

Establishing your franchise in a fast-changing economy

The rapid pace of urbanisation has created a greater concentration of economic activity in South Africa, which has affected the franchise industry holistically.



The Durban skyline. Wherever you select to establish your franchise, ensure it is easily accessible for customers throughout the week and weekends and ensure that you will have sufficient weekday and daytime trade in your selected location in order to sustain your business.

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"The landscape has been shaken up with the proliferation of local franchises competing with the more established local and international franchise brands. From sit-down to fast-food restaurants, the industry has seen an increase in the number of local and new franchise concepts that have permeated the market," says Morne Cronje, FNB head of franchising.

Amina Bassa, owner of RJ's on Florida Road in Durban agrees. "The restaurant franchise business is a fast-paced industry. I looked for a franchise that would cater for everyone's needs, including the Halaal community. However, with its warm street vibe and local and international visitors, opening a franchise on popular Florida Road was no easy feat."

Position, position, position

"The franchisor assisted with finding the right location, negotiating the price and rental. I was shown two prime locations on Florida Road and I selected the one that offered ambience, convenience, and sufficient parking space. Establishing your franchise requires that you work closely with the franchisor to gain an understanding of what is expected from you as the owner. You may find it a bit daunting at first, but this relationship is vital in any franchisee-franchisor agreement."

Ensuring that there is a need for your franchise concept is important. "It needs to be easily accessible for customers throughout the week; weekends and you need to ensure that you have sufficient weekday and daytime trade in your selected location in order to sustain your business."

A great challenge, but rewarding

Running a franchise is a great challenge but requires long hours, hard work, and a good support structure. "Word of mouth, social media, great food, service culture, and location are just some of the factors that have ensured that our customers keep coming back for more. The brand is definitely growing. Within a six-month period I have opened a RJ's Grill Express at the Pavilion Shopping Centre, showing my commitment and love for the brand and the industry."

Owning a franchise requires dedication, commitment, and passion. "The restaurant industry has grown quite substantially and, while establishing a particular franchise concept may be appealing, it requires careful thought, consideration, and research. Competition is rife and businesses need to be more innovative in there thinking," concludes Cronje.

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