

Welcome to IF Consulting's e-Newsletter

June 1, 2007

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

The global reach of franchising

With the franchising sector in the Middle East experiencing a 27 per cent annual growth rate, it has been estimated that the region generates US\$30 billion in franchise-driven revenues. Although franchised and licensed businesses extend across many sectors, including tourism and transportation, the major impact of the model has been felt in the region's retail sector.

Fast food outlets account for approximately 40 per cent of the retail franchising sector. Analysts say that fashion, lifestyle and high-tech accessory brands are also attracting an increasing number of image and fashion-conscious regional consumers. A spokesperson for Retail City 2007, an upcoming conference aimed at creating awareness of the potential for franchising throughout the Middle East said, "Franchising in the region undoubtedly has a key role to play in the burgeoning retail sector."

<http://archive.gulfnews.com/articles/07/05/15/10125322.html>

IF Comment

There are very few countries in the world where well-known franchise fast food brand names such as KFC, McDonald's and Pizza Hut, are not represented. Franchises in the automotive and oil industries have been around for almost 100 years. Historically, almost all franchises originated in the USA. Most franchises still do.

However, changes are emerging. A small Australian company, Cartridge World, a refiller of ink and toner cartridges, has set up franchises in the US and other countries and is now the largest company of its type in the world. South Africa is also exporting franchises such as Nando's Chicken across the globe.

As with Dubai, franchise expos are being held around the world. Malaysia has one in August 2007 and Singapore and China hold annual franchise expos.

We should expect to see in the near future countries that have been net importers of franchise systems to start exporting their own homegrown systems.



IF International

Marketing Channel

Strategy Consultants

Maximizing shareholder value
through creating the best route
to market

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Snippets

South- African listed fast-food franchise Famous Brands aims to use its recent UK acquisition as a springboard to launch other brands. According to the Famous Brands' chief operating officer, it may be feasible to export two of the company's seven brands.

<http://www.businessday.co.za/articles/companies.aspx?ID=BD4A462920>

McThai Co, the operator of the McDonald's fast-food chain in Thailand, will spend more than it originally planned to expand stores and offer a wider menu after experiencing flat growth in the first five months of this year. The company's executive chairman attributes the lack of growth to a tough market and fewer consumers going to shopping complexes.

http://www.bangkokpost.com/240507_Business/24May2007_biz52.php

Are newspapers dying? According to this article, people across the globe prefer moving pictures in the palms of their hands over reading, and deciphering, a newspaper's nicely arranged words

<http://www.ecommercetimes.com/story/57512.html>

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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.

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