

FRANCHISE MART – THE SOURCE OF INDIAN ENTREPRENEUR

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I. INTRODUCTION

The contemporary business environment has opened many opportunities for the Indian entrepreneurs. Franchising is one of them. Franchising that globally contributes almost 20% of the GDP has emerged as a successful format for retail business in India. This can be judged from the fact that franchise business today has crossed rupees 15000 crores marks and is growing at the rate of 30% per annum. Franchises now command more than 35% of all retail sales in United States. These days, it's nearly impossible to stroll down a city block or drive on a suburban street without seeing a McDonald's one of the best known and most successful franchisers. Over 80% of McDonald's restaurants worldwide are owned and operated by franchises. Franchise system is the source of development of Indian entrepreneur.

II. CONCEPT OF FRANCHISING

Franchise means the special right given by the producer of a product (brand) to another firm to sell his product in a particular locality. Thus franchising operation is a contractual relationship between a franchiser (the company offering the franchise) and the franchisee (the company undertaking to promote the sale of franchiser's products). Franchise systems are normally based on some unique product or service; on a method of doing business; or on the trade name, goodwill or patent that the franchiser has developed. Under this system, a manufacturer grants exclusive right to sell his products or services to a selected retailer in a specified area. The retailers are required to promote and sell the product in a specified manner. The individual franchises are a tightly knit group of enterprises whose systematic operations are planned, directed, and controlled by the operator's innovator called a franchiser. Generally franchises are distinguished by following characteristics.

1. The franchiser owns a trade or service mark and licences it to franchisees in return for royalty payments.
2. The franchisee pays for the licence and becomes a part of the franchisers network. An initial payment has to be made and then a regular licence fee.
3. The franchiser provides all marketing support and proper equipment and systems for doing business in the required manner.

4. The franchiser may arrange training for the personnel working in the franchisee organization. This is common in case of restaurants and fast food chains.

III. FRANCHISE MART: THE SOURCE OF INDIAN ENTREPRENEUR

Franchising is one of the important business opportunities for the development of Indian entrepreneur. The franchisees in this case need not to make huge investments in product innovation and research and development. They are in a position to use the name and trade mark of the franchiser for attracting customers and increase their sales. There are greater chances of the success of franchisee because the brand of the franchiser is well known in the market. Therefore this reason leads to the start of more business because franchisee feels secured to some extent. In India the concept of franchising is popular in fast food chains, beauty parlours, fitness centres, computer education centres, and departmental stores of international repute. In India there are following key franchise business opportunities available.

IV. APPAREL FRANCHISES

In India this is the key franchise business opportunity. In this all kinds of clothing franchises like international brands, fashion brands, kids clothing, women apparels, discount stores, low cost franchise, and men's wear are included. There are almost 52 franchise names in this list in India like Bachhawat Retails Pvt. Ltd, Total Wardrobe Solutions for Belmonte, Bajaj Textiles, Baby Dreams, and Cottons by Century, Freedom Fashion etc. They are having own terms and conditions for franchising their brand.

V. AUTOMOTIVE FRANCHISES

This franchising is a major part of the franchise business and also a great opportunity to start your own automobile business. This includes automobiles franchise, automotive parts, car repairs, car service centre, bike service centre, car decoration, car sales, car beauty clinic, etc. Five organizations are there in India who is offering franchising opportunity. These are:

Sarrahraj Enterprises Pvt. Ltd: They are automotive franchisers having brand auto track India ltd. They are part of Raj group international from UAE. Sarrahraj is their latest venture in India having sole distributorship for Gujarat for auto track ltd. They started their franchise business in 2009.

Autovega Mobile Car Services: They introduced in India the concept of mobile car care. It is a professionally managed company by people with 20 years of global experience in automotive service industry. They provide mobile passenger car services. Their fully equipped and branded vans go to the car owner's site and perform pre-scheduled services.

Mahindra First Choice: Mahindra group is one of the leading automobile players in India. Other promoters include HDFC and Sah & Sanghi, known for their retail operations in Mumbai. Their aim is to set up a nation wide chain of multi brand used car outlets that include superstores and franchisee stores. They have already

appointed around seventy franchisee in fifty leading cities of the country and planned to have more than 200 stores over a period of 2-3 years. They started franchising in 2008.

Max Mobility Pvt. Ltd: A wireless applications company, having max track brand now started dealing in specialized applications using GPS/Rfid devices. They started their franchisee in 2010 but not yet opened any franchisee outlet.

Man machine works (P) Ltd: Their brand name is express car wash and they started their business as well as franchisee in 2010 having company outlets three and franchisee outlets ten.

VI. BEAUTY SALON FRANCHISES

Beauty franchise includes beauty and care, skin clinic, beauty treatment, hair care, cosmetics, ayurvedic, beauty training, parlour, grooming, international salon, Indian beauty salon, beauty products, hair styling franchise etc. The most famous are: Shahnaz Husain group of companies, Jawed Habib Hair Xpresso, Berkowits (offering non-surgical treatment in the areas of hair, skin and body), VLCC health care Ltd and so on. VLCC today has achieved an iconic status across the world and is India's largest and most preferred slimming, beauty and health brand.

VII. BOOK STORE FRANCHISES

This is a major part of the franchise business and also a great opportunity to start your own business. It includes library franchise, book franchise, online library franchise, café book shop, stationary franchise etc. In this category Bookmark library system is the India's first chain of libraries and Apeejay Oxford bookstore Private Ltd is the other to provide franchises opportunities to the Indian entrepreneurs.

VIII. BUSINESS SERVICES FRANCHISES

Franchise in India is a mission of the Franchise Mart in which business service franchise is the key franchise business opportunity. Today most of the organizations are seeking outside assistance from business-to-business service providers in order to manage their strategies to increase the productivity of their sales teams. There are all kinds of franchise opportunities in this sector. The franchise opportunities in this sector include consultancy franchise, job franchise, HR and placement, designing services, education and training employment services, management business, courier business etc.

IX. CAFETERIA FRANCHISES

There are all kinds of cafeteria franchise including café, coffee shop, coffee bar, snack bar, tea room, coffee lounge, coffee and book shop, café kiosk, low investment and high profit franchise etc.

X.COMPUTER AND INTERNET FRANCHISES

In today's business world, companies rely heavily on computers and the internet to be successful. It provides opportunity to all the entrepreneurs to choose from a variety of business concepts. It includes internet consulting businesses, computer repair franchises, web design businesses and computer service franchises.

CONSULTANCY FRANCHISES

It includes fields such as management consultancy, business consultancy, sales consulting while other similar franchise could be for you if anyone is looking for franchise business.

EDUCATION FRANCHISES

Education franchise is also one of the major parts of the franchise business and also a great opportunity to start a new venture. Pre-school franchise, play school, day care franchise, child care, learning center, training institute, grooming centre, IT institutes, recruitment services, customer services etc. are included in this category.

ENTERTAINMENT FRANCHISES

Event organizer, game zone, entertainment centre, decoration etc. are included in this business opportunity. OOVA, 3D Animation India, Balloon man, Big flix are some of the examples of such type business opportunities providers.

FOOTWEAR FRANCHISE

This is also of the inspiring business opportunity if any one is interested in such business. Adidas, Big shoe bazaar.com Pvt. Ltd., colors, liberty, M&B footwear, red cooper brands are offering their franchises.

HEALTH CARE FRANCHISES

It includes physiotherapy, ayurveda, diet, wellness, health management, medicine, skin treatment, Pharmacy Company, pharmaceuticals, gym etc.

Real estate franchises, food and beverages franchises and florist's franchises are also there for the entrepreneurs to start their own business.

TOP ESTABLISHED FRANCHISES IN INDIA

Many companies have already marked their landmark in the industry and are the instigators of vision for franchising business in India. They have created and articulated the vision passionately, and relentlessly drive it to completion. These are Mahindra First Choice Wheels, Motilal Oswal Securities Ltd., Archie's, Euro kids, Shahnaz Husain Group of Companies, Quality wall's swirl's, JK Tyres, Titan, Kid zee, Raymond, Club city, Jetking Info train Ltd., Fren's N Petals, Sagar Ratna, The Institute of Computer Accountants, Tanishq, NIIT, Career Launcher, Amul and VLCC are some of the top well established Indian franchises.

TOP EMERGING FRANCHISES IN INDIA

There are many popular companies which are not the industry leaders, as yet but have made their strong presence in the market. These are: Kodack, Sharekhan, Billabong High International School, Brain Works, ICICI Securities, Cox and Kings, Dosa Plaza, Kangaroo Kids Education Ltd, ZEE High etc.

TOP INTERNATIONAL FRANCHISES IN INDIA

Crossing its own geographical boundaries, there are many companies which have made their global identity. Majority of them forayed into India and others are soon to enter. These are: Re/Max, Crest Com International, Signarama, Samsonite, South Asia Pvt. Ltd, Gloria Jeans Coffees, Chiking, Cartridge World, Alona India, Jus Booster Juice, Levi Strauss India Pvt. Ltd, Nokia, Pizza Hut, The Coffee Club, Marry brown, Subway, McDonald's, Adidas, The Pizza Company, etc.

X.CONCLUSION

No doubt franchisee gets an edge over competitors in the domestic market as the brand identity of the product is already established by the franchiser but franchisee must be careful so that he should not be cheated. Proper care should be taken before selecting franchisee option. Investigations should be made about various running franchises, how many franchisees are there in your area, how many more will come in next two years, what are the service supply conditions, how many profits running units are making, how many units are failed and why? If all the decisions are taken carefully then there are more chances of success. For the franchisers growth and increasing the earnings of the franchisee strategic alliance with major outside corporations, expansion abroad and opening franchises in traditional site locations should be followed. Finally we can say that franchises are the source of Indian entrepreneurs as so many facilities are enjoyed by the franchisee to market their product.

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