



BUSINESS OF FRANCHISES



FRANCHISING ON THE RISE IN SA

FRANCHISING in South Africa continues to grow and show resilience to challenging conditions, with an estimated turnover of R721 billion or 15.7 percent of gross domestic product, a recent survey by the Franchise Association of South Africa (Fasa) shows. The survey, sponsored by financial services group Sanlam, shows that the number of franchise systems has risen from 843 to 865 in the last year, with a total of 45 011 outlets, 80 percent of them owned by the franchisees. “The survey, while still showing positive growth and a high level of franchisee satisfaction, shows the sector is carefully and cautiously navigating the economic storms to safeguard their businesses, supporting their franchisees while trying to grow their brand and contribute to the country’s GDP,” said Fasa executive director Vera Valasis. On average, each franchisee employs 18 staff members in the business, including themselves – 12 on a full-time basis, six part-time. The survey shows some of the main challenges facing franchisors include finding the right franchisees and getting finance. – African News Agency (ANA)