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Features and legal regulation of franchising In Armenia

A franchise is a legal and commercial relationship between the owner of a trademark, brand, or business model (franchisor) and an individual or group (franchisee) who is granted the right to operate a business using that trademark, brand, or business model.

The concept of franchising dates back to the Middle Ages when English monarchs granted exclusive rights to certain individuals to conduct specific trades or sell certain products. However, modern franchising as we know it today has its roots in the United States, where it first emerged in the early 20th century. One of the first successful franchise models was developed by Isaac Singer, the inventor of the sewing machine, in the 1850s.

In the early 20th century, franchises started to gain popularity in the United States, particularly in the fast-food industry. Ray Kroc's acquisition of the McDonald's concept from the McDonald brothers in 1955 is often considered a landmark event in the history of franchising. Kroc transformed McDonald's into a globally recognized brand by franchising it to entrepreneurs who would open and operate their own McDonald's restaurants.

Since then, franchising has become a widely used business expansion strategy across various industries, including hospitality, retail, automotive, education, healthcare, and more. It offers entrepreneurs the opportunity to operate a proven business model with established brand recognition, marketing support, and ongoing training and support from the franchisor.



Locations

ARMENIA