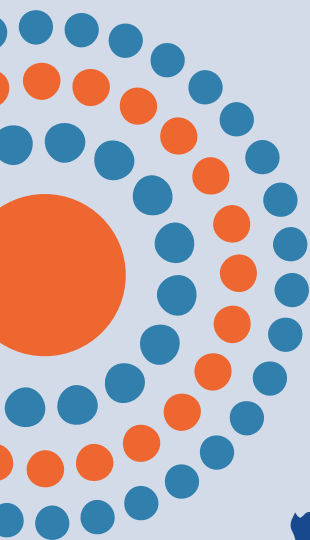


YOUR GUIDE TO FRANCHISING IN AUSTRALIA

Incoming brands will find a country that's very receptive to the franchise model. However, there are significant cultural, economic and regulatory factors that international franchises must be aware of

INTERVIEWS BY KIERAN MCLOONE





Franchising in Australia was largely kick-started when McDonald's, KFC, Hungry Jacks (AKA, Burger King) and other large quick-service restaurants brought over their systems from America in the late 1960 to early 1970s. Fast-forward to the present day, and Australia's franchising sector is thriving, with around 1,200 franchise systems operating in the country. In fact, according to a study by Queensland-based Griffith University, there are over 1,100 franchisors, 65,000 franchise units and 8,000 corporately-owned units in the country.

So, incoming brands will find a marketplace that's firmly embraced the franchise model, as well as no language barrier for brands hailing from English-speaking countries. Australian brands dominate the

“Mail Boxes Etc.’s successful entry was due to its ability to identify Australia as a service-based economy that would be suited to its business model”

market, but U.S. brands have the most number of units due to the early success of the larger global brands. Unsurprisingly, Domino's Pizza is Australia's largest pizza franchise, both in terms of network units and network sales. KFC, which first appeared in Australia in 1968 in Sydney, today employs over 34,000 Australians and typically serves more than two million customers a week across 640-plus restaurants.

Geographically-speaking, Australia covers an area of 7.69 million square kilometres, but the majority of its 24m population is concentrated along the eastern coastline. While its smaller population size may deter some franchisors, the allure of a unique opportunity to trade in Asia due to its close proximity will tick the boxes for many. The country's main trade partners are China, Japan and the U.S., and according to the International Franchise Association's *Guide To Australia* report, its GDP is \$800.5bn, and it's ranked ninth in the World Bank Group's Ease of Doing Business ranking.

Exporting to Oz

“Australians are very resilient and determined to do business – they've got a very can-do attitude,”

NEED TO KNOW: AUSTRALIAN FRANCHISE INDUSTRY

Franchise systems:
1,200

Franchise outlets:
75,000

Franchise employees:
475,000

Revenue:
AUD \$177bn

Annual growth:
2013 - 2019 1.7%

says Harry Stoubos, founder of Atlas Global Development, and former global chief development officer for Adelaide-founded, Australian brand Cartridge World, which has over 600 franchisees in over 30 countries. “Recently, the country endured its worst bushfire in memory, with extreme floods and droughts, but it found a way to overcome such adversity. Australia has a very stable government and strong rule of law supported by strong financial institutions – this all promotes confidence for business and aids the economy to rapidly recover from any adversity.”

FRANCHISE FRONTRUNNERS IN AUSTRALIA



**ROSTOM MANOOKIAN OF
MANOOKIAN SOLICITORS
ROUNDS UP THREE
THRIVING SECTORS**

“Notwithstanding the current crises, service franchisees are continuing to grow in the home services, education and health and wellness area, as increasing wealth increases the spending of time poor customers.

“One example of a health service franchise is Nurse Next Door, which recently established itself in Australia and will continue to expand, especially in light of the current health crises.

Healthy food and vegan franchise businesses offering lifestyle choices will encounter strong competition and new entrants and incumbents will demand differentiation and innovation to succeed.”

