

Brewers eye franchise business model

HCM CITY — Increasing numbers of Vietnamese businesses will open franchises of popular international brands as the country opens up its market further following its accession to the World Trade Organization four years ago, a senior official said yesterday.

Addressing a seminar entitled Top Franchise Asia 2011-Viet Nam Edition, Lê Quốc Trung, deputy director of the Ministry of Industry and Trade's Southern Representative Office, noted that franchising was a business model that benefited both sides in a transaction.

A franchise offered an entrepreneur a quicker entry into the market at less risk, he said. It offered the advantages of having a recognized brand name, a professional training system and benefiting from tech-

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nology transfer, he said. However, both the franchisee and the franchisee needed to identify the right time and map out strategies to ensure success in the market, he said. They should pay special attention to environmentally friendly products and corporate social responsibility, he added.

Trung said the franchising model was highly valued all over the world because of its high effectiveness and low business failure.

For instance, 5 per cent of businesses in the franchising sector faced

business failures compared to 30-65 per cent with other models, he said.

The country's rapid economic development, plus its young and dynamic consumers are the main reasons foreign firms seek franchisees in the Vietnamese market.

Bùi Lê Quân from the Việt Nam Chamber of Commerce and Industry Exhibition Services Ltd Co said according to the International Franchising Association, global franchise revenues reaches more than US\$1 trillion per year.

All sectors can be devel-

oped under the franchising business model including hotels, bakery, transportation, advertising and property. All companies, from those newly established to multinational firms, can also participate in the model.

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Among those knocking at the door are famous Singaporean brands includ-

ing Country Chicken, Don's Pie, Empire State, Popeyes, Snackz It!, Auito Saver, Kooshi, Mondo and Pazzion, KinderGolf and FMDS.

The director of Singapore's Astream Corporation Pte Ltd, Hsien Naidu, said the seminar was a great opportunity for franchisers and franchisees to come together and develop the Vietnamese franchising market further.

Representatives of Vietnamese enterprises at the seminar said that the seminar gave them insights into ways they could expand their business at home as well as in overseas markets.

The seminar was organized by Vietcham Expo (under the Việt Nam Chamber of Industry and Commerce) in collaboration with Astream Co, a member of the Singapore Franchising & Licensing Association. — VNS