

ISFA SURVEY REPORT

**“Business Success
Through Franchising: How Much
Do You Know?”**



GAURAV MARYA
Chairman

Dear Industry fellows,

It gives me great pleasure to share with you the findings of our recent survey, conducted by the ISFA, aimed at understanding the current awareness, interest, and readiness levels among regional retail brand owners, startups, and MSMEs with regard to franchising as a strategic tool for business expansion.

Franchising, as a growth model, has demonstrated remarkable success across global markets—offering businesses the ability to scale rapidly while maintaining brand integrity. Despite its proven potential, we observed that many emerging businesses in India remain unfamiliar with the fundamentals of franchising, its long-term benefits, and how to begin the journey.

This survey was initiated to bridge that knowledge gap. Through your valuable responses, we have gained crucial insights into the perceptions, challenges, and aspirations of small businesses and entrepreneurs when it comes to franchising. The data will now inform the development of targeted educational programs, practical toolkits, and mentorship opportunities designed specifically to empower emerging enterprises like yours.

On behalf of ISFA, I would like to thank each of you who took the time to participate. Your input is not just valuable—it is instrumental in helping us build a more informed, prepared, and ambitious small business ecosystem.

We look forward to working together as we continue to promote franchising as a powerful and accessible growth avenue for Indian businesses.

Introduction

Franchising has increasingly proven to be a powerful model for business growth, offering entrepreneurs and enterprises the ability to expand rapidly while maintaining brand consistency and operational efficiency. However, despite its success worldwide, franchising remains underutilized and often misunderstood among India's regional retail brands, startups, and MSMEs.

*Recognizing this gap, the Indian Small Business & Franchise Association (ISFA) launched a nationwide survey titled **"Business Success Through Franchising: How Much Do You Know?"** This initiative aimed to assess the current levels of awareness, interest, and preparedness within the small business community regarding franchising as a strategic tool for expansion.*

The Indian Small Business & Franchise Association (ISFA) is a dedicated industry body committed to fostering the growth of small businesses and franchises across India. By providing education, advocacy, and mentorship, ISFA empowers entrepreneurs to leverage franchising as a scalable and sustainable business model.

This timely survey was conducted in celebration of the 1st World Franchise Day, underscoring ISFA's commitment to raising awareness about franchising's potential. The occasion highlights franchising as a vital avenue for economic growth, job creation, and business innovation in India's evolving market landscape.

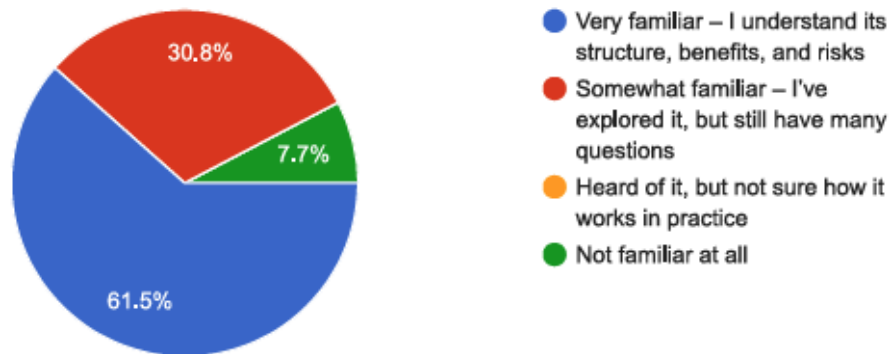
The purpose of the survey was threefold:

- To identify existing knowledge gaps and misconceptions around franchising,*
- To understand the perceptions, challenges, and aspirations of small and emerging business owners, and*
- To gather actionable insights that can inform ISFA's future initiatives, including educational programs, toolkits, and mentorship opportunities.*

The insights gained through this survey are not only enlightening but essential in shaping the future of franchising support in India. They provide a clear roadmap for how industry bodies, educators, and policymakers can better equip small businesses to leverage franchising for long-term success.

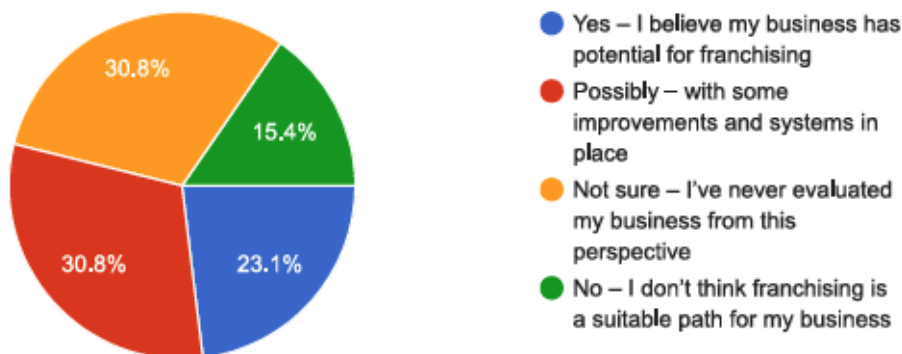
This report presents the key findings from the survey, along with observations and recommendations aimed at empowering India's small businesses to make informed decisions about adopting franchising as a growth strategy.

Q.1 How familiar are you with the concept of franchising as a business model?



Outcome: Most respondents are somewhat familiar with franchising, having explored the concept but still seeking clarity on how it works. A smaller group indicated strong familiarity, while a notable portion either had only heard of franchising or were not familiar at all. This suggests a general awareness exists, but deeper understanding is lacking.

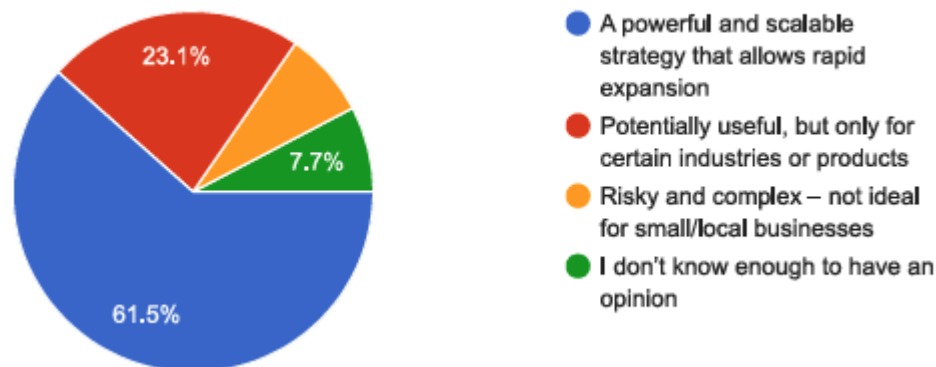
Q.2 Do you currently operate a business that you think could be franchised in the future?



Outcome: A significant number of participants believe their business has potential to be franchised now or with some improvements. Some were unsure, having never evaluated their business from this angle. A smaller group felt franchising may not be a suitable model for them. Overall, there's untapped potential and interest that can be cultivated with the right guidance.

Q.3

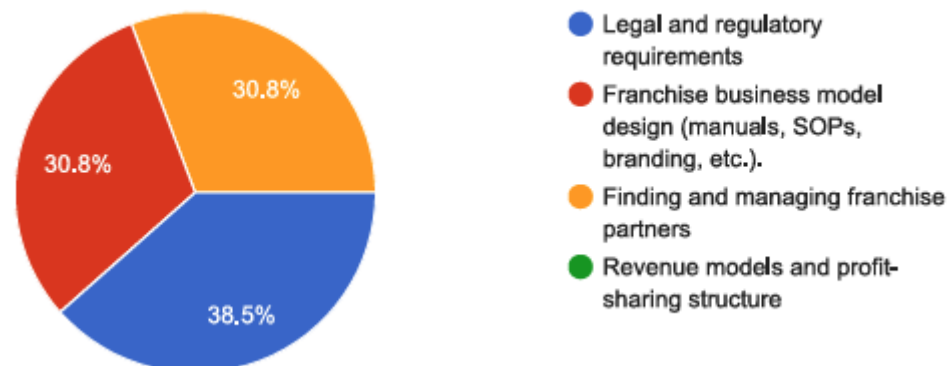
What is your perception of franchising as a growth strategy for Startup's, MSMEs and local brands?



Outcome: The majority view franchising as a powerful and scalable strategy for business growth. Some believe it works well only in certain industries, while a small number perceive it as too risky or complex. A few respondents were unsure, pointing to a need for more education about its practical benefits and applications.

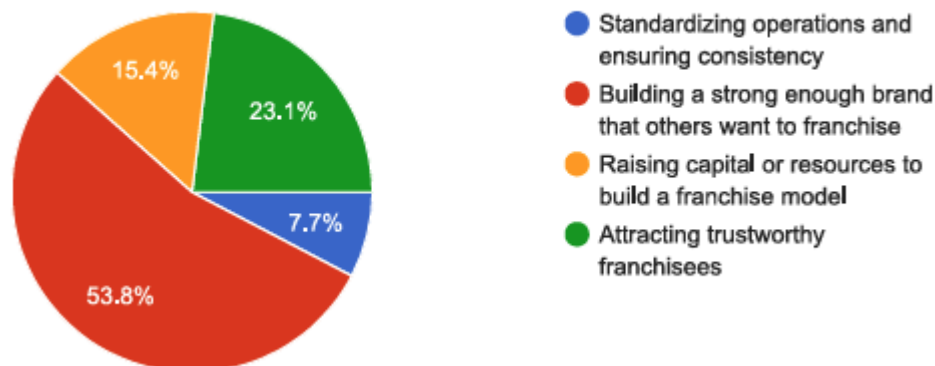
Q.4

Which aspects of franchising do you feel least informed about?



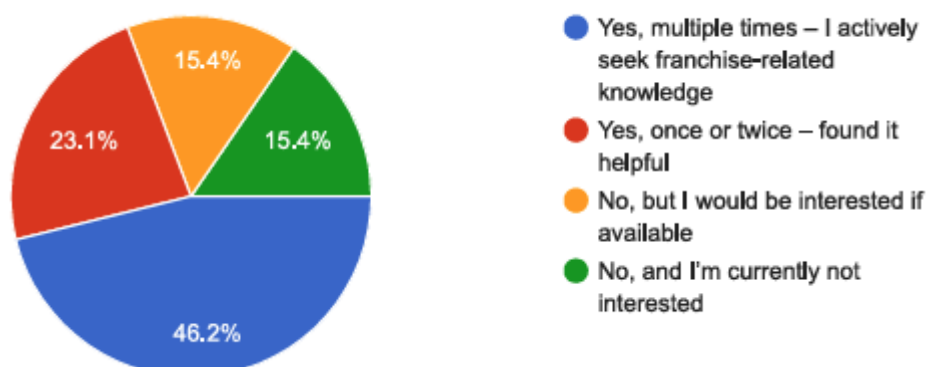
Outcome: Legal and regulatory requirements emerged as the most confusing area, followed closely by understanding how to design a proper franchise model (including SOPs, manuals, and branding). Other areas of concern included profit-sharing models and how to find and manage franchise partners. These gaps highlight the need for targeted informational and training content.

Q.5 What is your perception of franchising as a growth strategy for Startup's, MSMEs and local brands?



Outcome: Standardizing operations and ensuring brand consistency were seen as the most difficult aspects. Many also cited the challenge of building a strong enough brand that others would want to franchise. Financial constraints and attracting reliable franchisees were also identified as significant hurdles.

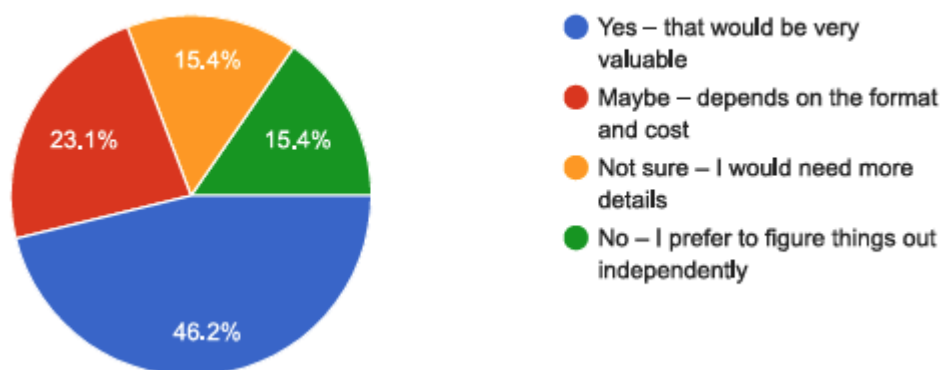
Q.6 Have you ever attended any franchise-specific training, workshop, or webinar?



Outcome: Most respondents have not attended any franchise-related events, although a large number expressed interest in doing so if such opportunities were made available. A smaller portion had participated in one or more training sessions. This points to a strong demand for accessible, relevant educational programs in franchising.

Q.7

Would you be interested in a mentorship or knowledge-sharing platform where successful franchise businesses guide MSMEs /startups?



Outcome: There is strong interest in having a mentorship or knowledge-sharing platform. Many participants felt this would be highly valuable, while others said they might consider it depending on the format and accessibility. Only a few were unsure or preferred independent learning. This presents a clear opportunity to build a community-focused support system.

Conclusion:

The survey highlights strong interest in franchising among small businesses, but also reveals gaps in legal knowledge, operational readiness, and franchise model design. While many see franchising as a viable growth strategy, they need structured support to move forward. There is clear demand for mentorship, training, and practical tools to help MSMEs and startups successfully adopt the franchise model.

About us

Established in 2008, A non-government, not-for-profit organisation, Indian Small Business & Franchise Association (ISFA) is the voice of India's Small business and Franchise industry. ISFA would continue to work towards the betterment of the industry at all levels. We aim to support the entrepreneurs across the country to emerge as global entrepreneurs. We helping a start-up firm to grow or ensuring a smooth working of a franchisee, ISFA is committed to provide every possible help to every person associated with it.

We connect investors to business partners and help small entrepreneurs unlock their growth potential. We make investment easy, online and transparent. We assist people in taking their business concepts from development stage to marketable product with our marketing tools that streamline this process at a fraction of the cost.

ISFA provides a platform for franchisees to gain access to front-line support systems by partnering with successful, well-established brands across industry verticals, providing an instant entry route into faster growth. ISFA also provides a platform for Small Medium business sector for consensus building and networking. Partnership with counterpart chambers or trade bodies across the world carry forward our initiatives of inclusive development in MSME business, which encompasses entrepreneurship, training, governance, skill development, etc..

Vision

- Be a reliable partner in the Indian Entrepreneurs growth journey, with a focus on strengthening India's domestic ecosystem and enhancing global competitiveness
- Create a Transparent Trustworthy-Transformative business environment for franchise industry

Mission

- Helping MSME industry in India to be trusted around the world

NOTE:

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