

Welcome to IF Consulting's e-Newsletter

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

The franchise on freedom

Franchises that have few or no restrictions are popping up in several industries. Companies such as Great Harvest Bread, TRE Staffing, Blind Brokers Network and WSI Internet have all adopted the "Freedom franchise" model. Freedom Franchises come in many forms: some have no royalties, franchise fees or territory restrictions while others have no restrictions on how they operate in the marketplace.

Steven Dale, founder of Blind Brokers Network, a freedom franchise based in California, says, "Not every franchise is about controlling the brand name. We teach new franchisees to run a business first and then the blind business second. It's far more important to know how to build the foundation and then add on your core business."

<http://www.prweb.com/releases/2006/5/prweb378926.htm>

IF Comment

The issue of "Freedom Franchises" raises more questions than it answers.

In many countries, franchises are covered by legislation that requires disclosure documents, adherence to codes of conduct and even compulsory mediation. Why go to the trouble of being a franchisor if your main goal is to secure tied distribution?

If we accept that tied distribution is the primary goal of most franchisors that franchise products as opposed to service, then we should ask why franchising is the only marketing channel considered. Building materials companies, for example, maintain tied distribution of their products through distributorships and dealerships. Software is sold by value added resellers, systems integrators and retailers, none of which are franchisees.

Companies looking at tied distribution often think they have to franchise simply because they are unaware of how other forms of tied distribution work. Instead of looking at marketing channel strategy and their best routes to market, they subordinate their marketing channel strategy to a single distribution tool – franchising, because franchising is a well-publicized tool.

To achieve the best results, companies looking at tied distribution should ask themselves, "What is the best way for us to secure aligned marketing channels?"

Snippets

Nine mothers will be helping fast food giant McDonald's with advice on menus and marketing that will appeal to families. The "global moms panel" will meet with top executives, menu development and marketing teams twice a year.



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The success of a barbershop has depended to a great degree on the barbers as individual: a combination of skills and personalities. Thus, franchising the traditional corner barbershop begs the question: Can the neighborhood style be preserved in a franchise setting?

<http://startup.wsj.com/columnists/enterprise/20060503-etter.html>

According to a recent survey by the British Franchise Association, four out of ten franchisees want their franchisors to set up associations to give them greater support and a stronger voice.

http://www.thisismoney.co.uk/small-business/article.html?in_article_id=408926&in_page_id=10

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IF Consulting is a leading international marketing channel strategy consulting firm with over 35 years' experience in a vast number of industry sectors. See our website for further information.

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