

## Welcome to IF Consulting's weekly e-mail newsletter

May 9, 2003

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.

### Overseas franchise opportunities abound

Franchising is growing in Thailand. One of the key areas of focus in the Franchise and Thai SME Business Association(FSA) meeting last week was the significant opportunities that exist for Thai franchisors to expand abroad. Mr Sithichai Songathikamas, FSA director, did note however that franchisors should keep in mind that they do need to be flexible in adapting to different market conditions in each country.

The FSA met last week to introduce a new board of directors and a goal to increase standards of franchise operations in Thailand, while supporting Thai franchisors to expand in other countries with the focus on Asia, especially China.

Santhana Suebsantiwong, general manager of Global Sources, which compiles data on global suppliers, said that the density of franchises per 100,000 people in China was very low at 0.14, so there is plenty of opportunity for businesses to expand in the future.

Mr Sithichai said all businesses had potential in the huge China market but statistics showed that fast food and restaurants was the most promising sector, followed by retailing and services.

[http://www.bangkokpost.com/030503\\_Business/03May2003\\_biz70.html](http://www.bangkokpost.com/030503_Business/03May2003_biz70.html)

### IF Comment

You cannot change consumer taste in the short term, at best you can influence change in the longer term. Thus, it is not the best strategy to change your product to suit the consumers' taste in a market. However, do not confuse markets with countries. Adapting to local market conditions is important, and factors that influence market boundaries include local culture and disposable incomes, as well as the political environment.

Franchising offers a business format, a tested business model, which in most instances has already been tried in the market. However, this model and history is not a substitute for business management skill and ability on the part of the franchisee. The franchisor could be expected to tell the franchisee how to manage the business, but at the end of the day, the franchisee is responsible for the day to day management.

Franchising offers a business format; a structure akin to a car, with the franchisee in the driver's seat. The car manual describes the controls, but the chances of a crash are high if the driver (i.e. franchisee) does not have adequate driving skills.



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Latin America

## Snippets

Despite the highly publicized failures, B2B e-commerce in Europe continues to grow rapidly. According to research company IDC companies purchased more than \$200 billion in goods and services over the Net last year, a fourfold increase from 2000. Now that the hard slog of building e-commerce systems is over, online B2B is starting to deliver on its original promises.

[http://www.businessweek.com/magazine/content/03\\_19/b3832614.htm](http://www.businessweek.com/magazine/content/03_19/b3832614.htm)

In a recent interview with The Associated Press, Bill Gates described the relationship between the two technology branches, hardware and software, as a partnership, not just Microsoft dictating to the hardware industry designs that meet its specifications. He had just unveiled a prototype PC that Microsoft designed with Hewlett-Packard Co., one of the first incarnations of that closer relationship between hardware and software firms.

<http://www.crn.com/sections/BreakingNews/breakingnews.asp?ArticleID=41853>

Although teleconferencing is not new, advances in the technology and making it more popular than ever. Even if the other threats such as SARS, terrorism and the downturn in the economy fade away, teleconferencing will probably continue to eat into the revenues of airlines, hotels, car rental companies and other segments of the travel industry.

<http://www.nytimes.com/2003/05/06/business/06VIDE.html> (free registration required)

## Share the Knowledge.

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

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