



The year 2013 is likely to witness more proactive approach resulting in better revenues and growth opportunities.

Every cloud they say has a silver lining. Even though the current economic hardship, recession and financial instability across the globe have cast its gloom on a variety of sectors and industries, Indian franchise market bandwagon is expected to march on with full steam with industry experts predicting the treble to reach \$20 billion by the year 2013.

Indian Franchise Sector and 2013 Market Estimates:

Franchise business is in its infancy in India compared to developed economies like the US and EU, it has managed to sustain an annual growth rate of 30% with a market size of \$ 7.2 billion in 2012. According to a latest study conducted by Federation of Indian Chambers of Commerce and Industry (FICCI) and Confederation of Indian Food Trade and Industry (CIFTI), the Indian franchising sector is expected to continue its exponential rise in the year 2013 with expected revenues likely to cross the \$20 billion mark.

Sectors to watch out for in 2013:

Education:

Business analysts and franchise experts are quite optimistic on the educational service and all

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its subsets like schools, vocational services, pre-school segment as well as development and training institutes. According to CLSA Asia Pacific Markets, "the Indian preschool segment education industry alone currently constituting \$985 million is likely to touch \$3,426 million by the end of 2013".

India has a large population of children in the age bracket of 1 to 5 while existing preschool franchise businesses have hardly reached one tenth of the population. The education franchise business has immense potential to thrive in tier II and tier III cities and small towns where quality education facilities are lacking compared to the metro cities. Another very important factor that literally guarantees the success of education service sector is the fact that education sector remains relatively free from recession or economic uncertainty, making it a safe choice for franchise investment.

Food and Beverages:

With an exponential increase in the working population of Indians, a majority of people prefer to eat out mainly due to the lack of time considering their busy schedules. With an increasingly young population that is more economically stable than their counterparts 20 to 30 years ago, the food and beverage sector offers high growth potential in the coming years.

Another intrinsic advantage of the food and beverages sector is the sheer quantum of opportunities. Franchise options in the sector includes stand alone restaurants, coffee shops, fast food joints, health foods, to candy outlets with an equally quantum of growth. One can choose a sub sector according to the market sentiments of the locality.

Apparels and Lifestyle:

India is a young nation with majority of population under 25 and financially stable to experiment with lifestyle quotients including apparels, jewelry and footwear segments. The Indian youth has never been so brand conscious, offering great unlocking opportunities for entrepreneurs to jump into lifestyle brand specific franchise business. Clothing, footwear and jewelry industry is an evergreen industry and can never be out of business. Testimony is the

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fact that Compound Annual Growth Rate (CAGR) of the apparel industry last year has been almost 12 per cent even as the country fought rising inflation and stagnant market growth.

Innovative Service Sectors:

Service sector has always been the fulcrum of the Indian franchise business module. They holds an equally bright horizon in the year 2013 as the franchise business establishes itself in a more efficient manner. Service sectors not only include the tried and tested service industry markets like beauty and wellness or tours and travels. With the evolution of Indian markets, new and innovative services including gaming, media and entertainment are blooming expected to rise even further in the coming year. The Indian entertainment industry is destined to grow even further in 2013 considering the vast majority of the population.

Beauty and Wellness:

Beauty and wellness sector is one of the tried and tested franchise business segments that have been highly successful in India. Beauty and wellness sector was earlier limited to grooming spas and saloons are now gradually expanding base with the inclusion innovative wellness sectors like stress conditioning spas and specialized segments in the health wellness sector like Tai Chi and power yoga catching the imagination of the young and the old alike offering tremendous growth opportunities.

The healthcare or wellness sector in India has an estimated turnover of nearly Rs 730 billion growing at nearly 13% each year. It is expected to grow even faster owing to the lack of proper facilities in the government healthcare systems in India. Consultation, diagnostic services, health check-ups and pharmacy are few of the major money making franchises in the healthcare sector.

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Though these are the segments in most demand, there are still more avenues yet to be explored. The traditional service sectors like cleaning and pest control continue to blossom, new and innovative service sectors like Pet clinics and all offsets of handling pets right from adoption to grooming as pet owners are not reluctant to spend in providing luxuries for their pets. The travel segment too is growing.