

Why Encouraging Innovation in Franchising Makes Good Business Sense

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WORLD FRANCHISE ASSOCIATES
BUILDING FRANCHISE BUSINESS WORLDWIDE®



Innovation & Technology

Innovation distinguishes between a leader and a follower.
Steve Jobs

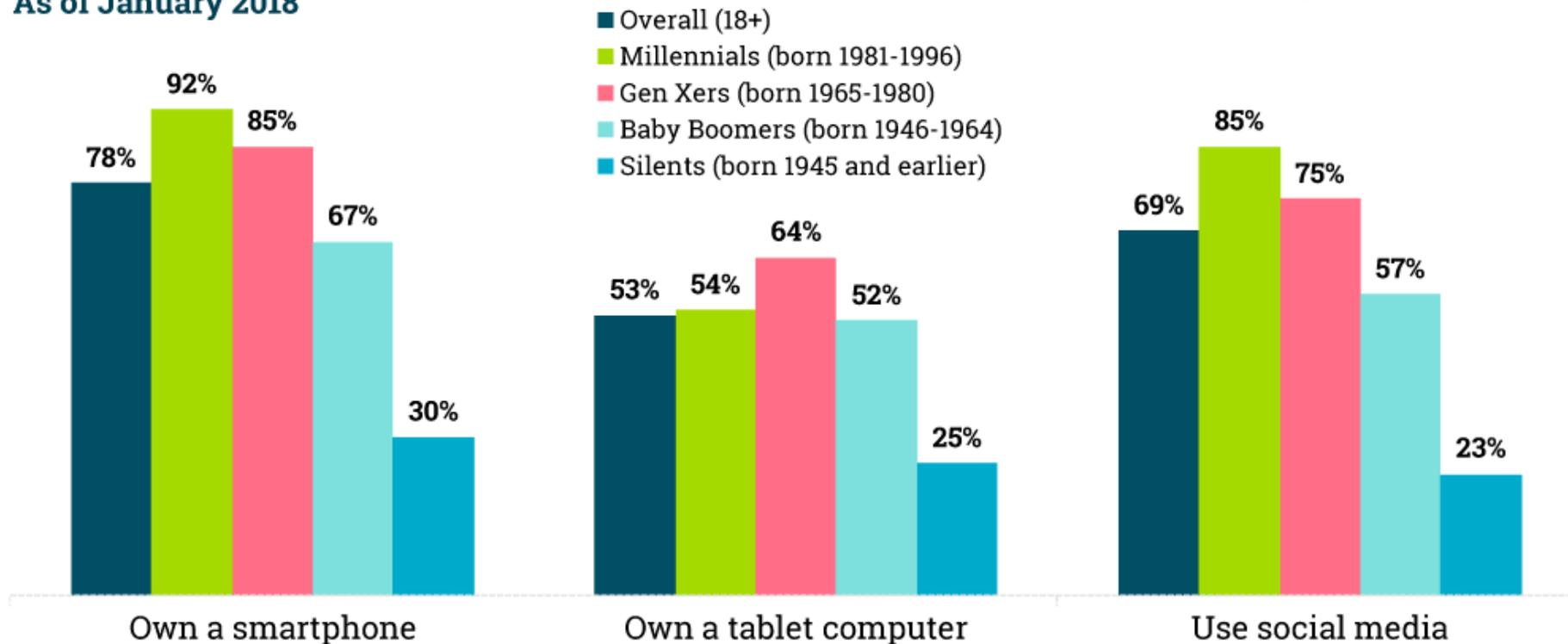


The pace at which people are taking to digital technology defies our stereotypes of age, education, language and income.
Narendra Modi

Mobile/Social Adoption by Generation

Mobile and Social Adoption, by Generation

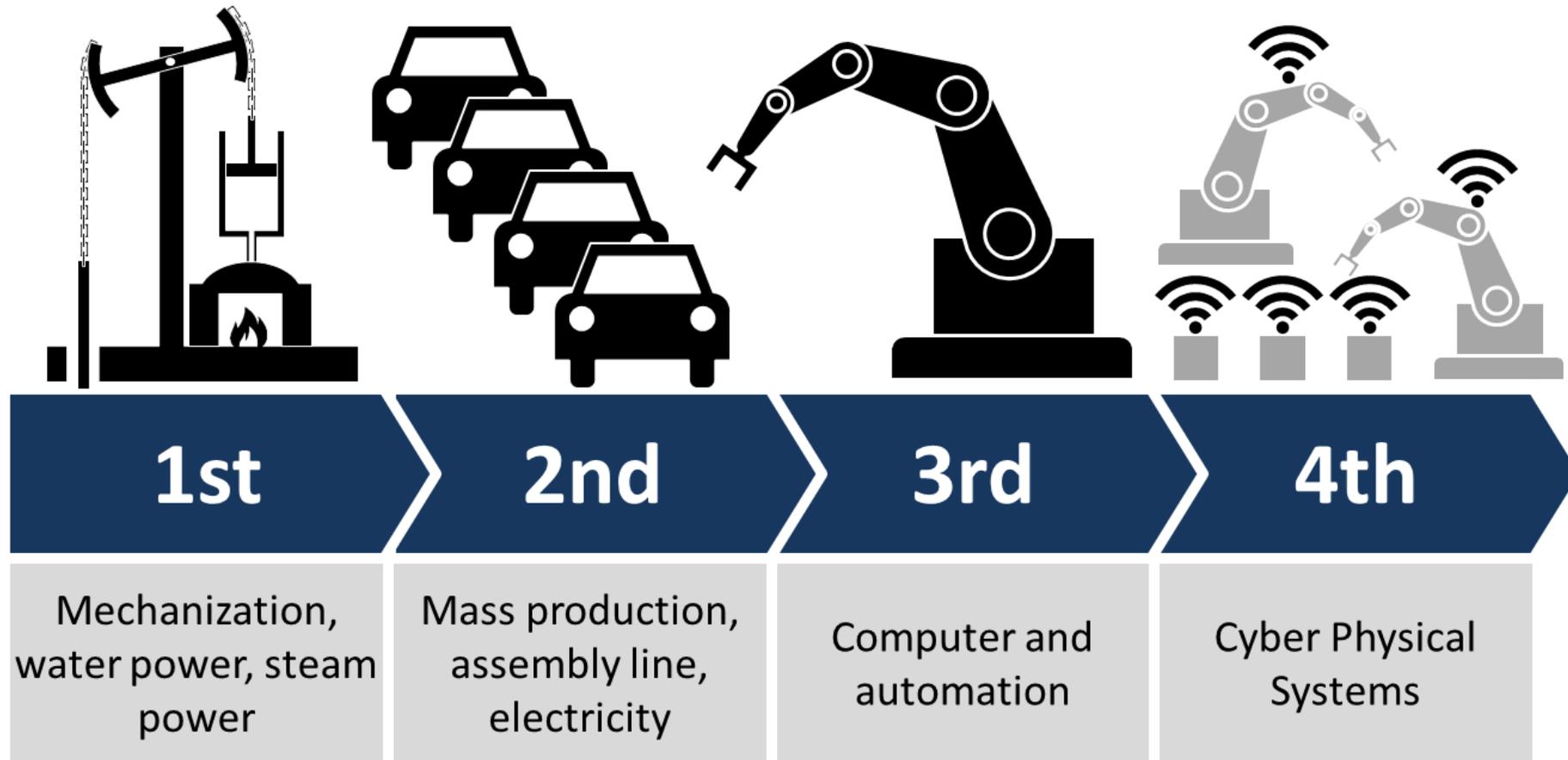
As of January 2018



Published on MarketingCharts.com in May 2018 | Data Source: Pew Research Center

Based on a survey of 2,002 US adults (18+), including 1,502 cell phone interviews, conducted from January 3-10, 2018.

IR 4.0



How Times Have Changed



Trust the young people; trust this generation's innovation. They're making things, changing innovation every day. And all the consumers are the same: they want new things, they want cheap things, they want good things, they want unique things. If we can create these kind of things for consumers, they will come.

Jack Ma

Disruption Vs. Innovation

- Disruptors are innovators, but not all innovators are disruptors
- Innovation and disruption are similar in that they are both makers and builders. Disruption takes a left turn by literally uprooting and changing how we think, behave, do business, learn and go about our day-to-day.
- Harvard Business School professor and disruption guru Clayton Christensen says that a disruption displaces an existing market, industry, or technology and produces something new and more efficient and worthwhile. It is at once destructive and creative.

Education

Communication

Government

Military

Medical Science

Transportation

Business



The Amazon Effect

The Amazon effect is the ongoing evolution and disruption of the retail market, both online and in physical outlets, resulting from increased e-commerce. The name is an acknowledgement of Amazon's early and continuing domination in online sales, which has driven much of the disruption



The Amazon Effect

- The major manifestation of the Amazon effect is the ongoing consumer shift to shopping online. Another manifestation of the Amazon effect is the way physical retailers and malls are attempting to make in-person shopping a more compelling experience for consumers.
- Hybrid e-commerce models, like click and collect, have also arisen to streamline the purchasing and payment processes. Click and collect allows customers to select and pay for an item online and pick it up in-store.

The Amazon Effect



The Amazon Effect

- Beacon-based technology is another transformation of the retail environment. Beacons located throughout stores can communicate with customers' mobile devices to help them locate products and services and deliver proximity marketing messages, among other possibilities.
- Proximity marketing might target a customer standing in front of a product display with discount or upgrade offers. The same technology can also enable contactless and automatic payment so the user can just select their items and walk out of the store with them.

The Amazon Effect

Interestingly, as the shift to online shopping continues, Amazon itself has begun a foray into bricks-and-mortar environments -- albeit with new technologies. Amazon Go, an e-commerce mobile application, uses machine learning, sensor technology, machine vision and artificial intelligence (AI) to enable consumers to purchase items in physical stores without waiting in lines or checking out with registers.



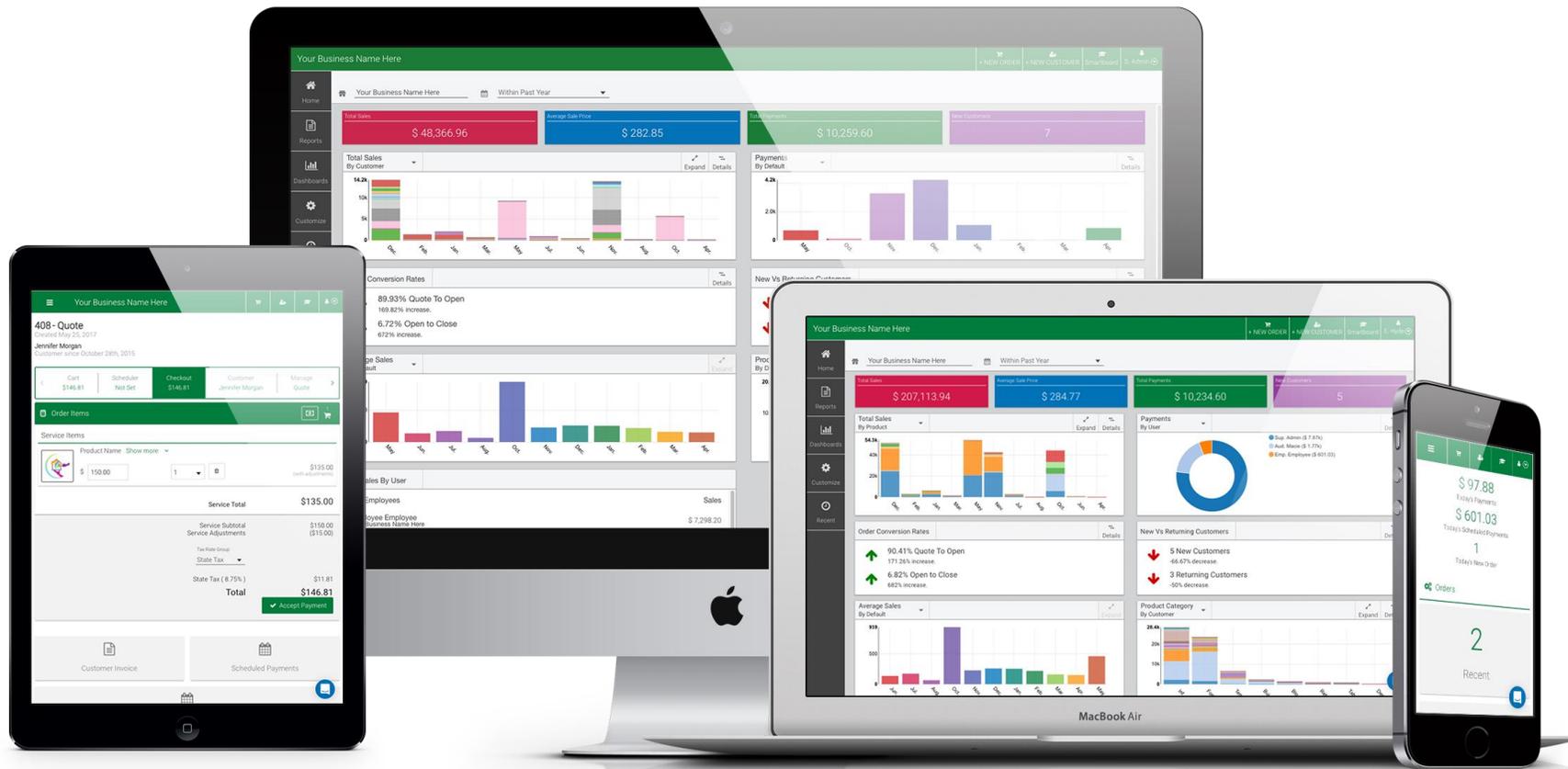
How Technology Benefits Franchises

- Technology can help franchises use their capital and human resources more effectively.
- Technology provides franchises greater efficiency and versatility and is often a logical evolution for the systems, tools and processes a franchise has had in place for years.
- In many cases franchises may need to make investments and adaptations to maximize the benefits of technology but in today's world the transition is often quick and pain-free and the benefits can be realized reasonably quickly

1. Productivity
2. Financial Management
3. Marketing
4. Training & Development
5. Customer Service & Engagement
6. Mobile Workplace
7. Telecommuting



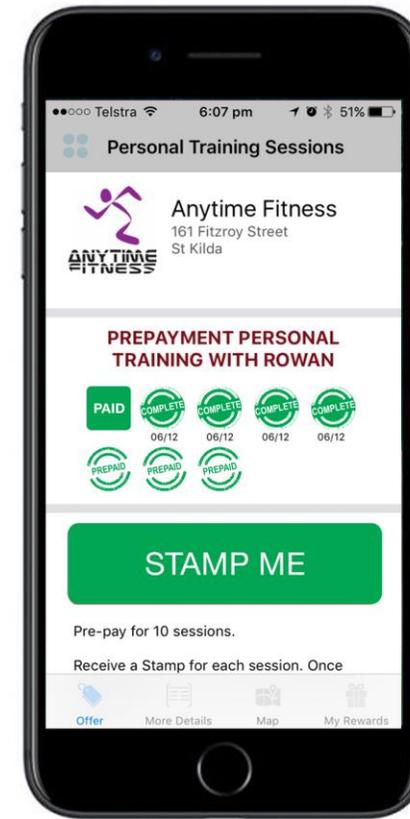
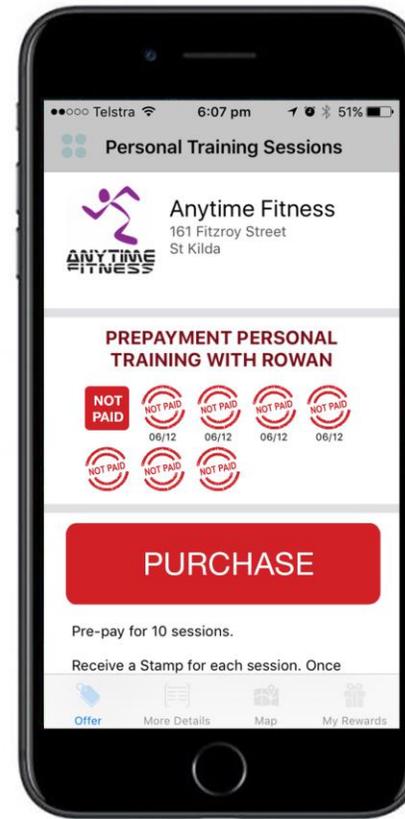
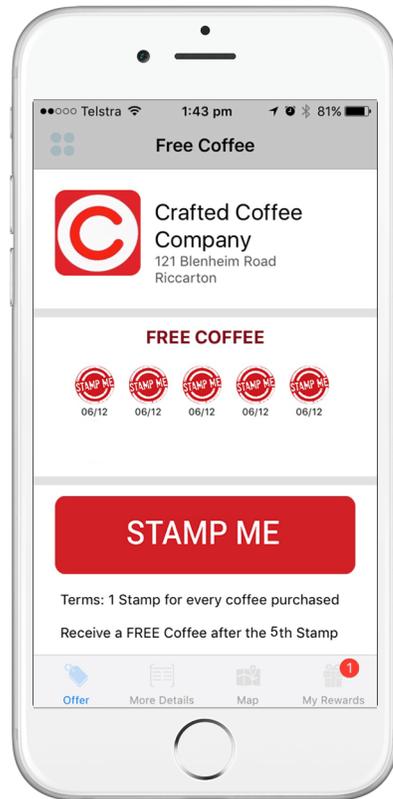
Cloud Technology



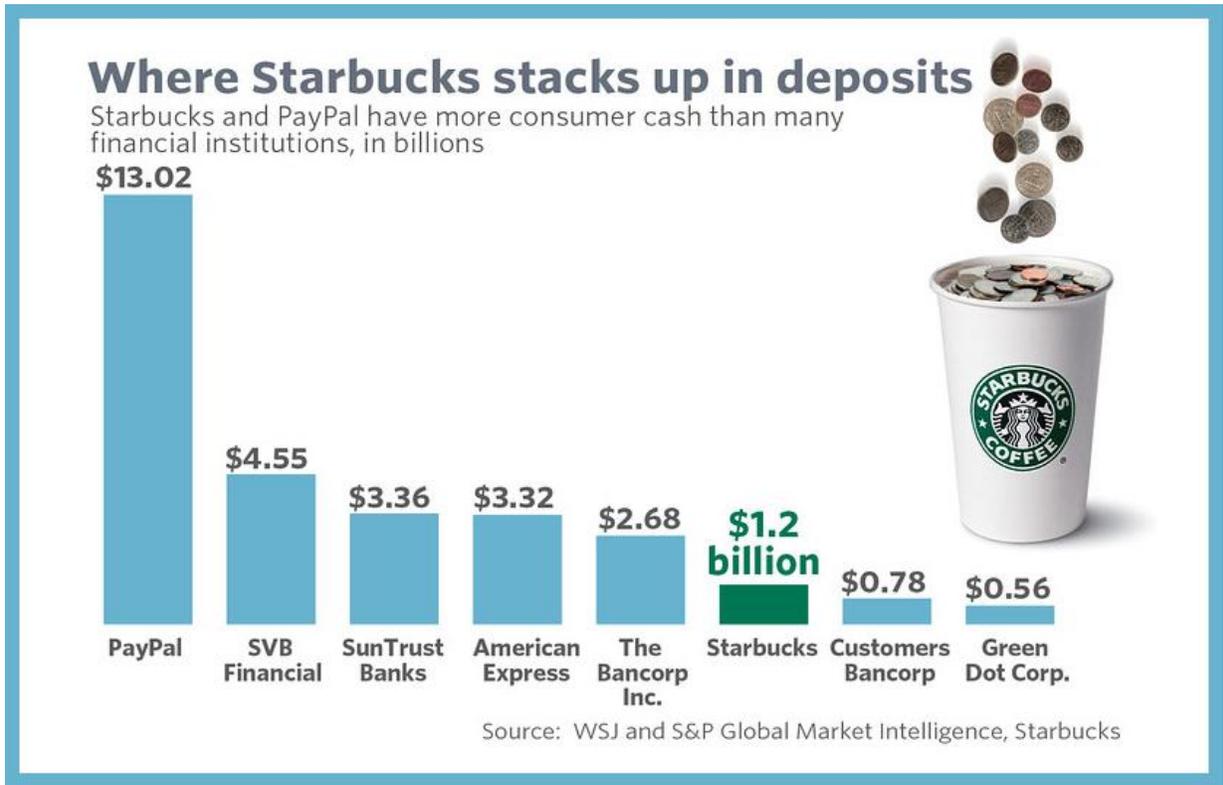
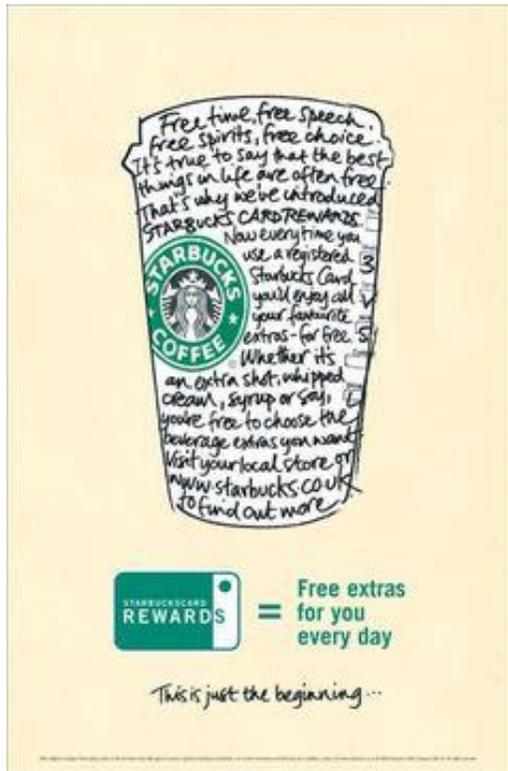
Cloud Technology Benefits

1. Consolidated Platform for Systems, Tools & Processes
2. Real-Time Inventory Management
3. Real-Time Labour Management
4. Unified gift card function
5. Integrated Customer Data, Gift Card & Loyalty Programs
6. Click and Collect Programs
7. Information Integrity.
8. Enhanced Customer Experience

Rewards & Loyalty Programs



StarBanks??



3rd Party Delivery Services



Foodpanda

อร่อยได้ แค่ปลายนิ้ว



www.foodpanda.com



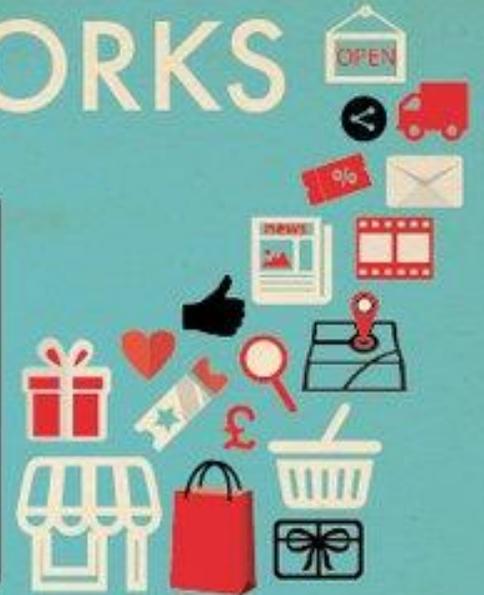
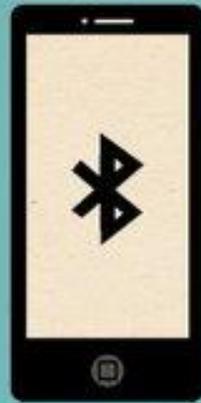
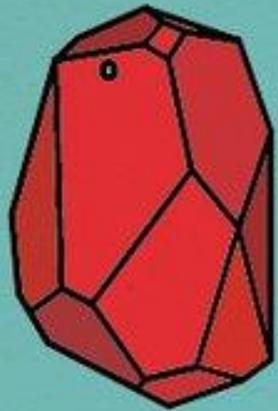
grubhub
happy eating



UBER
EATS

Beacon / Proximity Marketing

HOW BEACON TECHNOLOGY WORKS



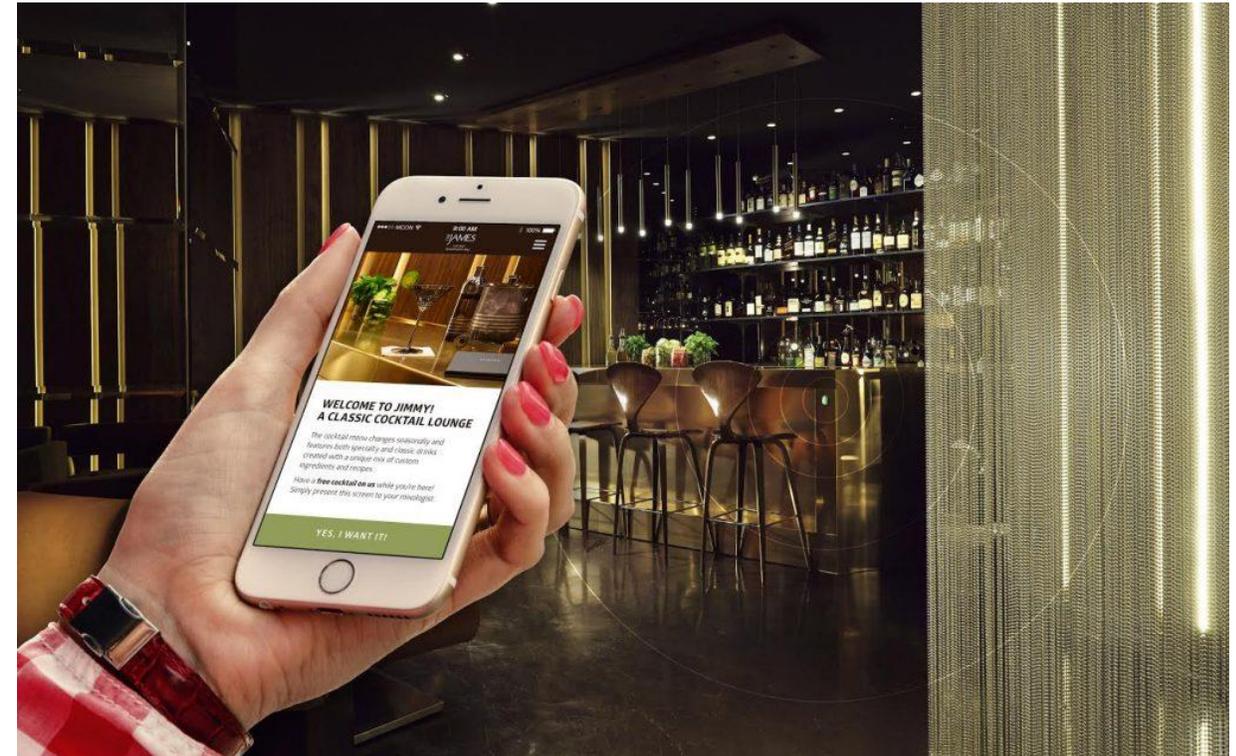
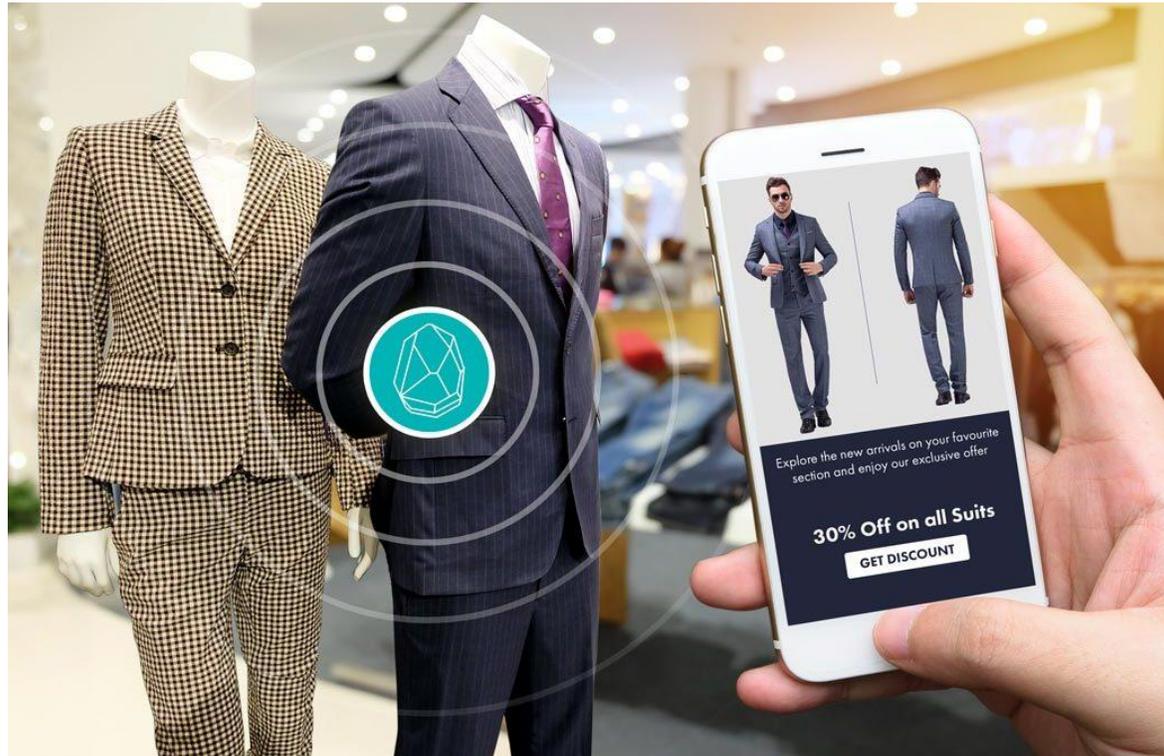
Retailers strategically place beacons around their store.

The Beacons connect to a customer's Bluetooth enabled smartphone app.

It sends a signal to the phone and the app is opened.

The retailer can provide the customer with a wealth of information.

Beacon / Proximity Marketing



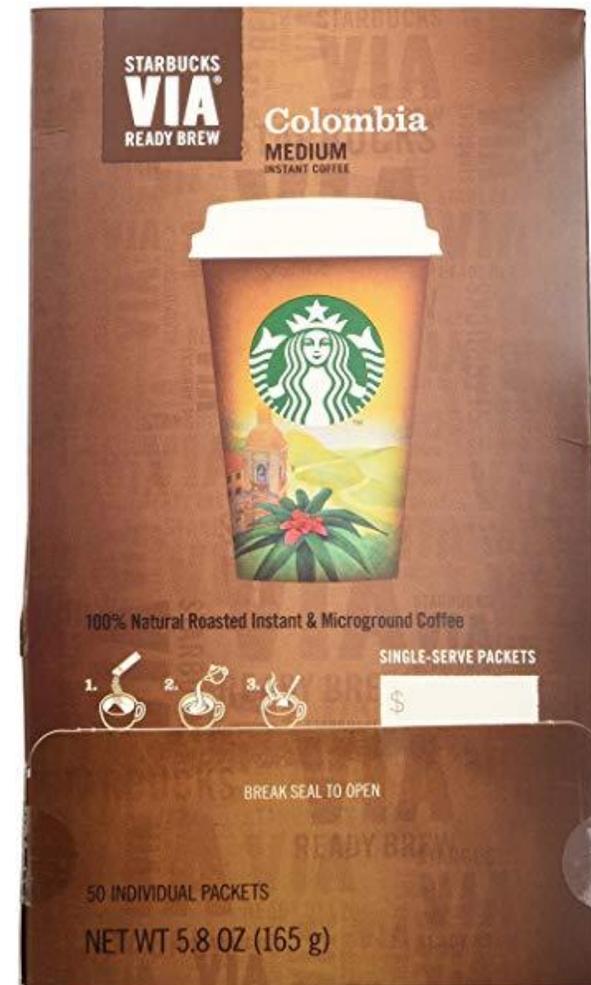
Self-Service Ordering Technology



Digital Merchandizing Solutions



Product & Equipment Technology



Product & Equipment Technology

FAST-FIRE'D

BLAZE  PIZZA



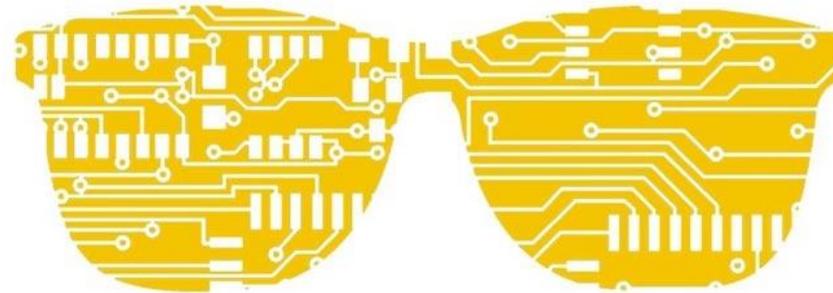
Product & Equipment Technology



Emerging Markets Leading Technology Advancements

Emerging markets are at the forefront of global technology growth. Many emerging market tech companies are the most innovative and fastest growing in the world, driven by young, increasingly affluent and tech-savvy populations. The MSCI Emerging Market Index now has the largest technology weighting of any global index, with its share rising from 13% at the end of 2010 to 28% by the end of January 2018. Here are some reasons why emerging markets are leading the tech revolution:

1. Huge Appetite for Technology
2. The Power of the Mobile Phone
3. Taking the Lead in FinTech
4. Governments are Committed
5. Technological Leapfrogging
6. Emerging Market Technology Titans

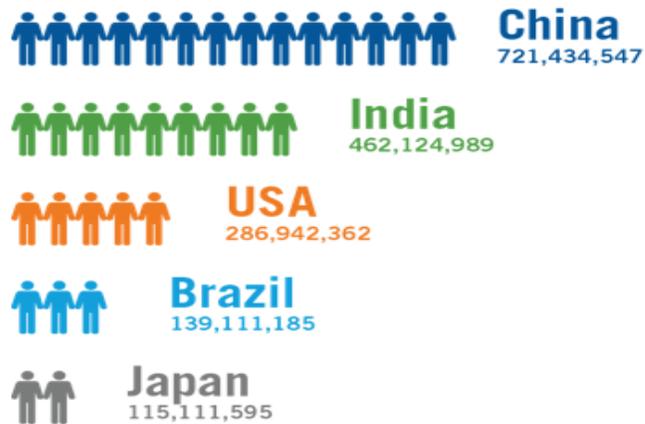


Access to The Internet

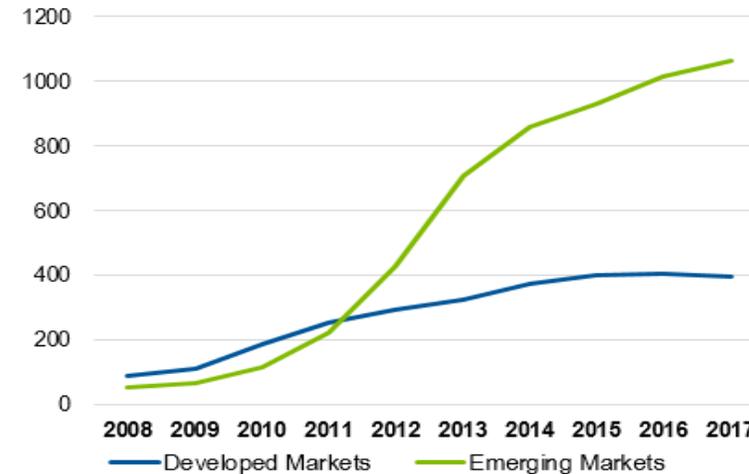


Urbanization Democratizes Access to the Internet and the World

The Power of the Internet Top five countries by internet users



Making the World Easier to Reach Leading Smartphone Sales (Units sold in Millions) 2008-2017

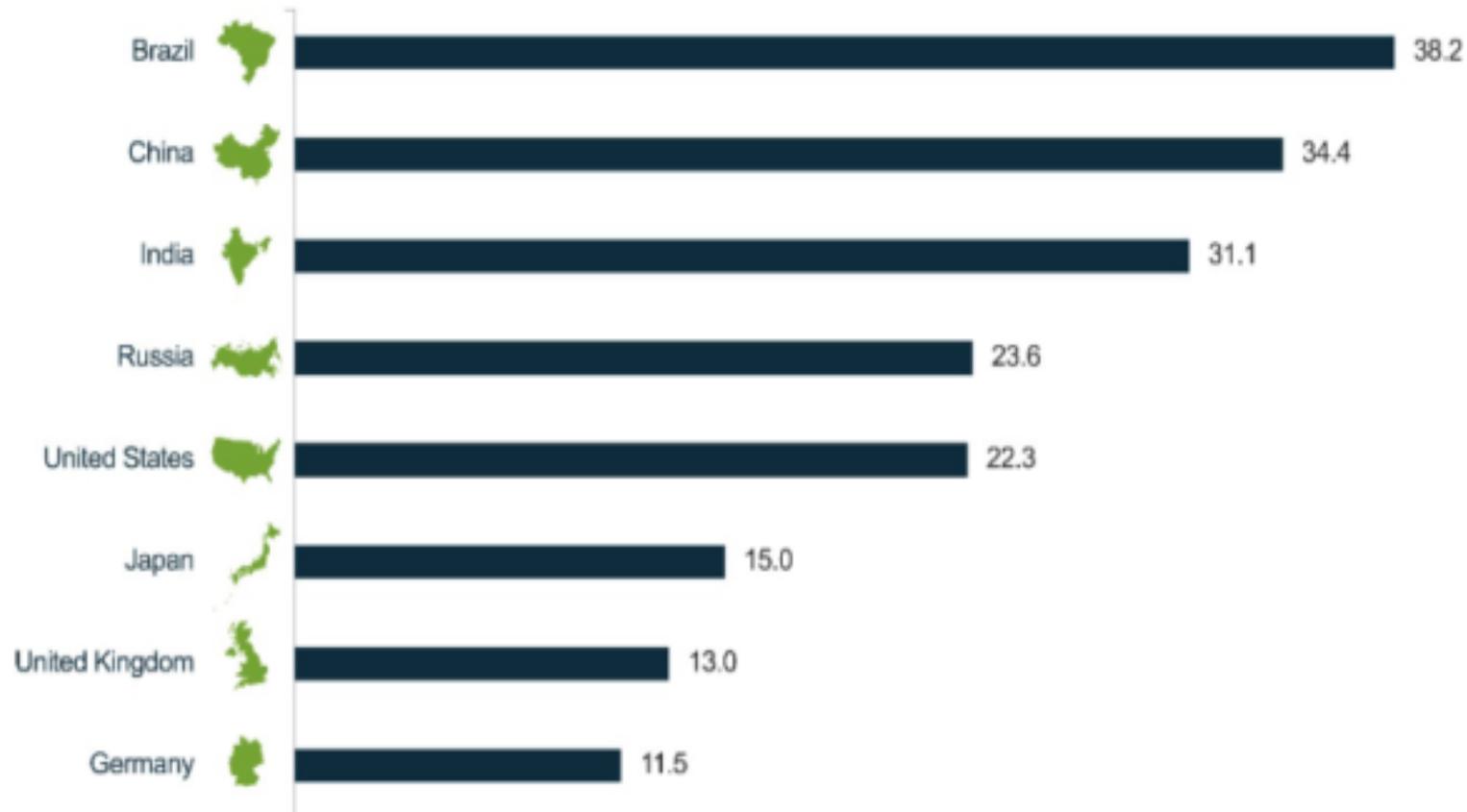


Sources: Internet Live Stats, of 2016; Gartner, Credit Suisse First Boston; company data; GFK, December 2017. There is no assurance that any estimate, forecast or projection will be realized.

Access To The Internet

A long way still to go for internet penetration in EM

Urban individuals not connected to the internet as a % of total urban population in 2017



Source: Statista, IHS Markit and Wireless Broadband Alliance.

FinTech Adoption Rates

FinTech adoption rates

Share of digitally active population using the following FinTech services, by country (2017)



Catch Up & Keep Up or Give Up



Learning and innovation go hand in hand. The arrogance of success is to think that what you did yesterday will be sufficient for tomorrow.

William Pollard



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Questions?