

The International Trade Administration's Manufacturing and Services office recently held a highly successful franchising trade mission to India.



Franchise Trade Mission to India

By: Bruce Harsh

As a priority market under President Obama's National Export Initiative, Assistant Secretary for Manufacturing and Services Nicole Lamb-Hale led the first-ever Department of Commerce Franchise Trade Mission to India during the week of April 11-15. Fifteen U.S. franchise and two industry media representatives visited Mumbai, Hyderabad, and New Delhi to learn about various business opportunities in these markets. The trade mission is an example of America's growing commercial relationship with

India.

The company representatives knew that Indian franchise industry is a great potential business opportunity, currently having a \$3.3 billion franchising market, and is projected to grow to at an annual rate of 30-35 percent. They also knew their franchising concept offers a proven business model to the Indian partner and for them, the business opportunity to grow in new areas.

What they did not know was how to tweak their menus to meet the cultural tastes and preferences of the consumers in

each market or what the demand would be for their various concepts, including advertising, cleaning, entertainment, or retailing services. After receiving more than 340 one-on-one meetings with potential Indian partners, engaging in several site visits to see first-hand how some of the sandwich shops and casual dining concepts operate, and having meetings with nearly 500 top level CEOs of prominent franchise, retail, food and beverage, and hospitality brands, they got a pretty good idea of how to access these markets.

The mission participants also heard expert briefings from various government officials and executives, including the president of the Franchise Association of India, the managing director of McDonald's India, and from U.S. government commercial officials in each city.

The delegate's brands represented concepts ranging from the quick service restaurant sector (Applebee's International, BannaStrow's Crepes and Coffees, CKE Restaurants (Carl's Jr.), Denny's, FOCUS Brands (Carvel, Schlotzky's, Moe's, Auntie Anne's), Johnny Rockets Group, Pollo Tropical, Rita's Italian Ice, Wendy's Arby's Group, Which Wich, and Wing Zone), advertising (EmbroidMe and Billboard Connection), cleaning (Molly Maid), entertainment (The National Museum of Crime & Punishment and The Titanic), and retail services (Radio Shack). Many of the delegates suggested their meetings will lead to significant levels of fees and sales. One delegate even signed

a contract while on the mission. More agreements are anticipated in the near future.

In addition to the promotion of the U.S. franchising concepts expanding to India, Assistant Secretary Lamb-Hale held meetings with ministers and business representatives in all three mission markets to highlight the benefits of the franchising sector, such as transfers of world-class technologies and business processes and to hear some perspectives on new trends and investment plans for a range of industries. She was also able to promote more financing for franchisees and improved retail opportunities that would provide more options for Indian consumers and new opportunities for investments (such as cold-chain facilities) that

support the franchise sector.

Overall, the mission was a huge success. The delegates raved about the quality of the one-on-one meetings and will be able to make some good sound business decisions on which partner(s) they would to pursue in India.

The Department of Commerce is not resting on these results. As such, based on the interests of many of the mission delegates and discussions with others, the Manufacturing and Services office is now looking to hold a trade missions in Vietnam and Indonesia in December 2011.

For more information about these upcoming business opportunities, please contact Richard Boll at (202) 482-1135.



Assistant Secretary for Manufacturing and Services, Nicole Lamb-Hale, tours the 200th Subway establishment in India.