

Welcome to IF Consulting's weekly e-mail newsletter

June 21, 2002

Our regular email tackles the topical issues that surround all marketing channels and their underlying strategies.

This newsletter is also available as a PDF on our Website (<http://www.i-f.com/E-comLinks02.htm>) if you want to download a version for your hard copy file.

Business to business franchises thrive

Restaurant and retail franchising is widely promoted and recognized. Less well known are business-to-business franchises, such as accounting, educational, staff recruitment, IT and maintenance services.

Business service franchisors are niche marketers who perform tasks or operations for businesses that don't possess the relevant in-house expertise. Business service franchises free up managers to concentrate on what they do best.

Compared to other types of franchises, business service franchises generally have fewer employees and lower market-entry costs.

<http://twincities.bizjournals.com/twincities/stories/2002/05/27/focus3.html>

IF Comment

Over the past decade the number of franchised businesses providing domestic services, e.g. lawn mowing, cleaning and minor repairs, has increased dramatically. These businesses grew in an environment where time poor, cash rich consumers, who preferred to use their time for leisure activities, opted to delegate household chores to the experts. The same principle applies with business service franchises. Many small businesses lack the time and/or skills necessary to perform all of the tasks required to maintain their business and thus choose to outsource many activities, increasingly to franchised businesses.

Manufacturers/suppliers have the opportunity to strengthen their relationship with marketing channel partners by providing services in areas in which their partners do not have expertise. By supporting their channel partners in preparing, for example, business plans and budgets, manufacturers not only add value to their channel partner relationships they also increase channel partner loyalty. The ease of use of electronic communication systems enhances the opportunity for relationship building.

Developing marketing channel partner loyalty is fundamental to manufacturers/suppliers' success. By providing skills that are translated into added value for its channel partners, the manufacturer's organization can differentiate itself from its competitors, improve channel partner loyalty and eliminate the need to compete on price or rebate only.



Marketing Channel
Strategy Consultants
Maximizing shareholder value
through creating the best routes
to market

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Snippets

As the mobile phone industry continues to suffer from stalled handset sales, Nokia has admitted that double digit sales growth should no longer be taken for granted. However, there is still room for growth in certain areas of the wireless sector and investment opportunities abound.

<http://www.forbes.com/2002/06/20/0620nokia.html>

A leisure services company, operating just two-to-three hours driving distance from Silicon Valley, felt the impact of the Internet almost from the moment the Web was invented. At first it meant bad news, but this company turned their fortunes around to double its brick-and-mortar sales and become the "Best Web Site in America".

<http://www.consumermarketingbiz.com/sample.cfm?contentID=2091>

With the aim of developing an assistance program for the franchise industry in African countries, the African Development Bank (ADB) is conducting a study on franchising in Africa. The preliminary study indicated that the failure rate of small and medium enterprises in Africa was higher than most parts of the world.

<http://www.bday.co.za/bday/content/direct/1,3523,1079064-6078-0,00.html>

Share the Knowledge

If you have colleagues who would be interested in receiving our weekly email please forward this e-mail to them.

IF Consulting publishes "Our View", a quarterly review of topical marketing channel issues. Samples are available on our website. To receive "Our View", please return this email with your address details.

To unsubscribe, please reply with "unsubscribe" AND a copy of the email address to be removed.

IF Consulting is a leading international marketing channel strategy consulting firm with over 30 years experience in a vast number of industry sectors. See our website for further information.

<http://www.i-f.com>