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FRANCHISING AS AN EFFECTIVE FORM OF PARTNERSHIP WITH FOREIGN FIRMS

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Abstract. *The essence of franchising is defined in the article. The state of franchising in Ukraine and abroad is considered. Possible violations of franchisor and franchisee at pre-contractual and post-contractual stages are described. The factors of formation of franchise relations in the sphere of business of large and small firms on the basis of analysis of foreign experience of franchising are considered. Franchising is defined as a foreign economic partnership.*

Keywords: *process of globalization, franchising, franchisor, franchisees, forms of franchising.*

The current state of the economy, its internationalization necessitate the development of organizational and economic foundations for the formation of integrated business forms, and the main reasons for refusing to create your own business are the lack of funds for starting your own business, the instability of the country's economy, and the lack of experience in conducting entrepreneurial activities. An effective tool that allows you to solve this problem is franchising.

To reveal the essence of franchising, to compare the status of franchising in Ukraine and EU countries. Also to explore the features of franchising in the world and to determine the prospects of using this form of doing business in

Ukraine, as well as to determine the issues of successful development of this project.

Franchising is a useful tool for resolving a situation with a lack of funds to start a business, instability of the country's economy and lack of experience in doing business. World practice shows that franchising is one of the effective ways of business development for companies that have already succeeded and wish to continue their success. On the other hand, franchising is the best opportunity to organize a secure business for a small entrepreneur. Franchising is extremely popular in developed countries now.

The analysis of foreign experience of franchising relations shows their high efficiency. The viability of franchising firms drives its spread in many countries, including post-socialist countries. Franchising, in its development, has gone through several stages, acquiring various features and modification forms.

Even though the concept of franchising for Ukraine is relatively new, in recent years there has been significant growth. New domestic franchisors are emerging as

well as foreign companies entering the Ukrainian market. Given all the shortcomings of the Ukrainian market franchise, its growth is slower than in the EU countries and the USA.

However, in the current crisis conditions, this type of business remains one of the most promising and the least risky for Ukrainian entrepreneurs, as well as allows increasing the competitiveness of the domestic economy and contribute to the country's exit from the crisis.

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