



Probing Relationships Between Real Estate Agents: The Case of the Competitive Potchefstroom Real Estate Industry

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To cite this article: De Beer, de Wet and Sutton (2024) Probing Relationships Between Real Estate Agents: The Case of the Competitive Potchefstroom Real Estate Industry. *Journal of African Real Estate Research*, 10(1), pp. 74-92. DOI: 10.15641/jarer.v10i1.1766

Abstract

Relationships between real estate agents are crucial for their success in a competitive market. However, limited research is available about these relationships. This qualitative study probes the factors that influence these relationships. Semi-structured interviews were conducted with 18 real estate agents working in the town of Potchefstroom in the North-West Province of South Africa, which has no centralised listing system to collect data on their perceptions of inter-agent relationships. An inductive analysis generated six themes that influenced their relationships: (1) lack of timely information, communication and feedback; (2) unethical conduct and limited transparency; (3) selfishness and unbalanced collaboration; (4) trust issues; (5) pre-established relationships; and (6) networks and communities. A conceptual framework is proposed as a first step towards developing a holistic relationship model for real estate agents to address these issues, making a practical and theoretical contribution. The study fills a gap in the stakeholder relationship management literature in the context of the real estate industry. Further research in other regions is recommended to extend the body of knowledge regarding relationships between real estate agents.

Keywords: *Potchefstroom, real estate agents, real estate industry, relationships, stakeholder relationship management*

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1. Introduction

The property market in South Africa has recovered since the Covid-19 pandemic, particularly since the national election in May 2024, which resulted in a Government of National Unity (GNU), the reduction in load shedding in the past year (South African Government News Agency, 2024) and a drop in interest rates (Fraser, 2024). Property24 (2024a) reported 175,208 sales registered with the Deeds Office in the first half of 2024, of which 1,219 were in the Potchefstroom area. The number of sales is roughly in line with those of the previous year (Lightstone, 2024).

Potchefstroom, located in South Africa's North West Province, is an academic hub anchored by the North-West University's Potchefstroom Campus, the city's largest employer and economic driver (Municipalities of South Africa, 2024). Its proximity to Gauteng – about 120km from Johannesburg and 170km from Pretoria – makes it an attractive destination for inward migration, offering access to urban centres while providing a quieter lifestyle (Lightstone, 2023). Additionally, the region's strong mining sector, contributing over 50% of the province's GDP, and a thriving student housing market (Lightstone, 2023; Municipalities of South Africa, 2024) make it appealing for both residents and investors.

Most of the sales in Potchefstroom, as mentioned above, were initiated and managed by real estate agents (hereafter, simply “estate agents”). Although they are often attached to a real estate agency (REBOSA, 2019), an estate agent is an independent contractor who works on a commission basis, which means that they do not earn an income if they do not sell properties. They therefore tend to compete for exclusive mandates, giving them the sole right to market those properties or financial benefits when another agent sells the property.

According to the Property Practitioners Regulatory Authority (PPRA) (2024), there are about 50,000 registered real estate agents in South Africa. Those in Potchefstroom are experiencing increased market pressure due to the constant growth in the number of real estate agencies and agents operating in the area. There are currently 116 registered agencies selling property in this small university town (Property24, 2024b), with more than 1,100 agents (PPRA, 2024) competing for the same buyers and sellers.

Notably, Potchefstroom is one of the few towns in South Africa that does not have a centralised or automated property listing system in place, probably because agents in this town do not want to split their commission. Estate agents in most regions of the country utilise a Real Estate Network System, National Listing System or Multi-listing System. These centralised automated property listing systems, which are available to all estate agents operating within the area, provide space for any listing agent to upload the details of properties and sellers. This enables all estate agents to attempt to sell the property and earn a percentage of the commission. The percentage of commission split between listing and selling agents depends on the agreement between the centralised listing system and agents in the community. In Potchefstroom, however, all contact with property owners is made only through the listing agent. Consequently, real estate agents experience even more competition and pressure to obtain listings. This situation would be alleviated if the estate agents in Potchefstroom worked together to sell properties. This would necessitate good working relationships with other estate agents in town because, even though they are seen as competition, other agents could play an integral role in the selling process. However, it is not known to what extent the estate agents in Potchefstroom cultivate such relationships.

In light of the abovementioned issues, this study aimed to probe the relationships between the estate agents in Potchefstroom. This study might be the first in the stakeholder relationship management literature to describe the relationships between these stakeholders.

2. Stakeholder relationship management in the real estate industry

There is no shortage of studies demonstrating the importance of stakeholder relationship management for organisations' sustainability (Cheng, 2018; Ki et al., 2023). Several studies have confirmed that building and maintaining strong relationships with stakeholders is directly linked to client retention and gaining a competitive advantage (Rajhans, 2018; Buttle and Maklan, 2019; Kim et al., 2020; Jaiyeoba et al., 2024). Having determined that such relationships are important, many relationship management scholars have turned their attention toward understanding the facets of these relationships (Seltzer and Zhang, 2010; Waymer, 2013).

Hon and Grunig's (1999) seminal work on stakeholder relationship management is used as a theoretical framework in many of these studies (Morehouse, 2021). Hon and Grunig (1999), Grunig and Huang (2000) and Grunig (2002) first introduced relationship-building strategies, which are centred on access, openness or disclosure, positivity, assurances of legitimacy, sharing of tasks, networking, cooperating, being unconditionally constructive, stipulating "win-win or no deal", keeping promises and dual concern. Waters et al. (2009) built on the latter by developing virtual strategies, namely, disclosure, information dissemination and involvement, to cultivate and maintain relationships in the online and digital environment. Waters (2009) added stewardship as a strategy in fundraising relationships, while Slabbert (2012) contributed a stakeholder-relationship framework for building organisation-stakeholder partnerships. More recently, Sutton et al. (2024) added the strategies of availability and understanding for small communication and marketing agencies to build and maintain relationships with their clients.

Additionally, Mills and Clark (1994), Hon and Grunig (1999) and Hung (2005) focused on the types of relationships organisations cultivate with stakeholders. In a communal relationship, both parties give benefits to the other because they genuinely care about the well-being of the other party, without expecting anything in return (Grunig, 2002; Hung, 2007). In an exchange relationship, one party gives benefits to the other party in response to the party having provided benefits in the past or in anticipation of them doing so in the future (Grunig, 2002; Hung, 2007).

Lastly, Hon and Grunig (1999) and Grunig and Huang (2000) identified the outcomes of quality relationships with stakeholders, namely, mutual control, trust, commitment, relationship satisfaction and goal attainment. Coombs (2000) added the history of a relationship as an extra indicator of quality relationships and extended the original stakeholder relationship dimensions.

These guiding relationship management principles have been applied to many contexts, such as internal relationship management (Lee and Kim, 2021; Shen and Jiang, 2021), culture, diversity and change (Ni et al., 2022; Daboun et al., 2023), relationship management via online, digital and social channels (Lee and Kim, 2020; Tong, 2022; Men et al., 2023), international public relations (Labarca et al., 2020; Labarca and Ampuero Ruiz, 2021), donor or volunteer retention in the non-profit and non-government sectors (Iannaccone, 2021; Pressgrove et al.,

2022) and managing relationships with stakeholders during a crisis (Babatunde, 2022; Wang et al., 2022; Steenkamp and Dhanesh, 2023).

However, few researchers have explored relationship management in the real estate industry (McCarty et al., 2006; Benites-Gambirazio, 2020; Singh and Gupta, 2020; Antão et al., 2022) and even fewer in the South African real estate market (Rudansky-Kloppers and Strydom, 2004; Serfontein et al., 2013). The few scholarly studies conducted within the real estate market have emphasised agents' relationships with clients and property investors, and considered a marketing and business management perspective, focusing mostly on customer service and customer satisfaction.

Most of the stakeholder relationship management literature focuses on the relationship between organisations and stakeholders such as clients and customers (Haigh and Dardis, 2012), employees (Kim, 2007), constituents (Seltzer and Zhang, 2010), donors (Sisson, 2017), volunteers (Bortree, 2010) or activists (Taylor et al., 2001). Firstly, these scholars tend to overlook relationships between individuals within the same stakeholder group, such as estate agents. While some public relations scholars have hinted that relationships between stakeholders occur in studies on community identification, none have identified these stakeholder relationships as a strategic goal for such communities (Men and Tsai, 2015) or explored the relationships between estate agents (as competitors but co-dependants and part of a community) as a topic of study.

Secondly, the scant relationship management studies on the real estate industry do not specify aspects that influence the relationships between estate agents in a competitive environment. One American study was conducted to identify the factors that influenced the failures of such relationships, with a focus on donors in non-profit stewardship (Harrison, 2023). However, the sector in America is vastly different to that of South Africa; thus, it is unlikely that the same relationship indicators would apply to the real estate sector in this country. Mersham et al. (2011) argued that stakeholder relationship management theories from the Global North are not always applicable to the Global South or African contexts. Furthermore, several scholars have called for more research in the field to generate a deeper understanding of stakeholder relationship management in African contexts and to build theory in this regard (Harrison, 2023; Nutsugah and Anani-Bossman, 2023; Sutton, 2023). This study comprises an answer to that call.

Given the exploratory nature of the study, and to fill the abovementioned gap in the literature, the study was guided by the following overarching **research question**: *What influences the relationships between real estate agents in the Potchefstroom area?*

3. Methodology

3.1. Qualitative research approach

A qualitative approach to data collection and analysis was followed and semi-structured interviews were conducted to gain in-depth insight into the perceptions of the participants (Babbie and Mouton, 2001; Du Plooy, 2009; Hesse-Biber and Leavy, 2011), namely estate agents in Potchefstroom (units of analysis) regarding their relationships with other agents. This qualitative data collection method enables researchers to obtain data in a way that is authentic and to ask follow-up questions to gain rich insights into the phenomenon under study (Hocking et al., 2003). As Lindlof and Taylor (2019) stated, qualitative data collection is not about

generalisability or the validity of the data, but rather about understanding the phenomenon in question. This does not make the findings any less valuable. Instead, it should be seen as a starting point for theory development within the local real estate market and between stakeholders of the same industry.

3.2. *Purposive sampling*

The participants were purposively selected (Patton, 2015) to include experienced estate agents who were doing well in the market. The latter were targeted because they were familiar with the area and real estate market of Potchefstroom, and they could speak accurately about their long-term experiences with other estate agents over time. The following criteria were applied: the estate agents had to have been working in the Potchefstroom real estate market for a minimum of five years; be registered with the PPRA as full-status or principal agents (not interns); and were successful based on the highest number of listings and sales at the agency they worked for. Furthermore, they had to be either from large agencies, which we defined as those with more than 20 agents, or smaller agencies, that is, those with fewer than five agents. The agencies could be attached to franchises or be non-franchised. Those from the largest real estate agencies were chosen because they not only competed with external agents from other agencies, but also with their internal agency peers for listings and sales. The focus of the interviews with these participants was therefore on both their internal and external relationships with other agents. The focus on agents from Potchefstroom's smaller agencies was based on the competition they faced from agents from larger agencies. The identified participants were invited to participate in the study via email, and those who were willing to participate could select a day and time that best suited them. The sampling ceased when saturation was reached (Lindlof and Taylor, 2019). Data saturation in qualitative research refers to the point in data collection when no additional issues or insights are identified and data begin to repeat so that further data collection is redundant, signifying that an adequate sample size is reached (Hennink and Kaiser, 2022). In this study, the final sample was 18 estate agents who all fitted the above description at the point of saturation. It included 10 male and eight female participants. All identified as white, except for one who identified as Indian. Their ages ranged from 29 to 72 years, with the average age being 46. Please see Table 1 below for an overview of the participants' demographics.

Table 1: Overview of the participants

Pseudonym	Large or small agency	Franchised or non-franchised agency	Years in the industry	PPRA status
Agent 1	Large	Franchise	5–10 years	Full-status
Agent 2	Large	Franchise	5–10 years	Full-status
Agent 3	Large	Franchise	10–15 years	Full-status
Agent 4	Large	Franchise	5–10 years	Full-status
Agent 5	Large	Non-franchise	10–15 years	Principal
Agent 6	Large	Non-franchise	20–25 years	Principal
Agent 7	Large	Non-franchise	5–10 years	Full-status
Agent 8	Large	Non-franchise	5–10 years	Full-status
Agent 9	Large	Franchise	20–25 years	Full-status
Agent 10	Large	Franchise	20–25 years	Full-status
Agent 11	Large	Franchise	5–10 years	Full-status
Agent 12	Large	Non-franchise	5–10 years	Full-status
Agent 13	Small	Non-franchise	5–10 years	Principal
Agent 14	Small	Non-franchise	25–30 years	Full-status
Agent 15	Small	Non-franchise	10–15 years	Principal
Agent 16	Small	Non-franchise	10–15 years	Full-status
Agent 17	Small	Non-franchise	10 – 15 years	Full-status
Agent 18	Small	Non-franchise	15–20 years	Principal

3.3. Semi-structured interviews and an inductive data analysis process

The interviews took place at the participants' offices. They were all informed in advance about the purpose of the research. Their participation was voluntary, and they signed informed consent forms to indicate their willingness to participate in the study. In reporting the findings, privacy and anonymity were ensured by protecting the identities of the participants and the agencies they worked for. These steps adhered to the ethical approval obtained by the Basic and Social Sciences Research Ethics Committee (BaSSREC) and the Arts Research Ethics Committee (AREC) with the following approval numbers: NWU-00658-21-A7 and NWU-01030-20-A7.

The semi-structured interviews were guided by an interview schedule, with general questions about their relationships with other estate agents in town, with a focus on factors that influenced these relationships. As an inductive approach was followed (Babbie and Mouton, 2001), the participants were able, when answering open-ended questions, to steer the conversation in the direction they saw fit. Therefore, the conversation was often directed by the participants' responses.

Each interview took 50 to 60 minutes and was audio-recorded. Most of the recordings were transcribed verbatim. However, seven of the interviews were conducted in Afrikaans and translated into English by the authors, who are fluent in both languages. The transcripts were inductively analysed so that themes could emerge from the responses without being lost due to the data being forced into a pre-established framework or theory (Lindlof and Taylor, 2019). This is an appropriate strategy when examining a phenomenon for the first time (Lindlof and Taylor, 2019), as was the case with this study. Themes emerged through constant comparison of related aspects. These were then reduced to the aspects that influenced the relationships between estate agents most by clustering similar aspects together in overarching categories called "axial codes" (Hesse-Biber and Leavy, 2011). The researchers continuously discussed the interpretation of the findings and compared the identified themes to improve the validity and trustworthiness of the findings (Wolcott, 2001; Hesse-Biber and Leavy, 2011).

4. Findings

The participants agreed that it was necessary for their professional survival to maintain healthy relationships with other agents in Potchefstroom. Agent 17 noted: "relationships with other real estate agents in Potchefstroom are not only rare but also very important and helpful within the competitive real estate market in our town and can have a direct influence on the success of transactions." Agent 18 added that "if you have relationships in place with other agents, it also makes your life easier and indirectly leads to your success within the industry". Agent 2 emphasised the importance of collaboration:

As a real estate agent, you are on your own. Whether you are part of a large agency or not, the work is still your responsibility", but if you do not build relationships with other agents and "think you are better and can do it yourself, you are going to realise very quickly just how difficult this industry is.

Likewise, Agent 1 confirmed these sentiments: "Whether we [...] want to admit it or not, we need each other and we need to cooperate, especially within this extremely competitive real estate market."

Thus, the estate agents understood the value of relationships with each other and acknowledged the importance of these relationships for their survival in the competitive real estate environment they function in. However, they also emphasised that it was difficult to build these relationships. Agent 10 mentioned that “relationships are a difficult concept in our industry because real estate agents do not really have eyes for one another and can too easily deceive each other”. Similarly, Agent 2 noted that “it is very difficult to build relationships with other estate agents in the extremely competitive market of Potchefstroom”.

4.1. Factors that influence relationships between estate agents

Six themes were identified regarding the factors that influenced the participants’ relationships with other estate agents: (1) a lack of timely information, communication and feedback; (2) unethical conduct and limited transparency; (3) selfishness and unbalanced collaboration; (4) trust issues; (5) pre-established relationships; and (6) networks and communities.

Theme 1: Lack of timely information, communication and feedback

The participants indicated that open communication between agents was a problem. It appears that they were afraid to share information. For example, Agent 9 explained that “some agents simply do not respond to inquiries”, and Agent 12 added that “they tend to never answer a phone or take days to get back to me”. Agent 8 confirmed that “when it comes to sharing information or arranging appointments on behalf of other agents to view an exclusive mandate”, not all agents were “open or accessible” and information is often withheld to “protect their listing or to put themselves in a better position” as substantiated by Agent 10. Agents 4 and 16 also confirmed this situation.

There were instances where information was shared and feedback provided strategically, often with the expectation of possible financial gain, such as when an agent with an exclusive mandate struggled to sell property. Agent 2 explained:

“Agents only freely share information when it comes to something like an exclusive mandate, where another agent has to work through the specific listing agent [...] when that mandate almost expires and the agent didn't get the property sold [...] That agent then asks other agents to help and, all of a sudden, the information they have been asking for weeks is shared [...] because that agent wants to keep 50% of the commission”.

Another instance was when two estate agents were involved with a property deal and had to communicate about the transaction. Agent 13 shared:

“In most cases, the listing agent does not sell the property [...] another sales agent is also involved in the transaction. In this process, there is a lot of negotiation [...] between the two agents, as each represents their buyer or seller in the transaction. Dialogue and feedback take place during negotiations because then money is involved and the purchase agreement is established”.

Communication and feedback between agents from the same agency were more likely because they functioned together, and their behaviour affected the agency’s reputation. Agent 5 argued:

“It is also to my advantage [...] if the majority or even half the agents of the same agency provide their clients with a good service, the clients tend to speak well of the agency and show their appreciation by leaving comments on social media, giving a good review or recommending the agency to their friends and family”.

Similarly, Agent 2 said that open communication took place, “especially between agents within the same agency because they contribute to the success of the agency’s reputation and indirectly also contribute to the agent’s marketing and branding because he is linked to the agency”. In short, the participants felt that communication flowed more easily between agents, especially internally, when it was “to the benefit of both” as stated by Agent 3. If there was no mutual benefit, the estate agents avoided sharing information or providing other agents with feedback.

Theme 2: Unethical conduct and limited transparency

Most of the participants indicated that the relationships between the agents in Potchefstroom were not based on pure motives. Agent 3 mentioned that ethical behaviour “is an illusion within the real estate industry”, while Agent 7 said that “moral values are a rare quality among agents in Potchefstroom.” Agent 11 explained, “The real estate market is a very competitive market, and most agents only focus on their prosperity and success and do not care about distorting the truth and acting unethically.” Agent 5 noted that agents are “not always ethical, honest or sincere”.

The perceived unethical behaviour of estate agents was linked to their seemingly non-transparent communication with each other. When asked what they saw as ethics and transparency, Agent 13 mentioned “ethical and responsible communication”, Agent 15 believed “it is that we will be sincere, respectful and constant within our actions and communication with each other”; whereas Agent 6 stressed “it goes hand in hand with the agent’s moral compass”; and Agent 2 emphasised “it depends on the agent’s agenda and personal values”. However, they felt that other agents did not share information with them in open and honest ways. Agent 6 mentioned that transparency in the real estate industry was “a relative term”, and Agent 10 stated that “ethics and transparency do not mean the same thing to every agent”.

Furthermore, the participants stated that most agencies had some type of ethical code in place, but that these codes related to their treatment of clients, not their behaviour towards other agents. Agent 5 also noted that an agency having a code of ethics did not mean that all the agents followed that code. Agent 11 argued that if the principal of the agency “does not apply it, the code of ethics is in any case only a meaningless document”. It was also difficult to apply the same ethical standards in interactions with other estate agents because not all agencies operated according to the same rules and codes of ethics.

Moreover, PPRA is a council to which all estate agents in the country must belong and follow their code of conduct. Worryingly, the participants, such as Agent 13, mentioned that many estate agents in Potchefstroom were not registered with the council, “and this in itself does not indicate ethical conduct”. When a real estate agent enters the industry, they must obtain a Fidelity Fund Certificate (FFC) from the PPRA. No agent may market or sell a property or earn a commission without an FFC. Furthermore, in South Africa, to become a full-status estate agent, an intern must complete a 12-month internship period. During this time, they need to complete the Further Education and Training Certificate (FETC) in Real Estate (NQF 4). After the internship, they must also pass the Professional Designation Examination for non-principal

estate agents (PDE 4). The PPRA mandates that all interns must upgrade to full status within 24 months of their initial registration, failing which their intern status will be revoked. The participants indicated that most estate agents in Potchefstroom did not do this. Many estate agents operate with an intern agent status for much longer than a year. No intern can remain an intern beyond a total of 24 months from their first intern FFC. However, Agent 15 revealed that “there are hundreds of agents in our town who practise illegally”. Agent 9 further claimed that “you cannot trust what these agents tell you because they are not even legit agents”. Most of the agents pointed out that the real estate industry in Potchefstroom was operated in an unethical manner and that agents, as Agent 18 described, viewed each other as “dishonest”. It seems that many intern estate agents, who operate for prolonged periods without upgrading to full status, get their principals to sign contracts on their behalf. Therefore, the PPRA is not always aware of these agents' operations. Furthermore, it seems that sellers and buyers are not aware of the PPRA's regulations and do not necessarily ask estate agents for their status or FFCs before entering into a mandate or offer to purchase contracts with agents in the area.

Agent 2 summarised the influence that the lack of ethics and transparency had on the relationships between agents: “Ethical conduct, transparency, as well as honesty in our industry is rarely a reality and it is very sad, especially because we all depend on each other's help to make a living”.

Theme 3: Selfishness and unbalanced collaboration

Selfishness and unbalanced collaboration between agents seemed to contribute to the failure of their relationships. Agent 10 stated:

“With the competition being so high in town, there are many agents who are so selfish and self-centred that they sometimes shoot themselves in the foot. If you have been in the industry long enough, you quickly learn that sometimes taking another agent's interests into account can be very beneficial for you in the future. There are agents in town with whom I will not work unless it is an absolute must, but I also have good relationships with many other agents, for whom I will roll a stone out of the way any time, and I know they will help me when needed.”

Agent 3 asserted that “estate agents are mostly self-focused” and Agent 15 called them “self-centred”. Likewise, Agent 9 said that “real estate agents do not always take each other's needs into account, act self-centred and step on toes”, which often leads to discontent and conflict between the parties. Agent 4 also argued that “real estate agents in Potchefstroom will never have strong relationships until they put their own selfish needs aside and start taking other estate agents' needs into account.”

Agent 4 explained that there were estate agents with whom she would want to have good relationships, but “in this industry, selfishness is a very big and real thing, and not many real estate agents are that open to relationship building because they think you are going to cheat them, or they have been deceived by other real estate agents previously.” Agent 13 provided an example:

“There is an agency in town that does not split the commission with other agents in the 50/50 manner, as is the unspoken agreement in the town between all agents. This agency's agents want to share commissions on their exclusive mandates in an 80/20 manner if another agent sells the property.”

Consequently, most of the agents in town did not want to do business with them. Agent 13 commented: “

What other estate agents do not realise is that estate agents talk [...] if you build a good relationship with them, you will automatically be well-spoken of, which means that you are classified as a good and honest estate agent. If you focus only on your own interests and gain and do not consider the needs of other agents, you will be labelled by other agents as self-centred and untrustworthy.”

Theme 4: Trust issues

Broken trust was one of the main reasons for which relationships between estate agents were unsuccessful. Most of the participants, such as Agent 12, mentioned that they did not trust other agents: “In our industry, there is little trust because everyone looks after their own interests”.

Some participants, like Agent 13, shared that they “do not even trust all the real estate agents” in their own offices, with whom they work every day. Agent 6 went so far as to say that there were agents in her agency that she would not work with or turn to for advice because they did not demonstrate sincerity and honesty: “I will not reach out to those agents for help or cooperation again, because my trust in them is broken.” Agent 9 also stated that “it happens a lot that, even in the same agency, there is not necessarily trust and agents are also sometimes hostile towards each other”.

Agent 10 commented that untrustworthy agents could have a financial or reputational impact, “Because not all real estate agents are honest or open, and this leads to misunderstandings and has also caused me to lose a deal in the past. So, it is not just trust that is broken [...] it makes you never want to work with the particular agent or agency again, because it often costs you money and your reputation”. Agent 15 went as far as to say: “Trust in this industry sometimes costs you your daily bread.”

In particular, Agent 1 shared they were particularly “wary” of estate agents who conducted business without an FFC or who were not registered with the PPRA again, and some estate agents such as Agent 13 and Agent 16 emphasised that they did “not trust them at all” and “rather stay away from them”.

Theme 5: Pre-established relationships

Nearly every participant noted that their past experiences with other estate agents had significantly influenced their subsequent relationships. They felt that they would do business with other agents only if there was a pre-existing relationship in place. Agent 13 stated, “in my opinion, I have pretty good relationships with some other agents with whom I have already walked the journey.” Agent 17 explained that she worked well with other agents “when a form of relationship already exists”, and Agent 4 also said she tried to do business only with other agents “with whom there is an already-existing relationship” in place.

The theme of pre-established relationships was linked to that of trust. For example, Agent 4 explained that there was a positive relationship between her and the agents of both small and large agencies with whom she had worked “several times” because they “respect each other” and she knew “they are reliable”. Similarly, Agent 18 said that there were mostly positive

relationships between agents “who had worked together before, respect each other and consider each other trustworthy”. Likewise, Agents 9 and 11 shared similar perceptions.

Theme 6: Networks and communities

The agents at small agencies considered forming networks important for fostering relationships with other agents. However, they mostly built networks with each other, rather than with agents from large agencies. Agent 15 stated:

“As an agent of a small agency in Potchefstroom, I am more likely to work with agents from other smaller agencies [...] help out or ask for help [...] because I know how difficult the industry is and already had an unpleasant experience, more than once, by trying to work together with agents from large agencies.”

Agent 16 corroborated this supposition, “cooperation often takes place between our agents who come from small agencies. We have a group where we help each other when we might not sell an exclusive mandate ourselves or have clients [buyers] but not the stock [listings].” Agent 18 said that agents of smaller agencies “look out for each other” and “encourage and support each other”. Agent 17, mentioned a WhatsApp group to which most of the agents from the small real estate agencies in Potchefstroom belonged: “These WhatsApp groups are constantly used to support each other.” The WhatsApp group, Agent 18 confirmed provided a platform “where agents can ask for advice on things such as which bond originator or transfer attorney is recommended in town”. No similar WhatsApp group had been established between the agents from large agencies.

It was also noteworthy that some estate agents connected support to community groups and charities as a form of competition between the estate agencies, rather than building networks between them. Agent 18 explained that the WhatsApp group between agents from smaller agencies was often used to “support a good cause or NPO [non-profit organisation] such as PAWS [Potchefstroom Animal Welfare Society]”. However, Agent 13 noted that even these endeavours became competitive, probably because there was a marketing element attached. He commented that “when an agent or agency, for example, gets involved in a community project or charity event, it is not long before the other agents and agencies in town [...] get involved”. Agent 12 stated, similarly: “Most agents are copycats [...] if one agency, for example, makes a donation to PAWS or to repair the potholes in town, it is not long before another agency does the same.” Agent 14 argued that “when it comes to networks”, the estate agents in Potchefstroom belonged to “many of the same networks” because the real estate market was “so competitive and, as an agent, you have to market yourself within the community”.

5. Discussion

The participants effectively agreed with the literature regarding the importance of organisations maintaining relationships with stakeholders for survival in a competitive environment (Rajhans, 2018; Buttle and Maklan, 2019; Kim et al., 2020; Sutton et al., 2024). In particular, their understanding of the value of relationships with each other as necessary for their survival aligns with the assumptions of stakeholder relationship management theory (Hon and Grunig, 1999). However, their behaviour was largely contrary to the best practices indicated in the stakeholder relationship management literature. For instance, the reported lack of timely information sharing, communication and feedback sharply contradicts the recommendation of stakeholder relationship management scholars that two-way symmetrical communication

(Grunig et al., 2002) or dialogical communication (Kent and Lane, 2021) should be normative in building quality relationships. These communication issues, which appear to be due to the competitive nature of the industry, and which were attributed to selfishness, along with the unbalanced collaboration between the real estate agents, are also in opposition to the seminal relationship-building strategy of collaboration (Hon and Grunig, 1999; Grunig and Huang, 2000; Grunig, 2002).

These findings call into question whether symmetrical communication and dialogue are appropriate for all situations. It seems that the normative communication models to foster mutually beneficial relationships between organisations and stakeholders (Ciszek and Logan, 2018) cannot be applied to the estate agents in our study, partly due to the competition between them and especially due to the perceived unethical conduct and limited transparency. Huang (2004) and Crestani and Taylor (2021) demonstrated that symmetrical communication must be built on honest, transparent and equal communication, and is therefore inherently ethical. As Capizzo (2018) and Madden and Alt (2021) argued, ethical conduct and balanced relationships should be pursued only when possible.

The seeming lack of ethics and transparency led to trust issues, which also negatively affected the relationships between the estate agents. According to the seminal stakeholder relationship management literature, trust is an outcome and indicator of healthy relationships (Hon and Grunig, 1999; Grunig and Huang, 2000). It is based on integrity, dependability and competence (Hon and Grunig, 1999), which flows from honesty, ethics and transparency in the relationship. The importance of pre-established relationships was evident in the context of our study, which aligned with Coombs' (2000) addition of the history of a relationship as an indicator of quality relationships. Moreover, in the literature, collaboration is seen as a strategy to build a relationship, and trust is an outcome (Hon and Grunig, 1999; Grunig and Huang, 2000). With the majority of agents in the current study (13 out of 18), however, collaboration had led to a breakdown of trust. Therefore, in this study, the relationship-building strategy (collaboration) did not lead to the outcome of trust, but rather contradicts the seminal work indicated above. The question then becomes: what form can collaboration take that facilitates trust being re-established in the broader estate agent community of Potchefstroom?

5.1. Recommended framework

In light of the above question, the following conceptual framework is proposed in Figure 1 as a first step towards developing a holistic relationship model for estate agents.

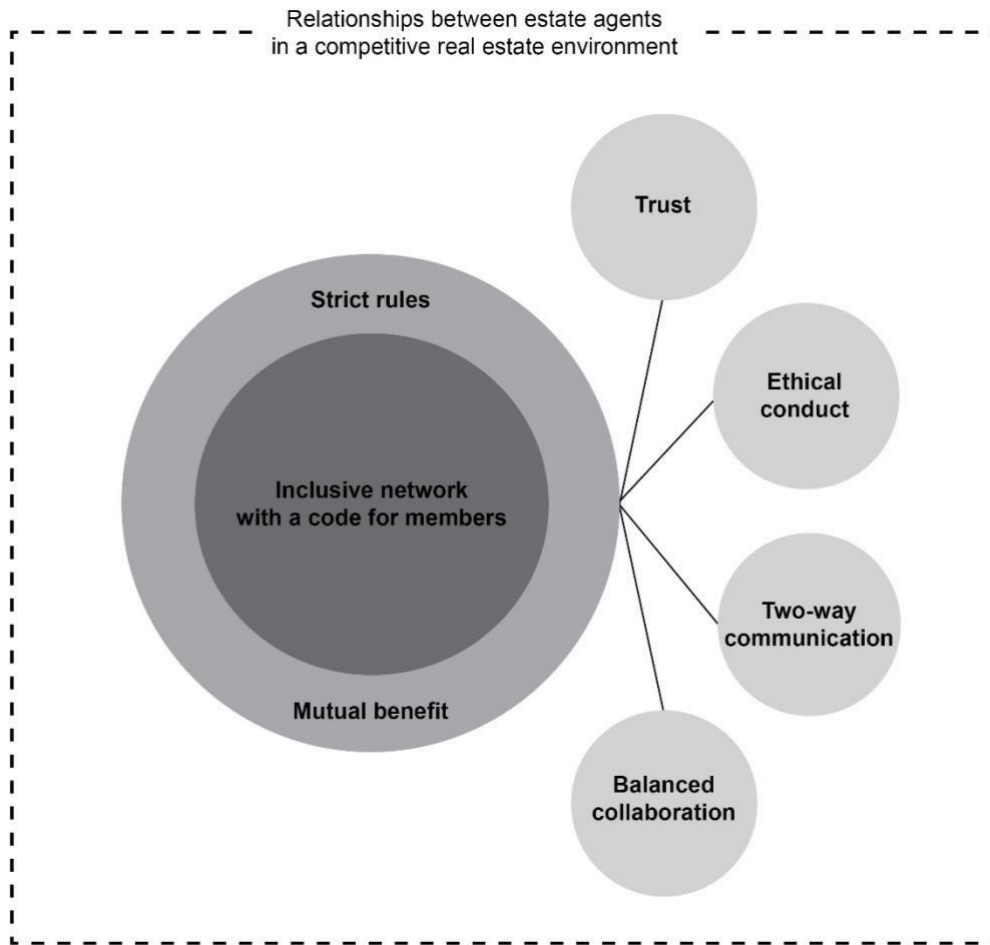


Figure 1: Proposed conceptual framework

Considering the unethical behaviour and selfishness that appear to characterise the real estate industry in Potchefstroom (fundamental issues that have to be dealt with for these relationships to be fostered), the proposed framework is premised on *mutual benefit* and *strict rules*.

The findings indicated that the estate agents are willing to collaborate if pre-existing relationships are in place, whereas, in this context, broken relationships need to be re-established and previously excluded agents need to be brought into established networks. Therefore, it is recommended that the estate agents attempt to establish a broad *network* that all the agents in the area are invited to join. As part of establishing an inclusive network, a *code* to which all the members are obliged to adhere should be formulated to indirectly address the ethical issues, with consequences for not doing so, such as being banned from the network. It is noted that the latter is already happening, which is why an attempt needs to be made to get a wider group of agents to agree to a code. Then, ostracisation would be by the collective rather than by small groups of agents. However, the aim should rather be to incentivise those to join the network and be good members of society.

If *collaboration* for mutual benefit with strict rules is established, it should lead to *ethical conduct*, timely *two-way communication* and the re-establishment of *trust*, at least among most of the estate agents conducting business in the area.

6. Conclusion

The research question posed for this article was: *What influences the relationships between real estate agents in Potchefstroom?* It was found that, although the estate agents in Potchefstroom acknowledged the need for good relations with other agents, the latter was compromised by poor communication, unethical conduct, limited transparency, selfishness, unbalanced collaboration and a lack of trust. This situation was mitigated by good relations within some pre-established relationships, networks and communities. A framework was proposed to address the negative issues and to offer all the estate agents in Potchefstroom the opportunity to be part of a more comprehensive network characterised by healthy relations.

The findings of this study are limited to the perspective of estate agents in Potchefstroom. Future researchers could broaden the scope of research to determine the perceptions of estate agents in other contexts, including those in which centralised listing systems are in place. A second limitation is that the proposed framework has not been empirically tested. Future researchers could investigate how the proposed inclusive network should be established and how the code of rules should be formulated, and test its practical application and improve on it where necessary.

Moreover, scholars should continue to examine how the stakeholder relationship management literature might better reflect the realities of relationships between estate agents and other co-dependent relationships in different contexts.

This is the first local study to investigate estate agents' perspectives on managing relationships with one another in the real estate environment and to identify the factors that influence these relationships, specifically in Potchefstroom. Therefore, it contributes to the body of knowledge on relationship management theory and fills the gap in the stakeholder relationship management literature in the context of the real estate industry, stakeholder relationship management scholarship on the African continent and relationships between stakeholders, as opposed to taking an organisation-stakeholder approach.

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