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# How to strategically redesign your franchise business model for international markets

Tips for brands that are looking to make the transition internationally and enter into new markets

WORDS BY PATRICIA PERRY



## THE AUTHOR

Patricia Perry is vice president of franchise development for Edible, leading the brand's growth efforts both nationally and internationally

**A**s many brands are looking for new opportunities in 2021, global franchise expansion is an exciting topic of discussion. Edible has made the decision to enter into new international markets, and with that comes the introduction of a new prototype to help the brand seamlessly adapt to its new surroundings. This decision and redesign process require strategic attention to detail and personalized support for new franchisees in order to effectively adjust the brand's identity to the local palates and preferences of each targeted region. Below are a few tips for brands that are looking to make the transition internationally and enter into new markets.

***"It is important to ensure that items are both representative and relevant to each market while also remaining true to the brand's identity and values"***

## Going global: the first steps

Many U.S.-based franchise brands have a strong foothold in their domestic markets, therefore the next best opportunity to grow and innovate involves looking beyond

familiar shores and diving into new international territories. Global expansion brings new opportunities to engage with not only customers, but cultures that can enrich a brand's identity through diversity. Global expansion allows for true increases in brand market share.

The first step in this process is to conduct thorough research to determine the best markets of focus. In Edible's case, after conducting preliminary research, the brand chose to target the following markets which are likely to offer the most promising brand opportunities: Central America, South America, Pakistan, India, China, several areas within the Middle East and the United Kingdom.

The next step is to ensure the brand has the resource infrastructure plans solidified in order to guarantee that new international franchisees will have the support required to launch in their markets. In addition, market planning is important. The brand needs to decide how they would like to engage with franchisees in each region and what types of stores they would like to see developed. Some brands elect a master franchise model, others go with large area developers, form joint ventures or build company-owned stores.

Once the resource infrastructure plan is in place and the development model is selected, the next step is finding experienced operators with a keen understanding of the targeted



property landscape as well as consumer habits and products unique to the area. These franchisees will help serve as cultural brand ambassadors while leading the charge in their respective regions. Their valuable knowledge of the real estate market, business infrastructure, local tastes and preferences will help successfully guide expansion efforts in the region.

Once the franchisees have been identified, the in-depth market planning occurs.

### New location, new store prototype

With a new store design and international expansion in the works comes the next step and responsibility to adapt the brand's model from both a building footprint and menu perspective.

In regard to products, it is important to ensure that items are both representative and relevant to each market while also remaining true to the brand's identity and values. Striking that balance can be challenging but again leveraging your

franchisee's expertise and taking time to thoroughly research the territory are simple ways to begin the menu redesign. Picking ingredients that are native to the region and incorporating them into the menu is a great way to engage with the culture and gives consumers something new but familiar, making products approachable.

Also, using consumer and cultural research to understand how locals gather and engage with one another are crucial insights when redeveloping a prototype design. For example, the international growth strategy at Edible will include two options. The first option, reserved for large multi-unit franchisees interested in developing large regions or countries, will include building a production facility, flagship stores in the new design format, and smaller bespoke locations across the market. The second option will be for experienced franchisees looking to grow in smaller regions. This expansion method will include

### PATRICIA'S ADVICE FOR U.S. BRANDS LOOKING TO GO GLOBAL

My personal advice to others in the industry who are navigating the transition of international expansion is to complete your due diligence. This involves having a strategic expansion plan in place, finding the right franchisees, allowing for customization so the brand is relevant to consumers in each country and having proper resources in place to adequately support international franchise expansion. Taking these few steps early on in the process will pay off in the long run and ensure that your brand is equipped to make waves in new international markets.

production using only ghost kitchens supported by a robust e-commerce platform.

Based on various analyses, our team decided to develop and offer a few store format options for Edible locations internationally. The first prototype style is a marketplace where local products are offered in conjunction with our standard menu items. The second design will be a café-style model that creates an inviting central meeting place for guests to enjoy gathering together over a cup of coffee and some treats. The last development option is the rollout of several ghost kitchens in a particular region. The overall goal of the redesign is to make our store fronts customizable. We also want to create retail experiences that are inviting and exciting for the locals of each region, so that they feel engaged and connected with our brand.

### The importance of tech integration

Another key consideration for brands looking to expand is how to efficiently integrate technology. Across the world, e-commerce platforms, delivery apps and networks function in full force and will remain for years to come. With this in mind, the seamless integration of technology into the new store designs and in each country will provide a competitive advantage for the brand and added convenience for customers abroad.

Creating regional websites and e-commerce platforms for our brand in international countries is crucial when looking at ways to improve business through the use of tech. One simple alteration to consider is updating and customizing the brand's internal tech infrastructure to fit the needs of international franchises in order to keep operations moving smoothly.

Additional tactics that should be in place ahead of time include ensuring that the website copy in a new language is properly translated, that the third-party delivery process is well structured and that all e-commerce functions adhere to the laws of the territory. With these advancements and updates, brands will be able to succeed in their international launch.

