

Trends in the franchising institutes development in the Russian Federation
Voronkevich A. (Russian Federation)
Тенденции развития института франчайзинга в Российской Федерации
Воронкевич А. Б. (Российская Федерация)

*Воронкевич Алена Борисовна / Voronkevich Alena - студент 4 курса,
факультет менеджмент,
Финансовый университет при Правительстве РФ, г. Москва*

Abstract: *the article tells about peculiarities of the Russian franchise market, the basic development trends in recent years and give some recommendations refer to the choice of the franchise in the Russian conditions.*

Аннотация: *в статье освещаются особенности функционирования российского франчайзингового рынка, рассмотрены основные тенденции его развития за последние годы, а также даны рекомендации по выбору франшизы в условиях российских реалий.*

Keywords: *franchising institutes, Russian franchise market, trends and development.*

Ключевые слова: *франчайзинг, российский рынок франчайзинговых институтов, тенденции и динамика.*

Franchise in Russia is a relatively new direction considering to Europe and America, where it has been the lion's share of the economy and is successfully exported for a long time. It is due to the peculiarities of the Russian market and a number of factors hampering the rapid development of franchising.

Primarily affects lack of developed legal framework and property, appropriate business profile. Moreover, there is a qualified core intermediaries between franchisees and franchisors, which lead to additional costs due to the mistakes made by entrepreneurs in the business to adapt to the conditions of the Russian market. It is said that measures have already been taken in this direction. For example, an investment fund "Life Franchise" highlights entrepreneurs up to 90% of the amount for the purchase of any franchise from its portfolio (restaurant "Chocolate", the Subway, "Papa John", a supermarket "Crossroads Express" and others). The contract is for five years, during which time the businessman is obliged to buy back their share of the fund franchise. Prior to the expiration of the contract the company shares with the entrepreneur and financial expertise, and upon the expiration of out of the project [1]. For Russia it is also characterized by an initial implementation of projects on the markets of Moscow and St. Petersburg, and only after their promotion to the regions, which opens up additional prospects for the development of a regional franchise, and this doubtless advantage.

To date, in the conditions of state support of small business franchise is gaining popularity as one of the most effective tools of survival while increasing speed of large and medium-sized businesses. However, due to the mentality of Russian businessmen are not willing to invest massively in this kind of business, as suffering from a lack of information on its design and management. However, according to the European Franchise Association, over the past three years, the market of franchising in Russia increased by 98%. In addition to business franchising try on themselves and government agencies. Thus, at the Moscow International Forum on Franchising it has been proposed to apply its fundamentals in the housing sector. Thus, on the agenda there is a question as to the potential franchisee to choose the most suitable for the implementation of the business.

Unlike US law franchisors in Russia is not required to disclose full information about the business. This is primarily due to the Russian mentality, often characterized by a lack of respect for other people's intellectual property and risk to the franchisor that will get insider information to competitors or the franchisee gets into the list of the new startups Russia [3]. In this regard, before deciding whether to purchase the franchise entrepreneurs recommended to talk with existing franchisees and the franchisor ask a number of questions concerning network development strategy for the coming year. In addition, it is important to correlate the financial terms of the franchise and its quality, as most franchisors form of royalties and lump-sum payment based on the internal evaluation of technologies and brand value, as well as focusing on the competitors in its segment.

Until recently, Russia did not exist the fullest independent ranking of franchise proposals, which would be oriented business, which also complicates the ability to track the dynamics of the market. Rating "Top 100 franchises Russia", compiled by the Analytical Department Portal BiBoss.ru, in 2014 published his results for the third time and has already established itself as a popular source.

According to the results took first place ranking stores children's goods "Hippo". Positive dynamics of the service sector covers the interests of children in general - retailers of clothing, footwear and toys, developmental centers: just hit rating companies 9.

Nevertheless, the growth of retail franchises in the lead among the other activities (in total they occupy places 54 rating), proof of which is the position of the network of shops of economy class "Pyaterochka", which occupies the second place.

Closes the three leaders in the franchise fast food «Subway» segment, the third year in a row does not change its position. Annually the company opens about 200 quick-service outlets, and by 2015 plans to expand its

network of thousands of restaurants [2]. In total, the rating fell 14 companies specialized in opening restaurants and cafes.

In addition to the emerging trends, the discovery became FixPrice franchise companies (products at the same price) and InfoLife (definition capabilities fingerprint). It is also worth noting the increasing interest in the franchisee for the tourism sector: five companies made the list in 2014, three of which were in the top 30.

According to the amount of funds required to open a venture purchased the franchise, the results were as follows: up to 1 million rubles are equal 34 proposals, from 1 million up to 3 million rubles are 40 proposals and 3 million rubles are equal 26 proposals [2].

Thus, the positive forecasts for the development of franchising in Russia due to its relative lack of development and a number of significant advantages over start-ups, which is significantly higher risks or have already developed a business, which is very difficult to penetrate. Despite the fact that the Russian businessman seeks full independence and the prospect of depending on the popularity of the brand, the displacement of consumer demand and other factors, as well as royalty payments causing him fear and reluctance to purchase a franchise, franchising is growing in popularity every year. The main thing is to choose the franchisor, and this takes time, knowledge and entrepreneurial intuition.

References

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