

MUMBO- fication

Multi-branding grows across international borders

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It is becoming increasingly common to find multi-brand franchisees of foreign brands worldwide. This may be at the local or regional level, country level, or even a multi-country level. This is a major trend we see in the U.S. and increasingly in EU countries. These franchisees are often referred to as MUMBOs: multi-unit, multi-brand operators.

International multi-brand franchisors

Franchisors with multiple brands possess several advantages: economies of scale with shared administration, support, training, marketing, supply chain, technology, and real estate resources. As they build their international presence across multiple brands, they can afford the cost of placing regional support people internationally to provide localized, real-time help to their licensees in multiple countries. A portfolio of different brands can help a multi-brand franchisor fare better in economic downturns. Here are a few examples.

- **Brinker—1,600** restaurants in 32 countries and territories (Chili's, Maggiano's Little Italy, and virtual brands It's Just Wings and Maggiano's Italian Classics)
- **CKE Restaurants—3,800** restaurants in 43 countries and territories (Carl's Jr. and Hardee's)
- **Focus Brands—7** brands, 1,650 locations in 60 countries (Auntie Anne's, Carvel, Cinnabon, Jamba, McAlister's Deli, Moe's Southwest Grill, and Schlotzsky's)
- **Franchise Brands (U.K.)—600** franchisees across 6 service franchise brands in the U.K., North America, and Europe (Metro Plumb, Filta, Oven Clean, Barking Mad, and The Handyman Van)
- **Inspire Brands—7** brands, 32,000 restaurants, 650,000 employees, 3,400 franchisees, 70 countries (Arby's, Baskin-Robbins, Buffalo Wild Wings, Dunkin', Jimmy John's, Rusty Taco, and Sonic)
- **Marriott—30** hotel brands, 8,000 properties and roughly 1.48 million rooms in 139 countries and territories
- **Neighborly—29** home service brands, 5,000 franchisees, 9 countries. The group has operations in North America, the U.K., and Germany. Neighborly was founded in 1981 by Don Dwyer and was known as the Dwyer Group until 2018.
- **Restaurant Brands International—29,000** restaurants in more than 100 countries (Burger King, Tim Hortons, Popeyes, and Firehouse Subs)
- **Xponential Fitness—10** brands, 2,100 studios, 11 countries (brands include Club Pilates, Pure Barre, Cyclebar, and BFT)
- **Yum Brands—54,000** restaurants in 155 countries and territories (KFC, Pizza Hut, Taco Bell, and Habit Burger)

International multi-brand franchisees

Next, let's consider a few of the world's multi-brand franchisees. Again, they benefit from economies of scale with shared administration, support, training, marketing, supply chain, technology, and real estate resources across borders. Major advantages include their ability to raise capital and to spread their risk in economic downturns.

- **Alsea—18** brands, 4,200 restaurants, 11 countries, 60,000+ employees with licenses for Domino's Pizza, Burger King, California Pizza Kitchen, Chili's Grill & Bar, Italianni's, Pei Wei Asian Diner, PF Chang's China Bistro, Starbucks, The Cheesecake Factory, and Vips. Alsea is based in Mexico and has licenses across Latin America and in Spain.
- **Alshaya Group—90** brands, 16 countries, 4,000 stores, 60,000 employees. Alshaya has a broad range of licenses that include Starbucks, H&M, Mothercare, Raising Canes, P.F. Chang's, The Cheesecake Factory, Shake Shack, The Body Shop, Victoria's Secret, Boots, Pottery Barn, and KidZania. Alshaya was founded in 1890 (not a typo!) in Kuwait, long before franchising entered the Middle East region. Today the company has outlets of franchised brands in the Middle East, North Africa, Turkey, and Europe.
- **Americana Group—20** brands, 20 countries, 55,000 employees with brands under license such as Hardee's, TGI Fridays, Krispy Kreme, Pizza Hut,

KFC, and Wimpy. Based in Kuwait, Americana operates in the Middle East North Africa (MENA) and the Commonwealth of Independent States (Eastern Europe and Asia). The company also has 19 food production facilities across these regions that help with supply chain.

- **AmRest—9** international brands, 2,400 restaurants in 20-plus countries (European Union, U.K., and China) with brands such as Starbucks, Blue Frog, KFC, Pizza Hut, and Burger King. Entrepreneur Henry McGovern started AmRest in 1993 in what used to be called Eastern Europe. AmRest has gradually acquired more brands, expanded across the EU, into the U.K., and is now a major player in China.
- **The Bistro Group—12** local and international brands, 200-plus restaurants in the Philippines. The group is the Philippines' country licensee for TGI Fridays, Watami, Buffalo Wild Wings, Italianni's, Texas Roadhouse, El Pollo Loco, Bulgogi Brothers, Denny's, and Olive Garden. The company started in 1997 as the country licensee for TGI Fridays. Today it has its own commissaries, chicken farms, and cattle ranches.
- **The Minor Food Group—2,200** restaurants operating in 27 countries with brands owned or under license that include The Coffee Club, The Pizza Company, Swensen's, Sizzler, Dairy Queen, Burger King, and Benihana. Started by an American, Bill Heinecke, in 1980 in Thailand, the company has 160 hotels, more than 400 retail locations, and 60,000 employees across Asia, the Middle East, Europe, and the U.K.

The bottom line

Increased global franchise development, economies of scale, supply chain issues, capital needs, and real estate costs all are leading to the emergence and growth of multi-brand international franchise groups at both the franchisor and franchisee levels.

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