

Franchising USA

THE MAGAZINE FOR FRANCHISEES VOL 08, ISSUE 11, OCT 2020



WIN Home Inspection:

HOW THIS INNOVATIVE AND RAPIDLY GROWING FRANCHISOR IS LEADING THE HOME SERVICES INDUSTRY

**RIGHT NOW IS
A GREAT TIME
TO GROW**

SPECIAL FEATURE
**TRENDING
FRANCHISES**

**THREE FACTORS
TO CONSIDER
BEFORE BUYING
A FRANCHISE**

5 TRENDS ROCKING THE FRANCHISING WORLD



In its earlier years, franchising was a place for single unit owners who were happy to be their “own boss”, “buy a job” and provide a modest income for themselves and their families.

Franchisors faced significant and unique challenges. They fulfilled the traditional

corporate leadership role, ensuring their company delivered on its promise to its customers, behaved in a responsible way and earned profits. They also played the franchisor role, which required them to coordinate the ambitions of their franchisees.

These days, social and economic changes mean the best franchise systems must be adaptable in the way they do business. As franchise systems grow and develop, changes are needed to maintain support to franchisees.

We are three months away from the end of an unprecedented 2020, and so far it has

been a turbulent year for everyone—and the franchising industry is no different.

We have seen many businesses lose traction, but we have also seen new innovation, with many franchises facing pandemic challenges with innovation.

So, what are the latest trends rocking the world of franchising?

1 MULTI-UNIT OPERATORS

More than half of all franchise units in the United States are run by multi-unit operators, some with hundreds of units and revenues in the tens of millions. These operators don't work in their stores

"Mobile pay and apps are the strongest customer-facing technology being deployed, with increasing uptake by consumers. Incorporating Apple or Android pay is also an emerging trend."



or travel from home to home to provide services. Rather, they manage their company, employing a professional staff of field and unit managers, while they focus on strategy and growth.

2 MULTI-BRAND FRANCHISEES

Those with two or more brands are also a rising trend. These franchisees have often maxed out their territory with their first brand and must now take on a second or third brand to continue to grow their organization. Others are seeking additional brands to provide cash flow for different day parts, or to diversify their risk, by creating a hedge against market cycles, changing consumer tastes, and shifts in the economy.

3 DELIVERY PLATFORMS

More and more franchises are eyeing various delivery platforms, as a means for expansion and increasing sales at store level. Franchises, in order to gain a competitive edge, are embracing new technology as a means of operating responsively and quickly to their customers. Mobile pay and apps are

the strongest customer-facing technology being deployed, with increasing uptake by consumers. Incorporating Apple or Android pay is also an emerging trend. Franchises are investing in their online profiles, with the ability to access resources and materials 24/7. As a result, this investment enhances the experience of their customers and increases brand awareness.

4 GHOST KITCHENS

Many restaurants are starting to see the benefits of ghost kitchens (a co-working, professional food preparation and cooking facility, set up for the preparation of delivery-only meals), especially during the pandemic, as they are an easier and cost-effective way to reopen and/or cut costs in these uncertain times. This growing trend contains the kitchen equipment and facilities needed for the preparation of restaurant meals, but has no dining area for walk-in customers. These kitchens pump out orders amid an increasing demand for delivery due to the COVID-19 outbreak, with many restaurants still closed or operating at reduced capacity and consumers cautious of lingering near others. The ghost kitchens



Sarah Kulbatski

are not for a struggling brand to become relevant; they are for brands that have a product that was in high demand who are now looking to expand that product availability. The future, however, is definitely moving towards the preference of ghost kitchens.

5 AUTOMATION

The key to sustained economic growth is not just finding workers, but also transforming how they work through automation. The pandemic is accelerating a shift toward digitalization to reduce the spread of the virus, while enabling more people and processes to move online. That task has become a more urgent priority as the COVID-19 pandemic has forced an unprecedented drop in economic activity. The pandemic is propelling a new wave of automation, with endless possibilities of food offerings being served by automated technology. Retail automation allows you to reduce labor costs—more automation means fewer tasks done by hand and a lesser need for the human capital to perform those tasks.

By virtue of having spent most of her professional career in the franchising sector, Sarah Kulbatski, COO, has a passion for business, is driven to achieve short- and long-term results, and is committed to quality and sustainability. She believes that a climate of positive franchise relations lies at the heart of a successful and thriving organization.

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