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FRANCHISING IN THE BALKAN AREA: A REVIEW

Abstract

Franchising in the Balkan area has been present since the late 1980s and early 1990s when the countries of the so-called communist block started a transition to a market economy and opened their borders to new companies, "new" ideas, foreign companies, and foreign capital. Franchising was introduced mainly by foreign companies, which triggered activities of local entrepreneurs who started to use franchising as their growth strategy. Although almost 30 years have passed since then, franchising in those countries is in different phases of development, ranging from very early to very developed phases of development.

The paper will examine the current status of franchising in several countries in the Balkan area (i.e., Slovenia, Croatia, Serbia, and Macedonia) and present current opportunities for and barriers to further development. In the first part of the paper, we will give a brief introduction to franchising and several theories used for explaining franchising. In the second part, the current situation in relation to franchising in several countries in the Balkan area will be presented based on the current number of franchising systems and the existing legal framework. In the last part, similarities between the countries under study will be examined, and based on the findings, a conclusion will be made together with proposals for further research.

Keywords: Franchising, the Balkan area, opportunities, barriers, national associations

1. Introduction

Franchising can be traced back to the Middle Ages when lords and kings were giving rights (or privileges) to cities to organize a market day or to have fairs. During the Middle Ages, franchising related to giving rights to someone to do something and the first examples of franchising were mostly political rather than business activities. In the late 19th and early 20th century franchising became a business activity (the first modern franchises were Singer Sewing Machines, Coca-Cola, and General Motors) and by the end of the 20th century franchising turned into a business model which cannot be avoided and which enables existing companies to grow and future entrepreneurs to start new ventures more easily.

In the late1980s and early 1990s franchising entered the Balkan area although examples of franchising systems in the former Yugoslavia were recorded earlier. The main trigger was a switch to a market economy and the issuance of entrance approval to foreign companies and capital. Franchising revolution in the Balkan area started at that moment and

it was led mainly by foreign franchisors (mostly American) entering those countries, which also encouraged local entrepreneurs to follow them and start using franchising as a growth strategy. Although all countries started almost at the same time, franchising is in different phases due to different market situations in those countries.

Franchising in Eastern Europe and the Balkan area has been researched previously in papers by: (i) Zeidman and Aver (1990), who examined the situation at the beginning of the 1990s in relation to franchising; (ii) Sanghavi (1998), who examined franchising as a tool for SMEs development in transitional economies; (iii) Welsh and Alon (2001), who examined international franchising in emerging markets; (iv) Welsh et al. (2006), who examined international retail franchising in emerging markets; and (v) Alon (2006), who examined the market size for service franchising in emerging markets. Later papers are related more to franchising in one country and they do not look at franchising in the whole region due to the development and the acceptance of franchising as a business model in those countries.

The main goal of the paper is to present the current situation of franchising in several countries in the Balkan area (i.e., Slovenia, Croatia, Serbia, and Macedonia). All those countries started to use franchising after the change in political systems and a switch to a market economy, but in those countries, franchising is in different phases of development. The first part of the paper will present the definition and theoretical foundations of franchising. In the next part, the current status of franchising will be presented in each country under study, and finally, a conclusion will be made together with proposals for further research.

2. Definition and theoretical foundations of franchising

As a business model, franchising is mostly used in economically developed countries, and its use has grown dramatically in the last two decades in both the USA and Europe (Alon, McKee, 1999). Franchising can be suitable for two types of companies: (i) those that want to grow their business as franchisors, and (ii) those that want to start a new venture as part of bigger systems as franchisees (Alon et al., 2007). Franchising can be defined as a business relationship where *one firm (the franchisor) sells the right to market goods or services under its brand name and using its business practices to a second firm (the franchisee)* (Combs et al., 2004: 907). A broader definition was given by Curan and Stansworth (1998: 8), where franchising is *a business form essentially consisting of an organization (the franchisor) with market-tested business package centered on a product or service, entering into a continuing contractual relationship with franchisees, typically self-financed and independently owner-managed small firms, operating under the franchisor's trade name to produce and/or market goods or services according to a format specified by the franchisor*.

In their research, Kidwell et al. (2007) concluded that franchising is one of the key strategies for international growth of the business, but it depends on the relationship between franchisees and franchisor identity. Combs et al. (2004) stated the following two distinctive characteristics of a franchising business model when compared to other organizational forms: (i) franchising is often developed in industrial sectors, where service is a significant part and there is a need to bring it to the final consumer, and (ii) franchising contracts determine and allocate responsibilities, profit sharing and decision-making rights to the franchisor and franchisees.

Most franchising related research is connected to resource scarcity and/or agency theory (Combs et al., 2004). Other authors have used other theories for research and an explanation of the franchising business model, i.e., an integral view on resource scarcity theory and agency theory (Castrogiovanni et al., 2006), transaction cost analyses (Hopkinson, Hogarth-Scott, 1999), plural organizational form theory (Bradach, 1997; Diaz-Bernardo, 2012), institutional theory (Shane, Foo, 1999), tournament theory (Gillis et al., 2011), property rights theory (Mumdžiev, Windsperger, 2011), and strategic deviance theory (Kidwell, Nygaard, 2007). A broad range of theories used for research show the importance of the franchising business model for the economy.

3. Research methodology

The main aim of this research was to explore the current status of franchising in the Balkan area, especially in the following four countries: Croatia, Slovenia, Serbia and Macedonia. The main reason for choosing these four countries is directly connected to the main limitation of this research – lack of information and lack of academic research in the countries under study. All statistical data used in the research are based on unofficial data received from different sources like the Chamber of Commerce, the National Franchising Association (if any) and other associations. For each country examined, different academic databases were searched in order to find existing scientific papers on franchising. Papers on the economy and a legal viewpoint on franchising were examined and then used in this research. Available scientific papers were analyzed to aggregate more information than it would be possible from individual studies. This information was used to create recommendations presented in the paper.

Although there are other countries which can be connected to the Balkan area (e.g. Bosnia and Herzegovina, Montenegro, Bulgaria and Greece), this research was limited only to the aforementioned four countries.

4. Franchising in the Balkan area

Sanghavi (1998) found that franchising is used as a tool for the development of SMEs in some of the newly industrialized and developing countries. This process has shown reasonable success, but this was not the case in the Balkan area, especially in the countries under study, where franchising has been rarely used for this purpose.

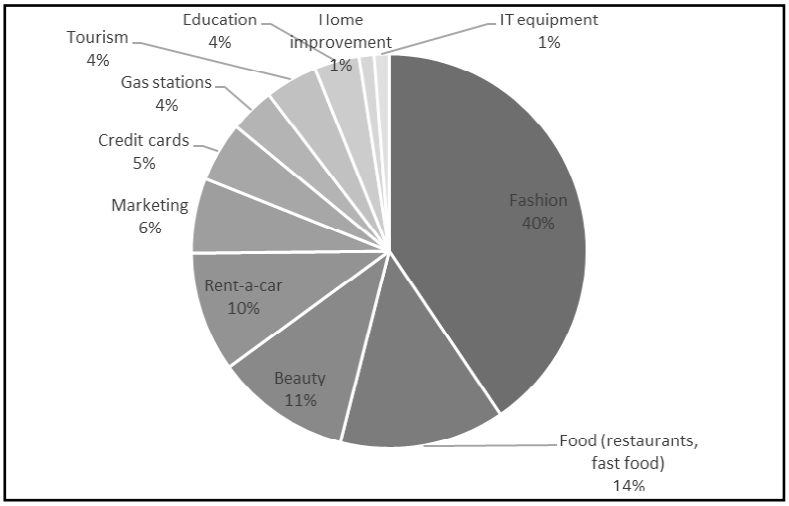
Franchising across the countries under study started in the late 1960s when Diners Club International awarded its franchise for the former Yugoslavia to Diners Club Adriatic and soon after that, they were followed by American Express. This marked the start of the first phase of franchising which lasted until the end of the 1980s. Other franchising systems included mostly American companies, such as Avis, Hertz, Intercontinental (a contract with the Esplanade Hotel), Holiday Inn (a contract with the Emona Hotel), Coca Cola (a contract with Slovin), Pepsi Co (contracts with Navip and Prilepska pivara), Levi's (a contract with Varteks), Hyatt, Delifrance and McDonald's (Erceg, 2018; Damoska Sekuloska, 2018; Pavlin, 2018; Vidanović, Milenković-Kerković, 2018). All these examples had different contract names: (i) a membership contract (Avis and Avtotehna); (ii) a filling and distribution contract (Slovin and Coca Cola); and (iii) a technical cooperation agreement (Esplanade and Intercontinental hotels). One of the rare contracts named a franchise contract was concluded between Diners Club International and Generalturist. Thus, it is important to state that despite their different names, all these contracts were franchise contracts.

Some of the rare domestic franchising experiments included Montenegro Express (a franchise location in Belgrade) and the INA oil company (three gas stations as a franchise location). The last experiment was a project of the Croatian textile company Nada Dimić, which was planned to start a nationwide franchise chain of sports clothing "Endi", but this project never started. The war in the former Yugoslavia marked the end of the first phase of franchising. The next phase started with a switch to a market economy and the independence of the countries under study.

4.1 Country file: Croatia

The second phase of franchising in Croatia started in the mid-1990s when McDonald's entered the Croatian market, which initiated interest in franchising (Alon et al., 2010). This example was followed by big Croatian companies like Kraš, which set its franchise chain, and textile companies (i.e. Sportina, Tekstilpromet, etc.), which started buying franchises (i.e., Esprit, Yves Rocher, etc.). They were followed by franchising systems (e.g., Subway, Fornetti) and with the emergence of shopping malls in Croatia, new companies opened their locations (i.e., Geox, Calzedonia). Although food and fashion are leading industrial sectors among franchising systems (Figure 1), there are other sectors with significant representatives in franchising (i.e., real estate agencies – Re/Max, and foreign language schools – Helen Doron Early English).

Figure 1 Croatian franchising systems – shares per sectors



Source: Author's own work based on various sources

Kukec (2016) stated that there are approximately 180 franchising systems across 12 industrial sectors in Croatia with 1,000 locations and almost 17,500 employees. The largest franchising system in Croatia is Pek-Snack (frozen bakery products). Out of 180 franchises in Croatia, only 25 are of Croatian origin. The biggest Croatian franchising systems are Aqua (souvenirs - 55 locations worldwide), Surf'n'Fries (fries - 60 locations worldwide), Centar energije (utilities - 15 locations in Croatia) and Mlinar (bakeries - 10 locations in the region) (Erceg, 2018). In addition to so-called traditional franchising, today in Croatia we can see the presence of one sub-type of for-profit micro-franchising with Surf'n'Fries and Čuvar sjećanja (taking care of graves) as examples (Erceg, Kukec, 2017).

The first studies on franchising in Croatia were mainly connected to the legal framework and the nature of franchising (Mlikotin Tomić, 1986; Pražetina, 2005; Gorenc, 2011), but as franchising grew in Croatia, research topics switched to the economic aspect (Table 1).

Table 1 Previous research on franchising in Croatia

Authors	Topic
Barković and Erceg, 2008 Mahaček and Lihtar, 2013	The connection between SMEs and franchising
Palić et al., 2011	Franchising as an entrepreneurial tool
Baresa et al., 2017	Franchising as a generator of development
Alpeza et al., 2012 Ziolkowska and Erceg, 2016	The role of innovation in franchising
Buljubašić and Borić, 2014	The importance of promotion for the successful growth of franchising systems
Alon et al., 2007 Alpeza et al., 2015	The perception of three stakeholder groups in Croatia – lawyers, bankers, and franchise experts
Erceg and Kukec, 2017	Micro-franchising in Croatia
Perić and Erceg, 2017	Social franchising in Croatia

Source: Author's own work

A growing number of studies on franchising point to its increasing importance in Croatia and there is an increase in the number of domestic franchising systems or attempts to establish franchising systems.

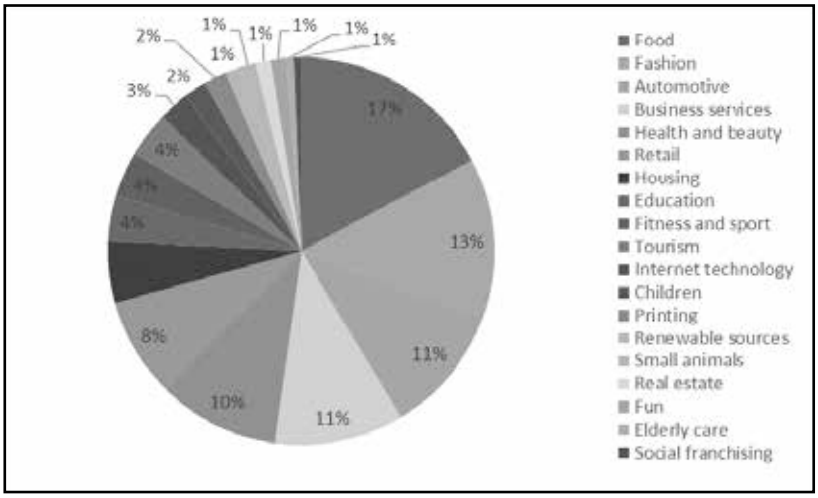
There is no specific legal regulation of franchising in Croatia, but this is not unusual since there are around 30 countries worldwide that regulate franchising. Franchising was introduced for the first time in the legal system in 2003 as part of the Trade Act. In the 2008 amendments to the Trade Act, franchising was omitted as the term. There is the Decree on Block Exemption of Vertical Agreements between Entrepreneurs, which defines a franchising contract as a vertical agreement between the franchisor and franchisees. The absence of legal regulation of franchising in Croatia creates difficulties for franchise lawyers in Croatia when advising clients during the franchise contracting phase (Erceg, 2018).

4.2 Country file: Slovenia

Similarly to Croatia, Slovenia started its second phase of franchising after it gained independence in 1991. The first franchise was an American rent-a-car agency Hertz, which was followed by other international (mostly American) franchising systems. In the last several years, franchising has become a striking business model with well-known domestic and international systems operating in Slovenia. However, as is the case with all the countries under study, it is hard to talk about specific numbers since there is no official evidence (or register) of franchising systems operating in Slovenia (Cipot, 2017).

The first sectors where franchising appeared were credit cards, hotels, home appliances, footwear, textile-fashion, etc. (Pavlin, 2018). They have been gradually developed by domestic companies into retail chains and today franchising is present in the following sectors: fast food, fashion, automotive shops and services, fitness and sport, hotels, tourism, children services, etc. (Figure 2).

Figure 2 Slovenian franchising systems – shares per sector



Source: Adapted from Cipot, P. (2017)

Domestic franchising systems include Optiprint (a printer and copier rental service), GoOpti (transport), Mercator (retail), SiMobil (GSM services), Cukrček (sweets), Proteini.si (food), Abrakadabra (magicians), Merkur (retail), etc. Some of the systems have gone international, but mostly in the neighboring countries where Slovenian brands were known before. Only a few of the Slovenian franchising systems have entered the EU. The accelerator for the development of franchising in Slovenia after 2010 was the accession of Slovenia to the EU, as well as the introduction of euro as the official currency (Cipot, 2017).

There have been several research papers about franchising in Slovenia that consider legal issues (Grils, 1988; Bajs et al., 2005), but most research papers about franchising in Slovenia were focused on the economic aspect (Table 2). It is important to state that there are few researchers interested in this business model in Slovenia as is the case in other countries studied in this paper.

Table 2 Previous research on franchising in Slovenia

Authors	Topic
Pavlin, 2013	Opportunities for franchising development
Pavlin and Alon, 2006	Conversion franchising
Pavlin, 2001 Cipot, 2017 Pavlin, 2018	Review of franchising in Slovenia

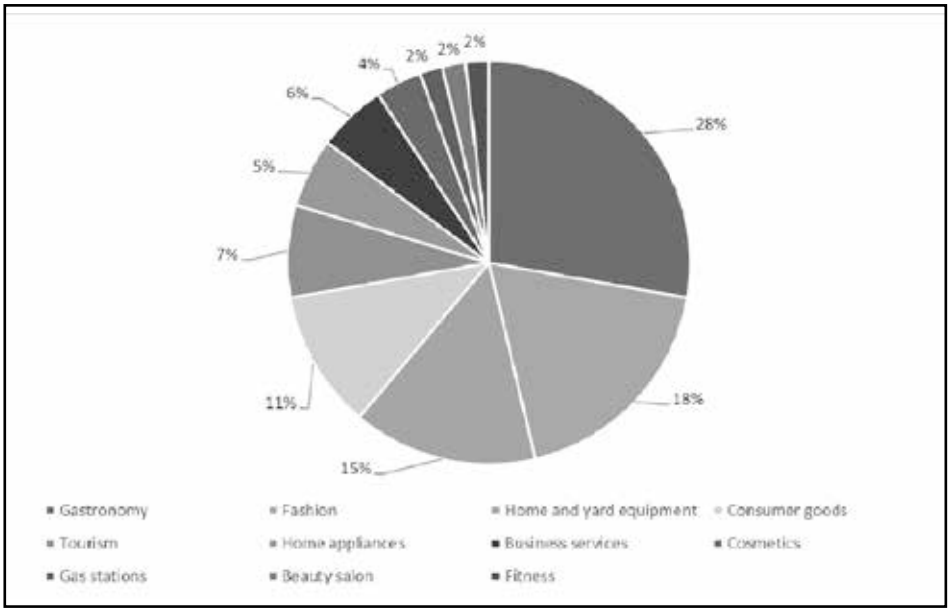
Source: Author's own work

Slovenia does not have any specific franchising regulation, but there are laws affecting franchising. Those laws are mostly harmonized with the EU legislation. There has been a discussion in Slovenia about why courts do not accept the European Code of Ethics for Franchising as an important source in their proceedings. The importance of the Code of Ethics can be seen in the definition part (i.e., franchisor, franchisee, know-how, etc.). This issue can be relevant when considering the EU regulation on the exemption of franchise networks from antimonopoly law (Pavlin, 2018).

4.3 Country file: Serbia

The second wave of franchising in Serbia started when local companies (Pekabeta, C-Market, Yumco) recognized the benefits of franchising and started to establish national franchising systems in the early 1990s (Vidanović, Milenković-Kerković, 2018). The growth of the franchising movement in Serbia resulted in founding three national franchising associations in three cities (Niš, Novi Sad, and Belgrade). They have contributed to a rise in the number of franchising systems operating in Serbia, both international (McDonald's, Costa Coffee, KFC, etc.) and national (Dve šmizle, Rakia Bar, Battery Centar, etc.) (Stefanović, Stanković, 2014). Today, there are around 150 franchising systems operating in Serbia, out of which almost 30% are of Serbian origin. Currently, there are around 2,200 franchising outlets with almost 23,000 people employed directly in franchising (Vidanović, Milenković-Kerković, 2018). The leading sectors in the franchising industry in Serbia are trade and services (Figure 3).

Figure 3 Serbian franchising systems – shares per sector



Source: Adapted from Bogojević, I. (2013)

The biggest domestic franchising systems are Adore Chocolat (chocolate stores - 4 locations), Rakia Bar (alcoholic drinks - 4 locations), Dve šmizle (fashion stores - 6 locations), and Battery Centar (accumulators and batteries - 3 locations). Some of the Serbian franchising systems have expanded internationally, but mostly to neighboring countries – i.e., Dve šmizle has locations in Montenegro, Bosnia and Herzegovina, Croatia, and Macedonia.

As was the case in Croatia, there is a recent increase in the number of studies on franchising in Serbia. Franchising and its influence on the Serbian economy have been researched from the economic aspect, but there have also been more than several studies (Spasić, 1996; Parivodić, 2004; Milenković-Kerković, 2007 and 2009) which deal with legal issues such as the franchise relationship, franchising contract, etc. (Table 3).

Table 3 Previous research on franchising in Serbia

Authors	Topic
Stefanović and Stanković, 2014 Kovačević and Injac, 2016	Franchise development analyses
Jašarević and Ličina, 2013	Franchising as the potential for growth
Jašarević, 2014	Problems in relation to franchising development
Gajić et al., 2016	Franchising as a tool for developing tourism
Sokolov Mladenović and Cuzović, 2015	Franchising as a tool for internationalization
Trajković and Stanković, 2017	The importance of branding for franchising
Stefanović and Stanković, 2018	Education and franchising possibilities

Source: Author's own work

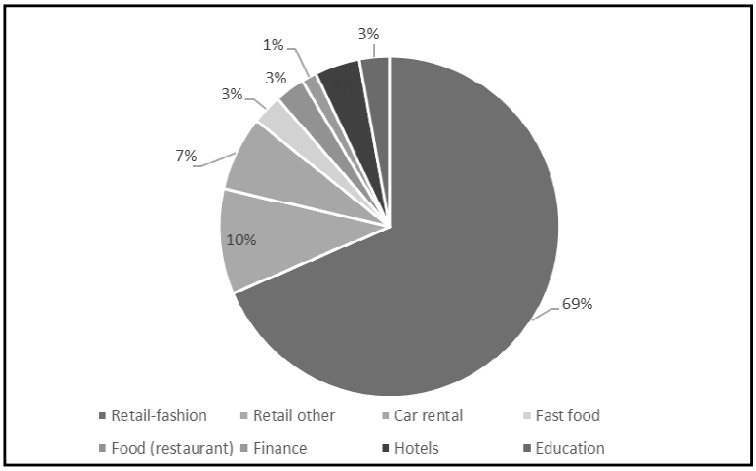
Similarly to other ex-Yugoslav countries, there is no franchising law in Serbia, so the Civil Obligations Act provides for an applicable legal framework and protection in the franchise relationship. Although there is no explicit requirement for a franchising disclosure document, the franchisor must provide appropriate information (opportunity, sales forecast, profit calculations, etc.) to potential franchisees. The situation where there is no legal regulation of franchising has a great impact on the quality of franchising systems in Serbia.

4.4 Country file: Macedonia

McDonald's was one of the first international franchising systems to enter the Macedonian market in the first years of its independence. Today, there are several well-known franchising systems in the Macedonian market, and they include Mango, Dominos, Helen Doron, Diners, Burger King, American Express, Coca Cola (Sotiroski, Filiposki, 2016; Boškovska, 2017). Most of the master franchisees for Macedonia come from Turkey and the Fashion Group company is a franchisee for almost all fashion brand franchises. It is important to mention that McDonalds' is not present in Macedonia any more. They entered the market in 1997, and at the time in 2012 when they decided to leave the country, they had six locations.

Unfortunately, there is no official registry or database of franchising systems present in Macedonia and there is no institution in charge of collecting data about franchising (Damoska Sekuloska, 2018). Currently, there are almost 70 franchising systems operating in Macedonia in eight different sectors at 130 locations (Boškovska, 2017) (Figure 4). Similar research (Sotiroski, Filiposki, 2016) cited nine sectors in which franchising is present in Macedonia.

Figure 4 Macedonian franchising systems – shares per sector



Source: Adapted from Boškovska, V. (2017)

Almost all operating franchising systems present in Macedonia are international brands. Based on the list of franchises operating in Macedonia, there are currently no domestic franchising systems. There is a national franchising association founded in 2018 (for the second time) that organized the first franchise forum in 2018 in Skopje, but there is still not much information about the work of this association and its influence on franchising in Macedonia.

Although there are few franchising systems in Macedonia, researchers started to study this business system from legal aspects (Dabovik Anastasovska, 2011; Jovanik, Dameski, 2016); however, most studies focus on economic aspects (Table 4).

Table 4 Previous research on franchising in Macedonia

Authors	Topic
Sofijanova and Stoimilova, 2016	Franchising as support to business growth
Jordanovska and Polenakovikj, 2013	Franchising and SMEs
Boškovska et al., 2016	The franchisor-franchisee relationship
Sotiroski and Filiposki, 2016	The economic aspect of franchising
Damoska Sekuloska and Erceg, 2018	Franchising and smart contracts
Damoska Sekuloska, 2018	Franchising in Macedonia

Source: Author's own work

It is important to notice that studies on franchising are relatively new in Macedonia, which can be related to the number of franchising systems and their novelty in the Macedonian economy.

There has been no legal regulation of franchising in Macedonia. Thus, under Macedonian legislation, franchising contracts and the franchise relationship are regulated by the Intellectual Property Act and the Civil Obligations Act. It is also important to state that the Commission for the Protection of Competition of the Republic of Macedonia has published an Information Leaflet on the Decree on block exemptions granted to vertical agreements governing the exclusive right of distribution, selective right of distribution, exclusive right of purchase and franchising, which further explains the franchising business model.

5. Similarities and differences – how to grow further

The four countries studied and presented above have started at the same time with franchising; yet, there is a significant difference between them. Some characteristics of those countries are shown in Table 5.

Table 5 Franchising in the countries under study

	Croatia	Slovenia	Serbia	Macedonia
Number of franchising systems	Around 180	Around 160	Around 150	Around 70
Number of domestic franchising systems	25	95	30	NA
National franchising association	Yes	Yes	Yes	Yes
Membership in the EFF/the WFC	Yes / Yes	Yes/ Yes	Yes/ Yes	No/No
Legal regulation	No	No	No	No
Financial products for franchisors & franchisees	No	No	No	No
Government support	Partially, but mostly none	No	No Used to exist	No

Source: Author's own work based on different sources

Almost all the countries have the same barriers regarding further growth of franchising. Slovenia is in a slightly better position since franchising has grown more rapidly in domestic chains compared to international ones, as is the case in all other countries. In all the countries, there is an issue of a national franchising registry, and there is no understanding of courts as to what franchising is. None of these countries has specific legal regulation of franchising, but all of them use the European Code of Ethics for Franchising for potential legal problems together with all potentially applicable laws.

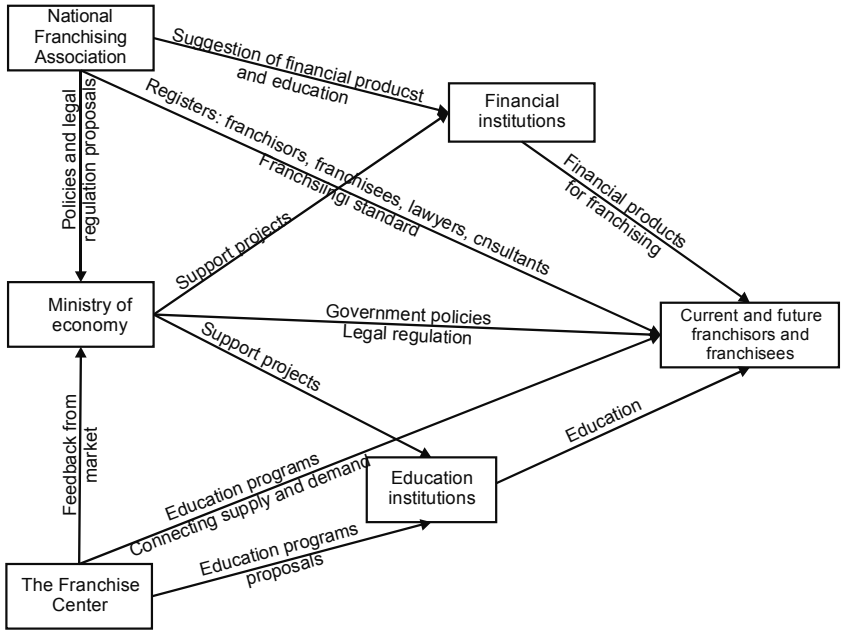
There are no specific financial products for franchisees or franchisors offered by banks although some banks (i.e., Societe Generale, Erste Bank) in their countries of origin have such products or use franchising by themselves (i.e., Unicredit in the Czech Republic).

There is no government support since governments do not understand what franchising can bring to the national economies. The Croatian government used to have a national incentive scheme dedicated to franchising, but due to the misuse of funds by beneficiaries, this scheme has never been reintroduced. The Croatian Employment Service has programs aimed at starting new ventures through self-employment and these grants can be used for paying the franchise fee, but the problem is that this amount is too small (i.e., approx. EUR 5,000). In Serbia, there was a similar program, also within the framework of their National Employment Service.

National franchising associations are weak and cannot lobby or influence any changes towards the recognition of franchising as an important part of the economy. An additional issue with national associations is that sometimes even the biggest franchisors are not their members and sometimes either there is more than one association (Serbia) or they had to be founded several times (Macedonia) or they are part of national chambers of commerce (Slovenia and partially Croatia). In Macedonia, for instance, there is lack of adequate information sources, which hinders the promotion of attractiveness of franchising as a business model (Sotiroski, 2016). An additional barrier is also lack of legal framework for further affirmation of franchising. In these four countries, franchising is regulated partially by other laws, and in some of them, there is legislation on Vertical Agreements Block Exemption on the exclusive right of distribution, selective right of distribution, exclusive right of purchase and franchising (Erceg, 2018). In most countries, the European Code of Ethics plays an important role in case there are legal disputes. In almost all countries, there are no lawyers or only a few who are specialized in franchise law, which is also one of the barriers to further development (Alon et al., 2007; Alpeza et al., 2015), but at the same time, lawyers are making efforts to conceptualize a franchise contract as a designated contract in Serbia (Vidanović, Milenković-Kerković, 2018).

In order to further develop franchising and increase its use in the countries under study, a model is proposed based on the research conducted by Erceg (2012) that is aimed at increasing the number of franchise users (Figure 5).

Figure 5 Model for increasing the number of franchise users



Source: Adapted from Erceg, A. (2012)

Although the model presented above was initially proposed only for Croatia, based on research and the status of franchising in the countries under study, it could be applied in all of them. The model includes all significant stakeholders (i.e., national associations, franchising centers, educational and financial institutions), but the most important stakeholder for further growth of franchising in any country is a national franchising association. The importance of a national association for the development of franchising was also recognized in the research conducted by Kukec et al. (2017). Although in Slovenia, Croatia and Serbia national associations operate in cooperation with the respective Chambers of Commerce, it is still not enough. Further activities of the associations should be focused on building a national franchising registry (franchisors, franchisees, lawyers, consultants). The standard for franchise information disclosure should be created and implemented so that every potential franchisee would get all the necessary information about the franchising system (something like the Franchise Disclosure Document - FDD in the USA). This would establish a "certified" franchisor standard, which could provide more security to potential franchisees. With this activity, national associations would improve the image of franchising. In addition, a certification program would increase the trust of potential franchisees in the franchising business model since they would enter into a proven system. This would also allow national associations to have information about the number of franchising systems operating in the country with their potential influence on the national economy, which is not the case at present.

Banks should start offering specific financial products intended for franchisors and franchisees. These products could give a boost to starting new domestic franchising systems and increase the number of franchisees. A similar conclusion was found in research by Štensova (2004), who studied franchise financing in the Slovak and the Czech Republic. A prerequisite for the involvement of financial institutions is the creation and education of franchise teams within banks. A stronger national association could lobby and influence banks to offer such products.

A national association could work with the government to create a legal framework for franchising

or try to conceptualize a franchising contract and create different policies in support of starting a franchise business. The lawyers should be educated about franchising and ready to assist franchisors and franchisees. This is needed since there are not enough lawyers who have knowledge of and experience with the franchising business model.

The Government should tackle the issue of the entrepreneurship environment, which is currently not favorable for franchising. With the right policies, it can initiate interest in franchising and start the process of self-employment through franchising. This would have a positive impact on the entrepreneurship environment. Education about franchising should be improved since today many people do not know what franchising is and this creates a barrier to further development.

Activities presented in the model should result in a higher number of companies involved in franchising as franchisees or franchisors. This would then increase the influence of franchising on the national economy of the countries under study (i.e., revenue, the number of franchised locations, the number of employees, etc.).

6. Conclusion

Franchising has been present in the Balkan area since the mid-1960s when Diners Club International sold their franchise, and this was followed by some American companies in the 1970s and the 1980s (Coca Cola, Hertz, Pepsi Co, etc.). The real franchising era started when the countries switched to a market economy and allowed the entry of foreign capital and companies.

Although all countries under study started with this process at the same time, there is a difference in franchising development between them (e.g. Slovenia has the highest share of the domestic franchising system in the total number). There is no specific legislation on franchising in any of those countries, with the exception of acts regulating Block Exemption, thus causing problems for lawyers and courts when there is a legal dispute over a franchising contract and the franchise relationship. National associations in all the countries under study have very little influence and sometimes they have only a few companies as members, whereas in some countries, they were founded several times.

The proposed model could increase the attractiveness of the franchising model, but it needs to involve all the important stakeholders to be successful. The most important role in the model belongs to the national association that should initiate activities of other stakeholders (the government, banks, lawyers, consultants) and simultaneously gain importance in the franchising community. With an increase in the importance of a national association, franchising will become recognized and known to both entrepreneurs and the general public. This will attract entrepreneurs to start thinking about franchising as a tool for growth of their companies and a way to start a new venture.

Further research should be initiated to:

- Confirm the number of franchising chains in the countries under study since the numbers used in this paper are unofficial and based on assumptions of national associations;
- Confirm the current influence of franchising on national economies (i.e., the number of employees, the number of locations, turnover, etc.) and use this to present the importance of franchising; and
- Continue with the promotion of franchising as a business model in countries under study through scientific studies and professional papers.

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Aleksandar Erceg

Franšiza na Balkanu: Pregled

Sažetak

Franšiza na području Balkana prisutna je od kraja osamdesetih i početkom devedesetih godina dvadesetog stoljeća kada su zemlje takozvanog komunističkog bloka prešle na tržišnu ekonomiju i otvorile svoje granice novim i stranim tvrtkama, „novim" idejama i stranom kapitalu. Franšizu su uvele uglavnom inozemne tvrtke, koje su time inicirale i aktivnosti domaćih poduzetnika koji su počeli koristiti franšizu kao strategiju rasta. Iako je od tada prošlo gotovo 30 godina, franšiza je u zemljama na balkanskom području i dalje u različitim fazama razvoja, od vrlo ranih do vrlo razvijenih faza razvoja.

U radu se ispituje trenutni status franšiznog poslovanja u nekoliko zemalja na Balkanu (u Sloveniji, Hrvatskoj, Srbiji i Makedoniji) i predstavljane su trenutne mogućnosti i prepreke daljnjeg razvoja. U prvom dijelu rada dan je kratki uvod u franšizni poslovni model te je predstavljeno nekoliko teorija koje se koriste za objašnjavanje franšize. U drugom dijelu, prezentirana je trenutna situacija franšiznog poslovanja u nekoliko zemalja na Balkanu na temelju trenutnog broja franšiznih sustava i pravnog okvira. U trećem dijelu ispitana je sličnost između zemalja koje su proučavane, a na temelju istog napravljani su zaključci istraživanja zajedno s prijedlozima za daljnja istraživanja.

Ključne riječi: franšiza, Balkan, mogućnosti, barijere, nacionalne asocijacije