

PERSPECTIVE DIRECTIONS OF DEVELOPMENT OF THE UKRAINIAN MARKET OF FRANCHISE SERVICES IN THE CONDITIONS OF GLOBAL TRANSFORMATIONS

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Franchising is a profitable form of business, which is widely used in all countries with developed market economies. Not so long ago this type of business appeared in our country as well. Franchising in Ukraine is still in development stage, which opens significant opportunities for investors. In recent years international companies begin to show considerable interest in cooperation with Ukrainian partners on the basis of franchising [2].

The Ukrainian economy has rebalanced and returned to a path of stable growth and recovery by March 2020. Although COVID-19 did not only affect Ukraine, it is likely to result in slower growth and GDP in 2020 as a whole. Experts believe that economic growth in Ukraine will continue in 2021 and will be driven by an increase in retail trade [1].

Among European franchise networks represented in Ukraine, the majority belong to Polish, Italian, German and French brands. The Ukrainian Franchise Group states that more than 504 franchisors, and 19,034 franchise outlets are now operating in Ukraine [2].

The main market problems that hinder the development of franchising in Ukraine: imperfect legislative framework, lack of experience

of domestic entrepreneurs in franchising, unfair attitude to the fulfillment of contractual obligations and to other people's intellectual property, low level of development of bank lending, etc [2].

Despite this, every year the franchising market continues to grow at a rapid pace. The number of companies that go from franchising is completely replaced by new companies that become full-fledged active players in this market [1].

At the regional level, franchising, under certain conditions, can become an initial strategic development direction. Despite the unstable economic situation, franchising is a chance for Ukrainian businesses to reach a new level, but for this it is necessary to improve the regulatory framework and protectionist support from the state

References:

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2. Official website Asotsiatsiya franchayzynhu Ukrayiny [Franchising Association of Ukraine]. Retrieved from: <http://www.franchising.org.ua>.