

As a conclusion it should be noted that the state has to encourage joint efforts of business and authorities, which will provide improve the legislative, organizational, administrative, structural and financial basics, as well as program and target mechanisms regulating interaction and social partnership between the state structures, educational institutions and business in the improvement of employment. And marketing personnel-technologies should contribute its development. Employers' market orientation includes labor force identification required for hiring that is provided by the balancing of labor forces and employment opportunities. This includes professions' evaluation requirements for the creation of the necessary organizational structure at the enterprise. Therefore, measures on preparing relevant (really necessary!) categories of employees must be implemented.

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## **FRANCHISING IN MARKETING ACTIVITIES**

Today, franchising has become a true philosophy of business, new progressive system of business ethics and business relations in the world. According to experts franchising is one of the most dynamic ways of doing business.

Franchising is a form of collaboration between legally and financially independent parties, which suggests that the party owning a successful business with a known brand, reputation and other intangible assets (the franchisor), transfers to another (franchisee) the possibility to use this system under certain terms.

In its present form franchising was born in the USA in the second part of the nineteenth century. It is believed that the first franchise agreement belonged to "Singer" company, which signed it a century and a half ago for sales of sewing machines in the US. The largest number of companies working on the franchise system is concentrated in the following areas: chains of restaurants and cafes, grocery stores, construction and reconstruction activities and so on. Franchising is widely used in retailing and wholesaling, in the provision of various services (accounting, insurance, auditing, legal, courier, tourism, design, IT technology). Among the most well-known companies that have become famous through franchising are "Coca-Cola", "PepsiCo", "McDonald's", "Nike", "Xerox", "Kodak" and others. In Ukraine, the fastest growing franchising companies are "Potato House" and "Pizza Celentano".

In recent decades, not only American, but also European, Japanese, Canadian,

Australian franchisors have intensified the development of their franchise networks not only within their states, but also abroad, especially in the third world countries. This expansion can be explained by the facts that: 1) Franchising has been widely recognized as a simple, affordable and practical way to organize business in different countries at rather low start-up costs. 2) Foreign goods and services are widely recognized outside the country of origin. There is the almost ready market because buyers have already received some information about these products and services. 3) Home market of franchisors can be oversaturated; this fact forces them to seek new sources of marketing their products abroad. 4) International franchising helps to develop economies of other countries.

We can distinguish the following types of franchising:

1. Product - franchisee buys from the manufacturing company the right to sale the goods of its trade mark.
2. Manufacturing – a company gets the right to manufacture certain products. The company which owns the technology of production of some products sells its raw material to regional or local businesses.
3. Business - franchisor gives other companies a license to open shops, pavilions for selling branded goods or services of the franchisor.

Taking into account the economic efficiency of franchising, we can say that its advantages are the following ones:

1. Maximization of development due to the fact that the franchisor has no need to invest additional resources either financial or personnel in order to increase its presence in the market.
2. Optimization of control, which is achieved due to lack of need for a vendor to monitor and control processes related with customers. The agreement specified the list of administrative points that should be observed.
3. Growth of capital – is the unconditional benefit for franchisees, because they do not need to spend resources on creating and supporting a new "object" of business.

However, there are some disadvantages of franchising, which should be noted also:

1. The lack of demand for franchisees because some big business model can not be always applied in the peripheral market segments.
2. Loyalty relations between the parties. Mostly it concerns the franchisor, because it is very important for him that the franchisee has a good reputation and makes the confidence of consumers in the fact that the goods of franchisor are really high quality.
3. The risk that franchisees can achieve such a great success to become a real independent competitor of the franchisor in its market segment. Therefore, the franchisor must clearly perceive the "middle ground" to promote his model successfully without creating a new competitor.

So, after reviewing all the above mentioned, we can draw the following conclusions:

1. Franchisee must and will grow only to the extent necessary to consumers, as they cover the loss of franchisees that are incurred in the development network. In addition, there is the expense of consumers and further modernization of the environment.
2. This model of building business is profitable and relevant for large countries.
3. The scheme of franchising has prospects of development, as large successful companies, monitoring the quality of their products and their reputation, provides its existence.