying the role technology and innovation play in the business strategy highlights the urgent need for the real estate agencies to preserve their role in the real estate transaction.

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APPENDIX

Themes	Questions
Resource Strategy	1(a) The survey findings show that acquisition and maintenance of resources necessary for operational mobility are of importance to Australian real estate stakeholders. 1(b) Where do real estate organisations acquire resources from? 1(c) How does this relate to the notion of "best practice" within the industry?
Response to Change	2(a) Innovation and technology are shown as significant factors in operational strategy employed by real estate organisations. 2(b) How successfully do you believe real estate organisations deal with the changes brought about by these factors?
Innovation and Technology	3(a) In terms of new information technology and innovative practices, do you believe real estate organisations synthesise new knowledge internally? 3(b) If so, do you feel that it is done at max capacity?
Competitive Dynamics	What type of strategy do real estate organisations employ to achieve competitive advantage? Is this within "best practice"?